

Guided by our basic policy of global management that emphasizes the need to take root over a long period in order to contribute to the economic development of the countries and regions where we operate our businesses, Toray Group's overseas production activities began with the establishment of a subsidiary in Thailand to provide integrated spinning, weaving, and dyeing of polyester-rayon fabric in 1963. As a Japanese company, Toray engaged in local production from an extremely early period. Beginning with Southeast Asia during the 1960s and 1970s, the Company's global network expanded to Europe and the U.S. in the 1980s, and then to the Republic of Korea and China in the 1990s. The Group has established production bases for such items as films and carbon fiber, in addition to fibers and textiles. Today, every effort is being made to promote organic collaboration among Group bases in Japan and overseas. Through these means, Toray is building an optimal global production and supply structure that adapts flexibly to changes in the business environment in line with market, foreign currency, and other trends. Furthermore, successful steps are being taken to create a production system that can supply high-quality products on a stable and continuous basis in any region.

## Working to Secure Sustainable Growth on a Global Scale through Organic Collaboration Among Production Bases

Toray's  
Strengths

04

# Global Production System

As of the end of fiscal 2018, Toray Group's network expanded to 26 countries worldwide. Accounting for 55% of the Group's total revenue, overseas sales amounted to roughly ¥1,300 billion. In contrast, the Group's overseas production ratio substantially exceeds its sales ratio. More than 75 to 80% of such principal products as fibers and textiles, resins, films, and carbon fibers are manufactured outside of Japan. Drawing on its global production system as a source of considerable strength, Toray Group is implementing a sustainable growth cycle. In specific terms, we are undertaking cutting-edge innovative research and development at our mother plant in Japan, while at the same time adopting a strategy to establish local production systems swiftly and flexibly from the perspectives of demand and cost competitiveness. Complementing these endeavors, we are also promoting the development of applications that cater to local needs at each production base. This in turn enables us to capture new profit opportunities.



Europe  
European Airbag Textile Market

Asian Airbag Textile Market

China  
India  
Thailand  
Japan

Americas Airbag Textile Market

USA

Mexico

Brazil

- Fiber Production and Sales 3 countries
- Textile Production and sales 6 countries
- R&D Center 2 countries
- Marketing 8 countries

### Working to Secure the Leading Position in Airbag Textile through a Global Integrated Production System

The airbag market is exhibiting rapid growth due to upswings in the number of automobiles sold in emerging countries as well as installation rates. In its airbag fibers & textiles business, Toray Group began the integrated production of a wide range of products from fibers to textiles in Mexico from 2018 as a part of efforts to further reinforce its global production system. Currently, Group companies manufacture airbag fibers in three locations and airbag textiles in six locations worldwide, respectively, under the global production system that is capable of providing airbag textiles of a uniform quality in a timely manner across the Group's entire network. As a result of these efforts, Toray Group is highly praised from a business continuity plan (BCP) perspective. Going forward, we are aiming to secure the top market share in the global airbag textiles market where strict quality control and reliability of products are required.