

Comments from the Outside Directors

I will make contributions by increasing the quality of corporate governance and ensuring sustainable growth of Toray's corporate value.

Kunio Ito

Outside Director

Q How would you rate Toray's corporate governance?

A The sense of discipline that forms the basis of corporate governance is firmly entrenched in Toray's employees and management. Moreover, considerable progress is being made to further energize the Board of Directors which plays a central role in the governance function. As a part of efforts to evaluate the effectiveness of the Board of Directors, we are drawing on the results of signed questionnaires. Steps are being taken to analyze any changes from the previous year and discrepancies between the evaluations by internal and outside directors. In addition, detailed hearings with outside directors and outside corporate auditors are being held to clarify issues for the next fiscal year. Furthermore, the level of competence exhibited by the Governance Committee, which also encompasses the nomination and remuneration functions, continues to improve with each passing year.

Q What do you believe is your role as an outside director?

A The role of an outside director, as I see it, is to properly grasp the background behind each agenda item presented to the Board of Directors and the impact on corporate value. Moreover, outside directors need to exercise judgment from a long-term perspective and not a myopic view. At the same time, outside directors must ensure that the activities and decisions of the Company can be explained to all stakeholders including shareholders, from the standpoint of a third party. As chairperson of the Governance Committee, which serves as an advisory body to the Board of Directors, I will contribute to efforts aimed at putting in place a proper succession plan as well as the remuneration system. I will also focus on steadily increasing the quality of governance and to secure the sustainable growth of Toray's corporate value.

Q What issues do you think the Company will face in its efforts to secure sustainable growth?

A Toray has been actively engaged in the development of advanced technologies in order to realize its overarching philosophy and strong belief that materials have the power to bring about fundamental transformations in society. Looking ahead, the Company must continue to ramp up and further enhance these efforts. However, in this VUCA* era of intense environmental change, I would like Toray to foster an agile organizational culture. At the same time, it is important that the Company further entrench an entrepreneurial spirit in its employees going forward. In this sense, I would hope that employees enjoy the freedom to paint their own picture as if working on a blank canvas when actively promoting open innovation with startups and other companies. Put simply, it is vital that Toray remains a leading company in solving social issues.

* VUCA: Acronym for "Volatility," "Uncertainty," "Complexity," and "Ambiguity"

I will express my opinion on
Toray's research and technological development
issues and human resource development.

Ryoji Noyori

Outside Director

Q How would you rate Toray's corporate governance?

A For many years, Toray Group has won an acknowledged reputation for being an organization acting with the greatest sincerity by accumulated efforts of its forerunners. Regrettably, there were deviant acts in product quality control at a subsidiary the year before last that brought considerable disgrace upon the Group as a whole. On the other hand, the case served as an opportunity to promote a restoration of discipline from every point of view across the entire organization. Amid the increase in overseas activities in the coming years, the Company should be highly evaluated for making every effort to avoid unforeseen circumstances by ingraining the Toray spirit even in different cultural regions.

Q What do you believe is your role as an outside director?

A As a lowly government servant, I have long been involved in scientific research and education at universities and have participated in the administration of national research and development institutes as well as in the formulation of policies for promoting Japan's science and technology. I have also broadened my knowledge of overseas situation in these areas. Based on those experiences, I believe that I am mainly responsible for advising on Toray's research, technological development issues, and human resource development. Manufacturing is the basis of Japanese industry, and "materials have the power to change the world," but the future business environment is not an extension of that of today. I would thus like to watch closely the trend and request change in awareness.

Q What issues do you think the Company will face in its efforts to secure sustainable growth?

A Toray, with its leading technology, should evolve from being "Japan's No. 1 materials company" to "the Company that attracts the world." If that is the case, what kind of technologies are required in the new era? Not only its R&D teams, but also Toray as a whole should sharpen sensitivities, gather knowledge, and create new values on their own. Such a spirit is required. Toray must not stay as the downstream industry servant. From the perspective of fairness between the current and future generations, it is inevitable that society will shift to a "circular economy." I would like you to lead the future society proactively with pride.

