

'TORAY'
Innovation by Chemistry



Long-Term Management Strategy
“TORAY Challenges 2035”

Medium-Term Management Program
“IGNITION 2028”

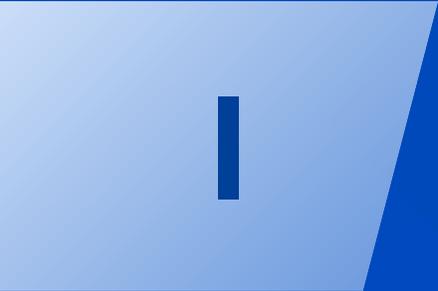
March 25, 2026

Toray Industries, Inc.



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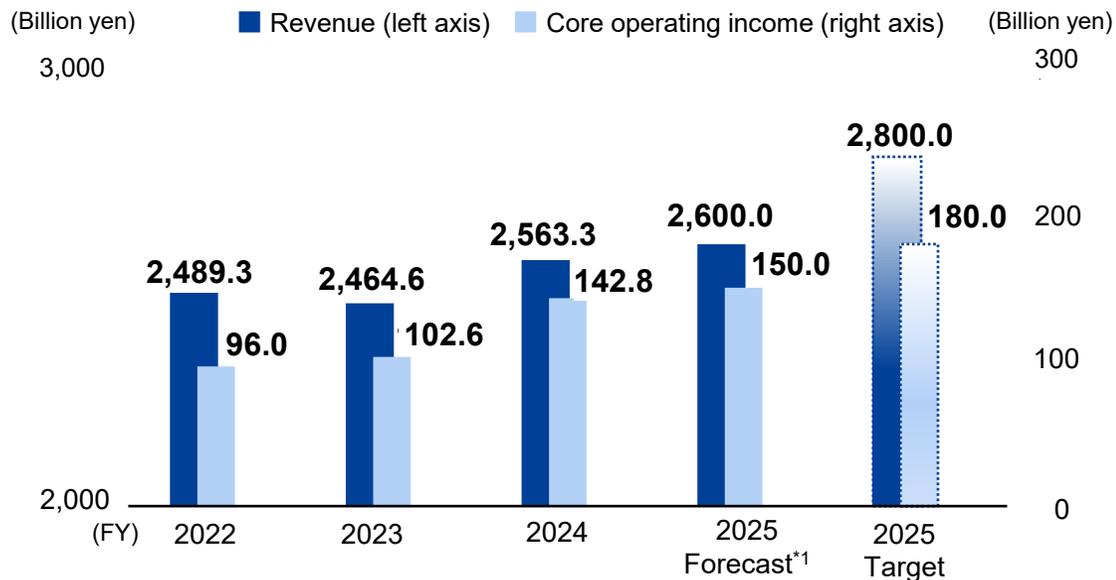


Reviewing Medium-Term Management Program “Project AP-G 2025”

1. Progress on Target (Consolidated)

Forecast significant increase compared with FY 2022 in core operating income, but below target
 Expect to reach the ROIC target by promoting management with ROIC as our core management principle

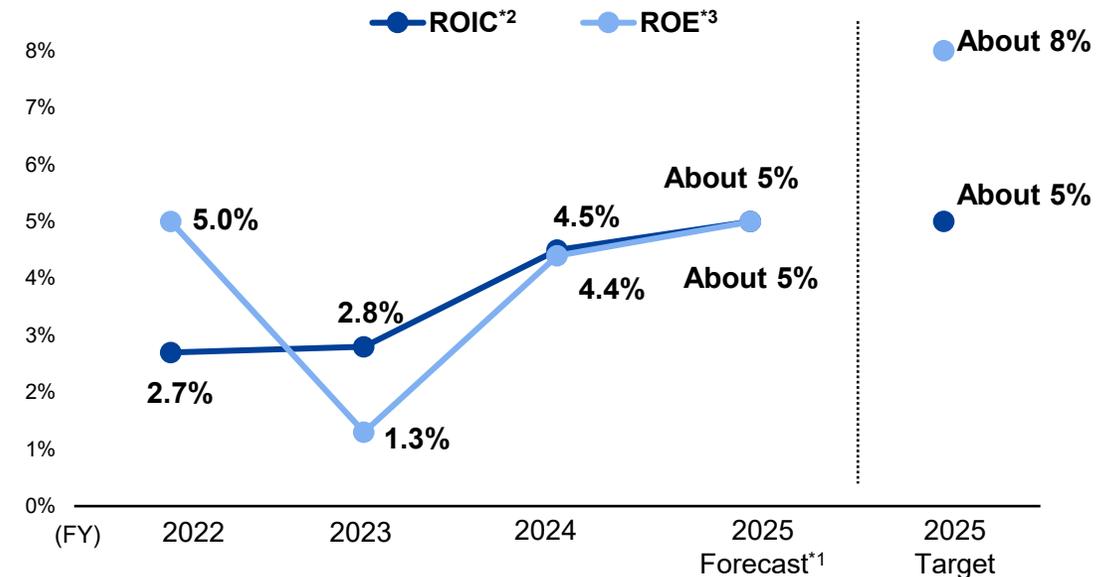
Trend of revenue and core operating income



Revenue and core operating income

Structural reforms, including Darwin Project, drove 54 billion yen (annually 16%) increase in core operating income compared with FY 2022. However, we fell short of our target due to lower sales volumes caused by delays in business expansion, particularly in Performance Chemicals and Carbon Fiber Composite Materials.

Trend of ROIC and ROE



ROIC and ROE

Despite the delay in business expansion, ROIC is expected to be about 5% and to meet the target, driven by our structural reform and the sale of cross-shareholdings.
 On the other hand, ROE is expected to fall short of the target.

*1: Forecast announced on February 10, 2026

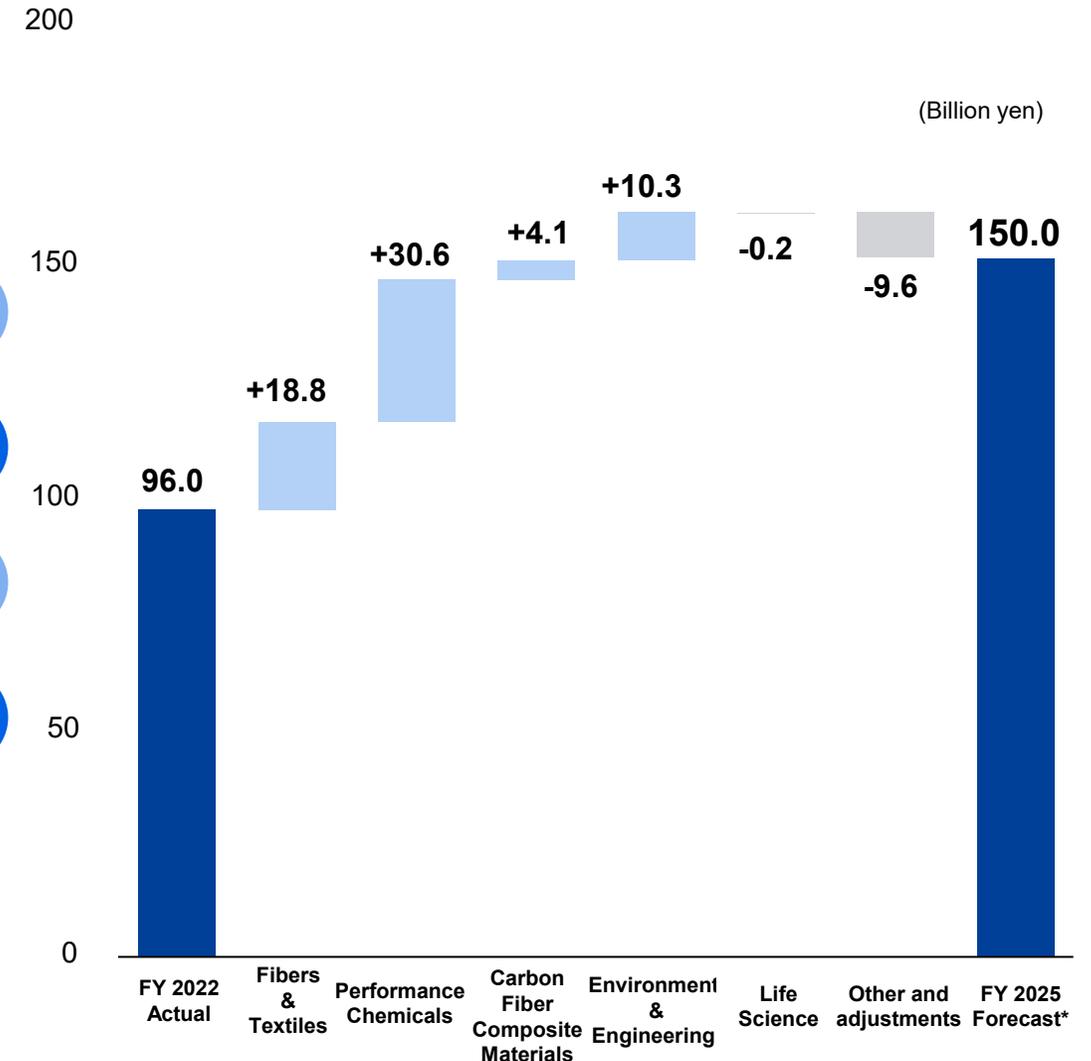
*2: ROIC = Core operating income after tax / average invested capital (average of the balances at beginning and end of the period)

*3: ROE = Net profit attributable to owners of parent / average equity attributable to owners of parent

2. Progress on Target (by segment)

Core operating income increased and ROIC improved across all segments, except for the Life Science segment under structural reform

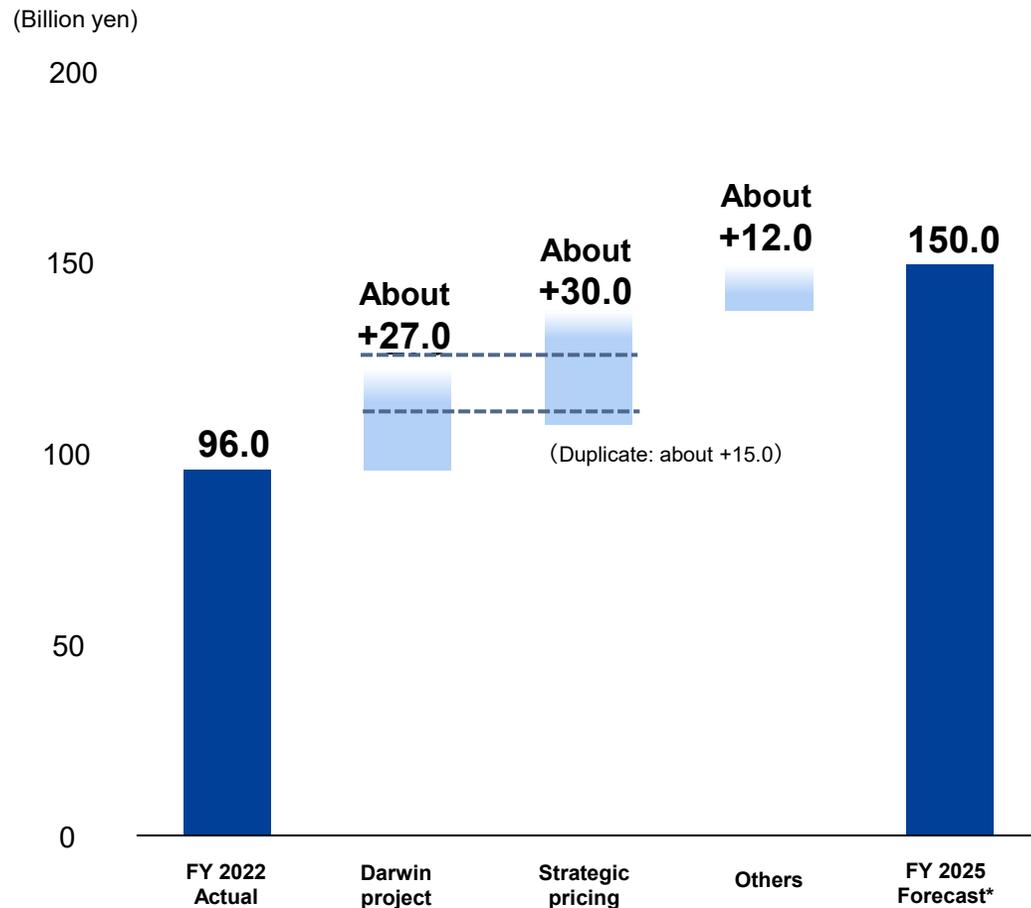
Segments	FY 2013-22		FY 2023-25		
	Revenue CAGR	FY 2022 ROIC	Revenue CAGR	Core operating Income CAGR	FY 2025 ROIC
Fibers & Textiles	+3.2%	6%	+1.5%	+11.0%	8%
Performance Chemicals	+2.7%	3%	-0.3%	+26.2%	7%
Carbon Fiber Composite Materials	+10.6%	2%	+2.3%	+7.9%	2%
Environment & Engineering	+1.6%	8%	+6.8%	+15.0%	11%
Life Science	-0.9%	0%	-0.5%	—	0%
Consolidated Total	+3.4%	2.7%	+1.5%	+16.0%	About 5%



* Forecast announced on February 10, 2026

3. Analysis on Core Operating Income (by Initiative)

Shortly after the start of AP-G 2025, the business environment significantly changed due to factors such as increased geopolitical risks. In response, we implemented intensive measures to **improve the profitability of specific businesses and companies under Darwin Project**. Furthermore, we implemented **strategic pricing** to enhance our value creation capability and achieved the effect of an about 30 billion yen increase as we expected.



*Forecast announced on February 10, 2026

Businesses and companies that fall under Darwin Project and initiatives

Businesses or companies	Initiatives
ZOLTEK (Large tow carbon fiber)	<ul style="list-style-type: none"> Reduction of total fixed costs through adjustments to the production structure in line with utilization levels
Film in the U.S. and Europe	<ul style="list-style-type: none"> Ceased production at the film production facilities mainly for general-purpose products Reduction of total fixed costs through adjustments to the production structure Promoted strategic pricing
PP spunbond	<ul style="list-style-type: none"> Reduction of fixed costs through adjustments to the production structure including shutdown of production lines
TPM (ABS resins)	<ul style="list-style-type: none"> Improvement of product mix Reduction of fixed costs Restored profitability in the second half of FY 2023
Polyester staple fiber	<ul style="list-style-type: none"> Implemented shutdown of polymerization facilities through global production transfer Became profitable ahead of schedule
Effect to the business performance	Profitability improved about 27 billion yen compared with FY 2023

4. Progress of Sustainability Target

Each relative ratio is calculated in comparison to FY 2013

	FY 2013 actual (baseline)	FY 2025 Forecast	AP-G 2025 FY 2025 Target
Revenue from Sustainability Innovation (SI) business^{*1}	562.4 billion yen	1,404.0 billion yen (2.5-fold)	1,600.0 billion yen (2.8-fold)
CO₂ emissions avoided in value chain^{*2}	40 million tons	12.5-fold	15.0-fold
Water filtration throughput contribution by Toray's water treatment membranes^{*3}	27.23 million tons/day	3.1-fold	2.9-fold
Greenhouse gas emissions per unit of revenue in production activities^{*4*6*7}	356 tons/100 million yen	42% reduction	40% reduction
Greenhouse gas emissions of Toray Group in Japan^{*5*6*7}	2.45 million tons	29% reduction	20% reduction
Water usage per unit of revenue in production activities^{*7}	14,693 tons/100 million yen	36% reduction	40% reduction

*1. (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.

*2. 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 and the International Council of Chemical Associations (ICCA).

*3. Water treated annually with Toray water treatment membranes. It is calculated by multiplying the amount of fresh water 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.

*4. 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 fiscal 2030.

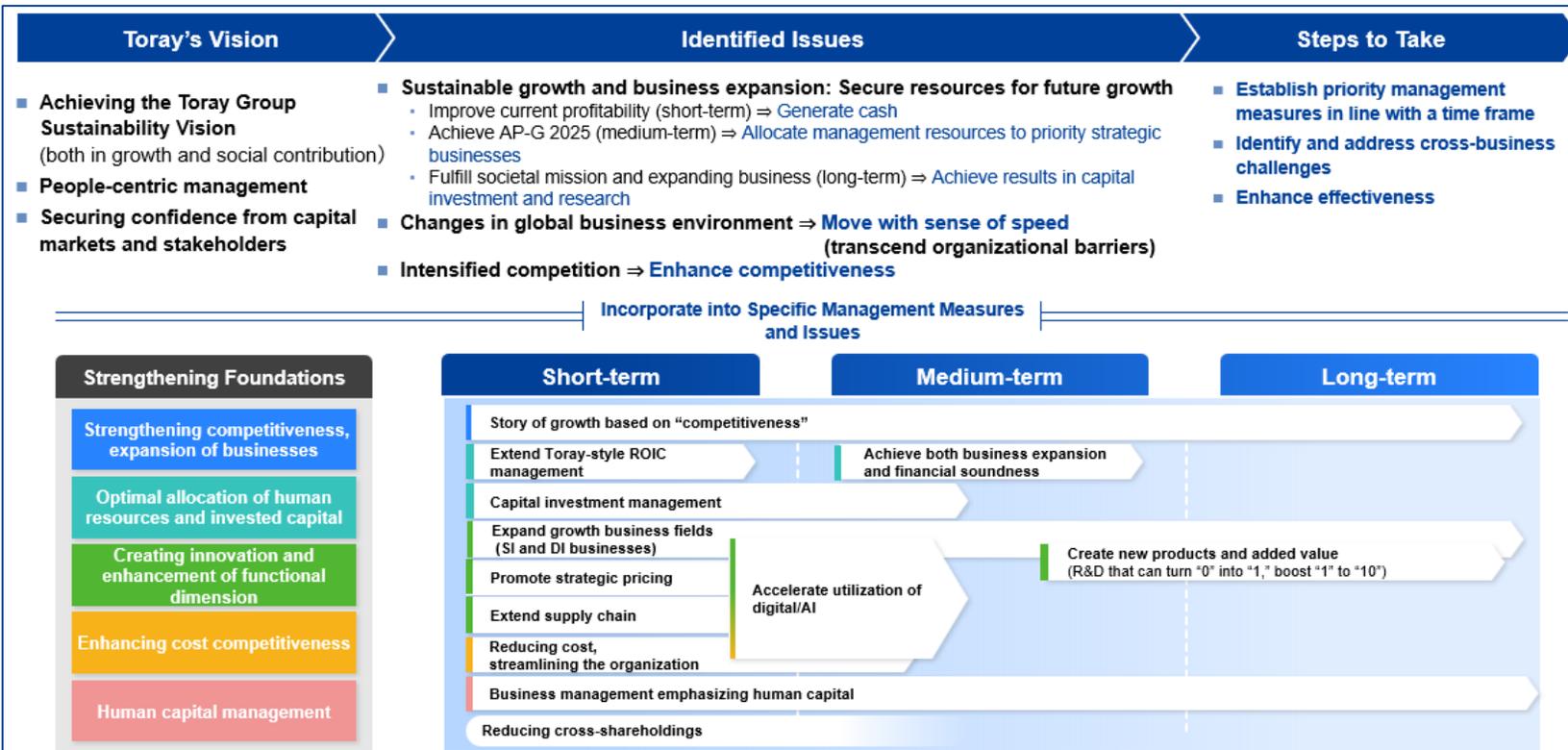
*5. In Japan, Toray works to surpass the reduction target set for the industrial sector by the Japanese government (absolute emissions reduced by 38% by FY 2030) in its comprehensive plan (Cabinet decision on October 22, 2021) based on Japan's Act on Promotion of Global Warming Countermeasures.

*6. The figures are calculated by multiplying the degree of financial control Toray Industries has over the individual subsidiary, in accordance with the GHG protocol, the international standard.

*7. Calculation includes data for companies that joined the Toray Group in FY 2014 or later.

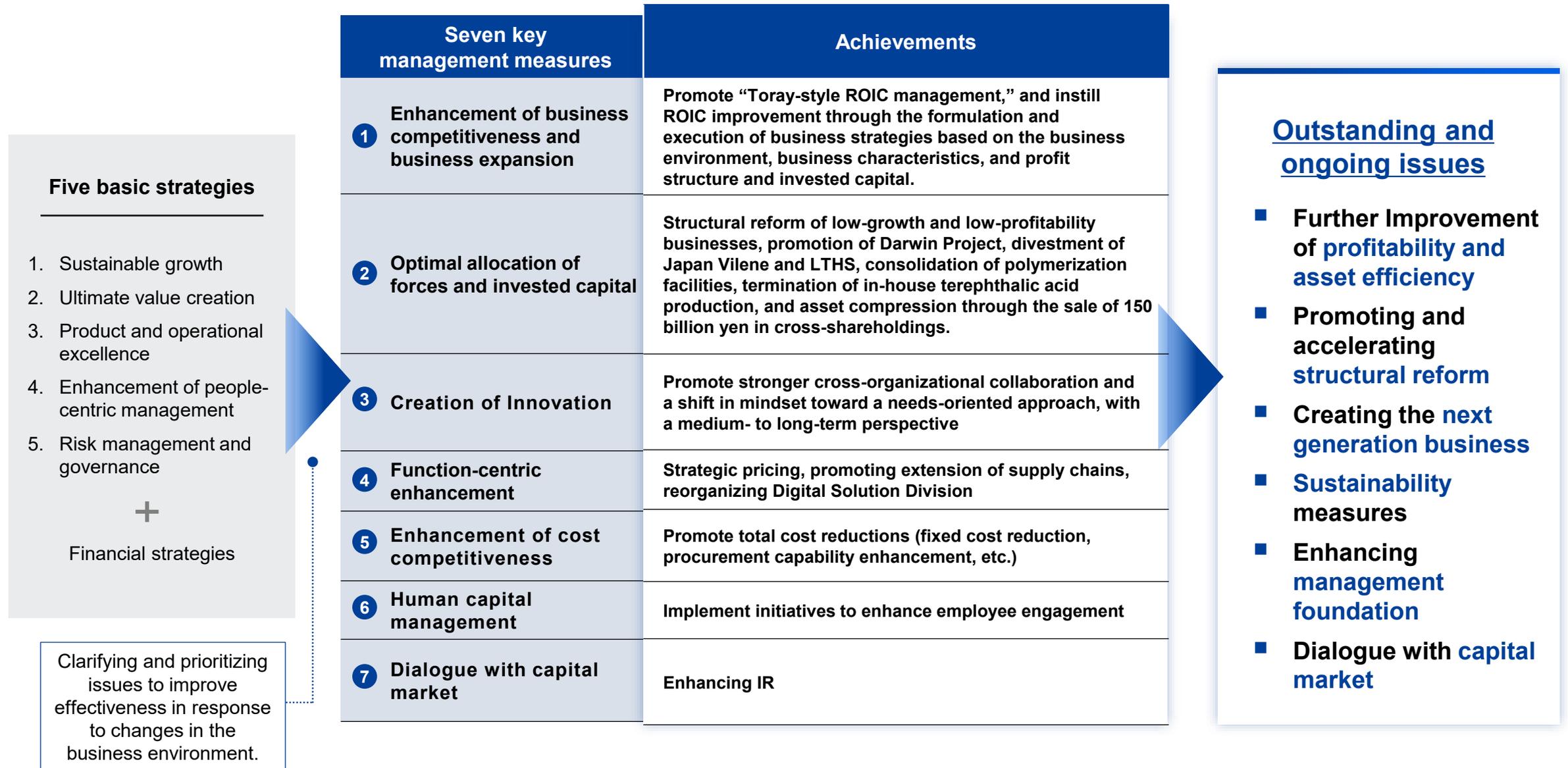
5. AP-G 2025: Achievement and Challenges (1)

The seven key management measures and 18 challenges announced in the management briefing in May 2024 were defined in response to changes in the business environment, based on: (1) Toray's vision, (2) Identified issues regarding (1), (3) Challenges to address (2), and a "time-axis" perspective.



- ### Seven key management measures
- Enhancement of business competitiveness and business expansion
 - Optimal allocation of forces and invested capital
 - Creation of Innovation
 - Function-centric enhancement
 - Enhancement of cost competitiveness
 - Human capital management
 - Dialogue with capital market

6. AP-G 2025: Achievement and Challenges (2)





Vision for the World “TORAY VISION 2050”
Long-Term Management Strategy
“TORAY Challenges 2035”
- Weaving Science into Society -

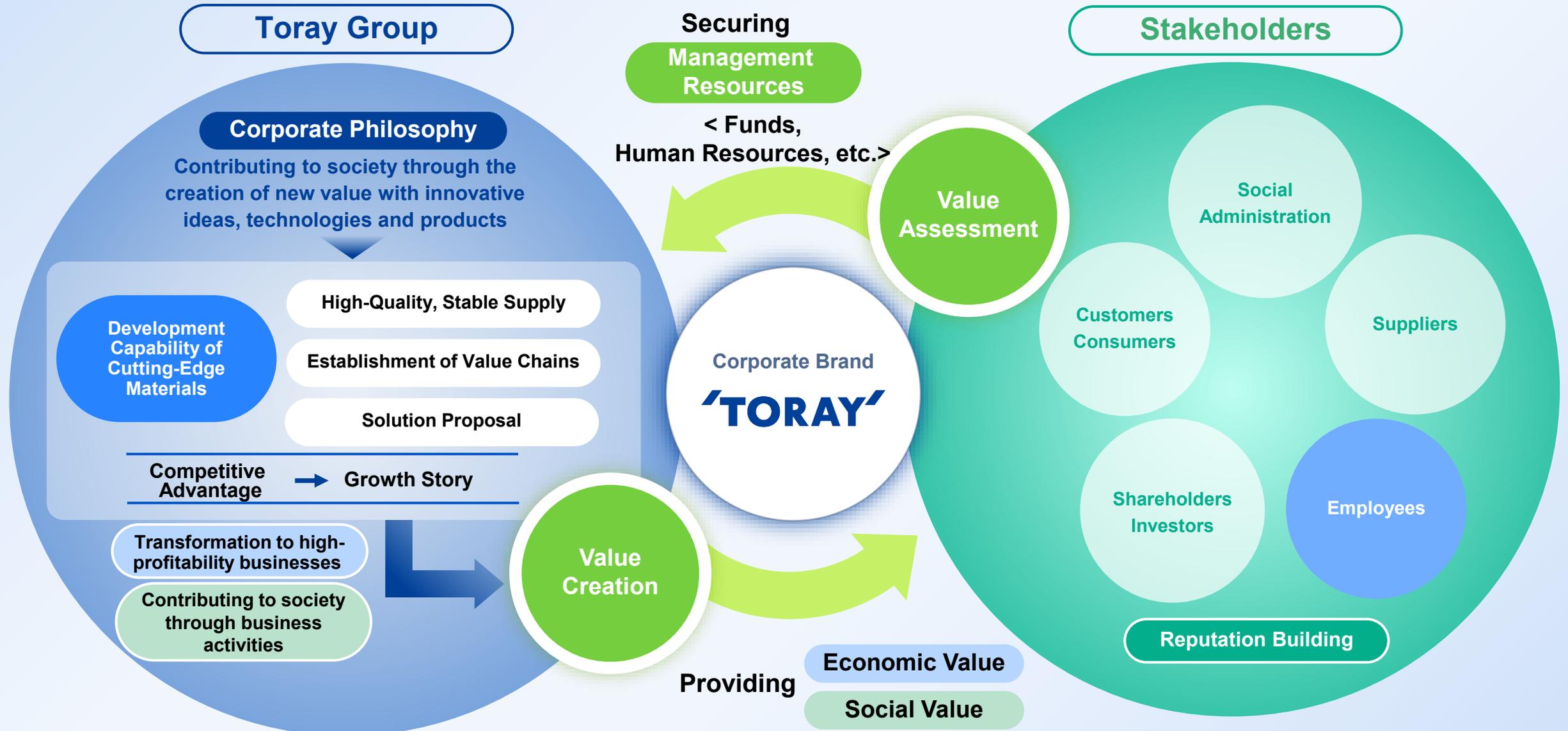
1. Our Philosophy and Vision

Toray has revised its vision for the world from the “Toray Group Sustainability Vision” to “**TORAY VISION 2050.**”

Along time axis, we systematically organized the relationship between the “Toray Philosophy” and our “Ambition and Strategies” for the world we aim to create.



2. Toray's Vision



3. Business Portfolio: Business Fields We Are Focusing On

Through a broad array of products, Toray aims to achieve the three worlds defined in TORAY VISION 2050.

Vision for the World*

1 **A world where people live in harmony with the planet, resources are recycled, and nature regenerates**

Environment | Decarbonizing, recycling, air

2 **A world where prosperity is created and shared in safe and secure societies**

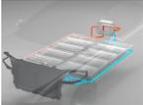
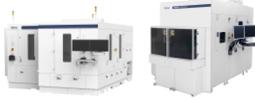
Society | Semiconductor, space and defense, mobility

3 **A world where everyone lives in health and comfort**

People | Water, healthcare, comfort

Toray's Products

- Fibers & Textiles
- Resins & Chemicals
- Films
- Electronic & Information Materials
- Carbon Fiber Composite Materials
- Water Treatment
- Pharmaceuticals and Medical Products
- Engineering
- Others

<p>Recycled fiber</p> 	<p>Capacitor film for xEVs</p> 	<p>Carbon fiber for wind turbine blades</p> 	<p>Carbon fiber for pressure vessels</p> 	<p>Hydrocarbon (HC) electrolyte membrane</p> 
<p>Airbag textiles</p> 	<p>Engineering plastic for automobiles</p> 	<p>Electronic coating materials</p> 	<p>Carbon fiber for aircraft, space & defense applications</p> 	<p>Semiconductor manufacturing and inspection equipment</p> 
<p>Integrated business from fiber and textiles to garments</p> 	<p>Veterinary medicines</p> 	<p>Carbon fiber for sports applications</p> 	<p>Reverse osmosis (RO) membrane for water treatment</p> 	<p>Artificial kidneys</p> 

*The world and business areas that Toray envisions in TORAY VISION 2050

4. Reviewing Materials Issues

Based on the business environment and strategies, we have reviewed the existing CSR material issues and redefined material issues for management.

By combining Toray's business strengths with data and engineering, we aim to turn social issues and the uncertain business environment into opportunities, thereby creating economic and social value.

Material issues for management

Create value by translating social issues and the uncertain business environment into opportunities

Growth opportunities originating from social challenges and market needs

- Create new businesses such as environment, energy, semiconductor, space and defense, mobility, water resources, health and longevity, and high-added-value creation
- Improvement of ROIC

Build trust and resilience

Improve the resilience of our business foundation and ensure sustainable management as a company trusted by society

- Geopolitical risks and supply chain
- Governance and risk management
- Contribute to solving social challenge regarding environment, human rights, sustainability, etc.
- Quality, safety, and business continuity

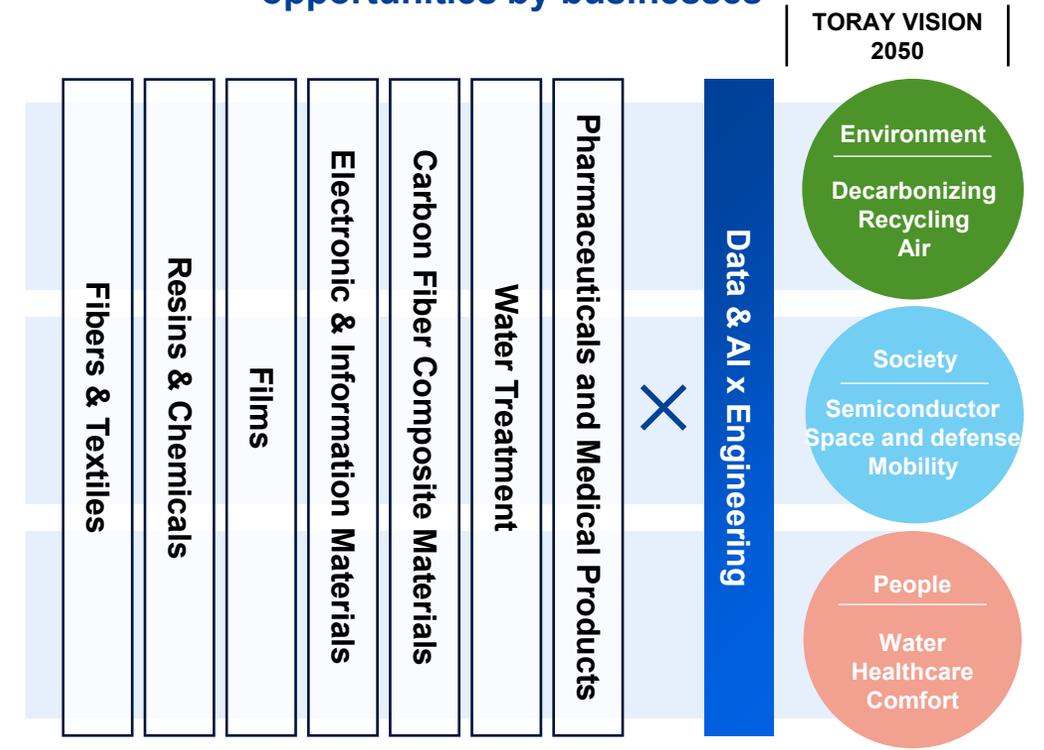
Enhance corporate foundation and organizational capabilities

Strengthening organizational capabilities to respond to change, and empowering a diverse workforce and improving productivity

- Digital transformation (DX), improving productivity, human rights, diversity, human resource strategy, organizational strength, and adaptability to change



Create economic and social value through solving social issues and capturing opportunities by businesses



Business environment and impact on the Toray Group

1. Tightening regulations and rising protectionism, along with heightened geopolitical risks
 - ▶ **Business design that turns regulation and economic security into opportunities**
2. Multipolarization of the global economy and restructuring of supply chains
 - ▶ **Transforming the resilient supply capabilities of global production sites into value**
3. Industrial structure transformation driven by AI and semiconductors
 - ▶ **Focusing on technologies that links to next-generation markets and expansion of applications**
4. Growing demands for decarbonization and circular economy
 - ▶ **Selecting business and securing profitability from a sustainability perspective**
5. Growing uncertainty in corporate activities due to widening economic disparities, among other factors
 - ▶ **Strengthening risk management**
6. Increased emphasis from capital markets on corporate value and asset efficiency
 - ▶ **Balancing growth investments with capital efficiency**
7. Accelerating restructuring of the chemical industry
 - ▶ **A shift toward quality and accelerated industry consolidation**



Long-Term Management Strategy “TORAY Challenges 2035”

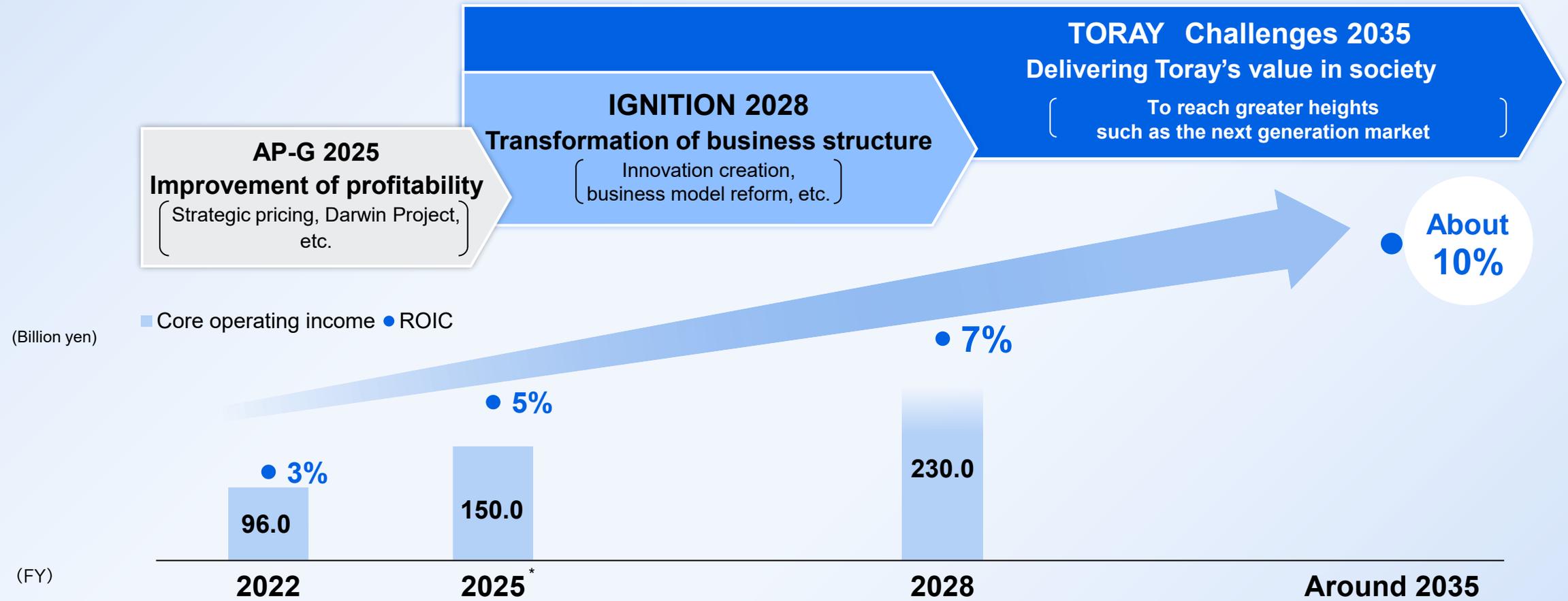
- Initiative 1** Achieve steady growth and create new momentum in next-generation markets
- Initiative 2** Transform business models
- Initiative 3** Strengthen genba-ryoku (workplace competency) and enhance supply chain resilience
- Initiative 4** Reinforce mechanisms for value creation through DX
- Initiative 5** Strengthen management foundation by focusing on human resources management

Weaving Science into Society

* An approach to elevating Toray’s science across R&D, production, engineering, and marketing into indispensable value by linking it to societal challenges and needs and **delivering it in society**.

6. Outlook Around 2035

The Toray Group has innovative technologies and advanced materials that contribute to environment- and people-related markets as well as next-generation markets including semiconductors and data centers, space and defense, and mobility, offering strong potential for high profit margins. **The ideal vision state around 2035 is the achievement of an ROIC about 10%** through delivering Toray's value in society. As a milestone toward this goal, **IGNITION 2028** aims to enhance the quality and certainty of the "growth strategy" and "structural reform" initiatives undertaken since **AP-G 2025**, and to transform the business structure to consistently generate an ROIC 7%.



*Forecast announced on February 10, 2026

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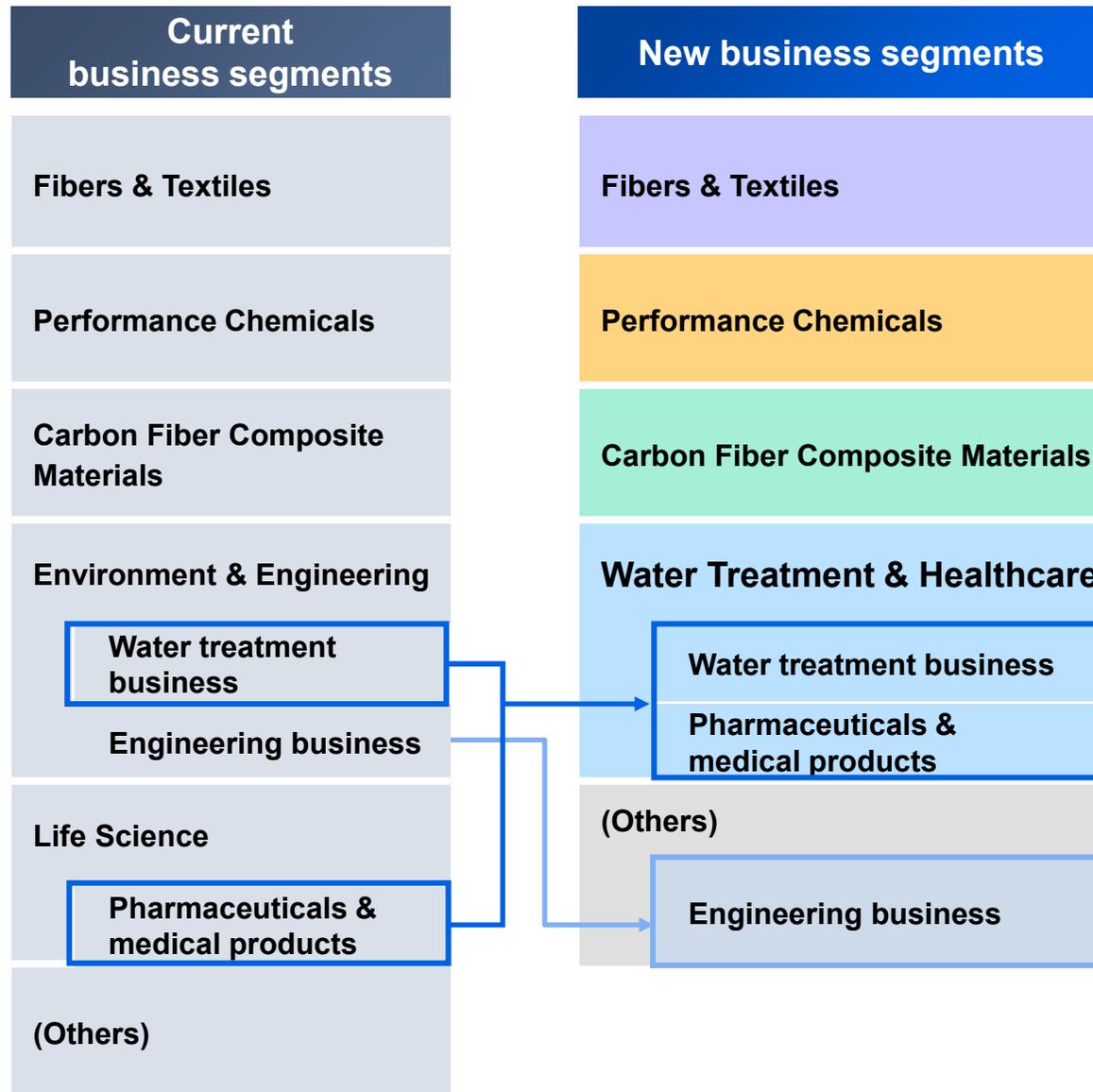
Medium-Term Management Program

“IGNITION 2028”

- Deeper Growth, Faster Reform -

Basic Policy and Target

1. Change in the Business Segments



To realize “a world where everyone lives in health and comfort,” as outlined in TORAY VISION 2050, we have reviewed and realigned our business segments.

We have grouped the water treatment business, which supports people’s health and quality of life through the provision of safe water, with the pharmaceutical and medical products business, which contributes to health and longevity, and newly established the “Water Treatment & Healthcare” segment.

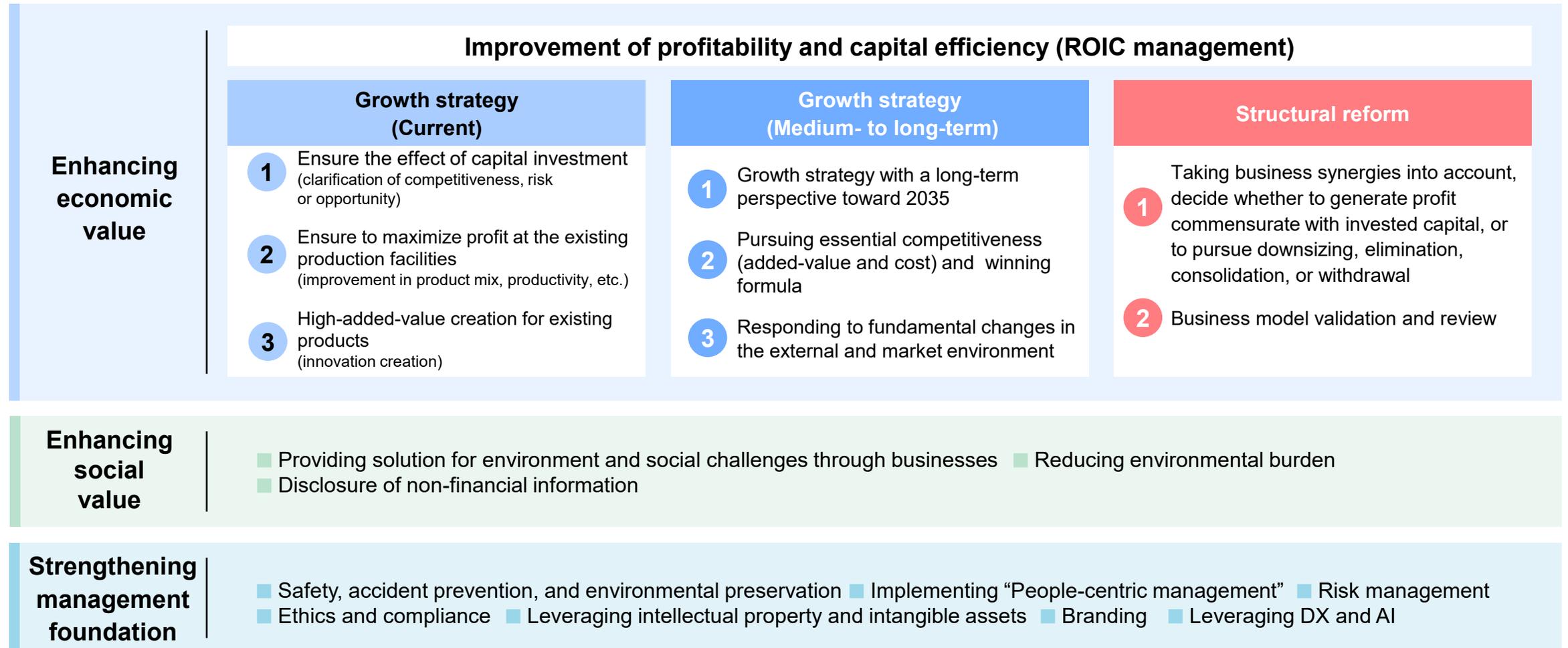
The engineering business will remain subject to disclosure, as it plays an indispensable role in delivering materials in society.

Through this segment reorganization, we will accelerate initiatives to realize TORAY VISION 2050.

TORAY VISION 2050
World that Toray envisions in 2050

- 1 A world where people live in harmony with the planet, resources are recycled, and nature regenerates
- 2 A world where prosperity is created and shared in safe and secure societies
- 3 A world where everyone lives in health and comfort

Accelerate the monetization of invested capital, improve **the quality and certainty** of completing structural reforms, and **transform the business structure** and strengthen the management foundation toward long-term growth. Intensify the **development of next-generation markets** such as semiconductors and space & defense, while steadily planting the seeds for future growth.



3. FY 2028 Target

Billion yen

	FY 2025 Forecast*1	FY 2028 Target
ROIC*2	About 5%	About 7%
ROE	About 5%	About 8%
(The above figures are based on the following assumptions.)		
Revenue	2,600	3,000
Core operating income	150	230
Core operating margin	5.8%	8%
D/E ratio	0.7 or lower (Guideline)	0.7 or lower (Guideline)

*1: Forecast announced on February 10, 2026

*2: Core operating income after tax / average invested capital (average of the balances at beginning and end of the period)

Assumption of foreign exchange rate for FY 2028: 150 yen / US \$

Assumption of crude oil price for FY 2028: 72.5US \$ / bbl

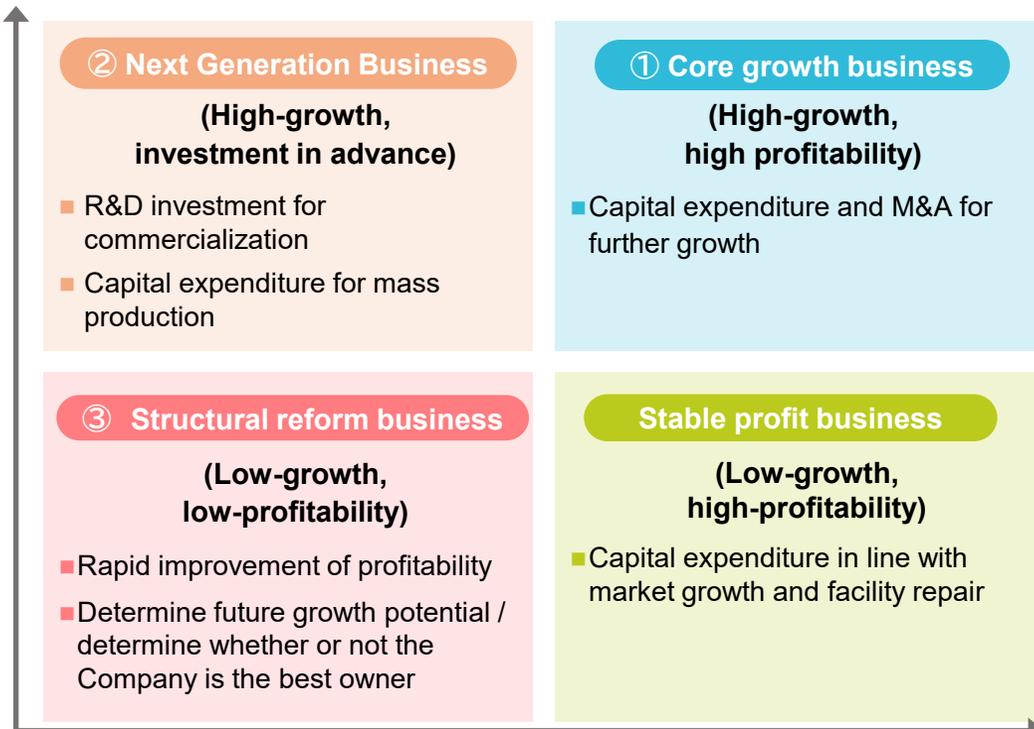
4. Business Portfolio Structure

Based on the “growth potential x profitability x competitiveness x time axis” in the future, we have clarified the positioning of each business

Financial Perspective (Growth Potential and Profitability)

Does the business have high earning / growth capabilities?

Growth potential

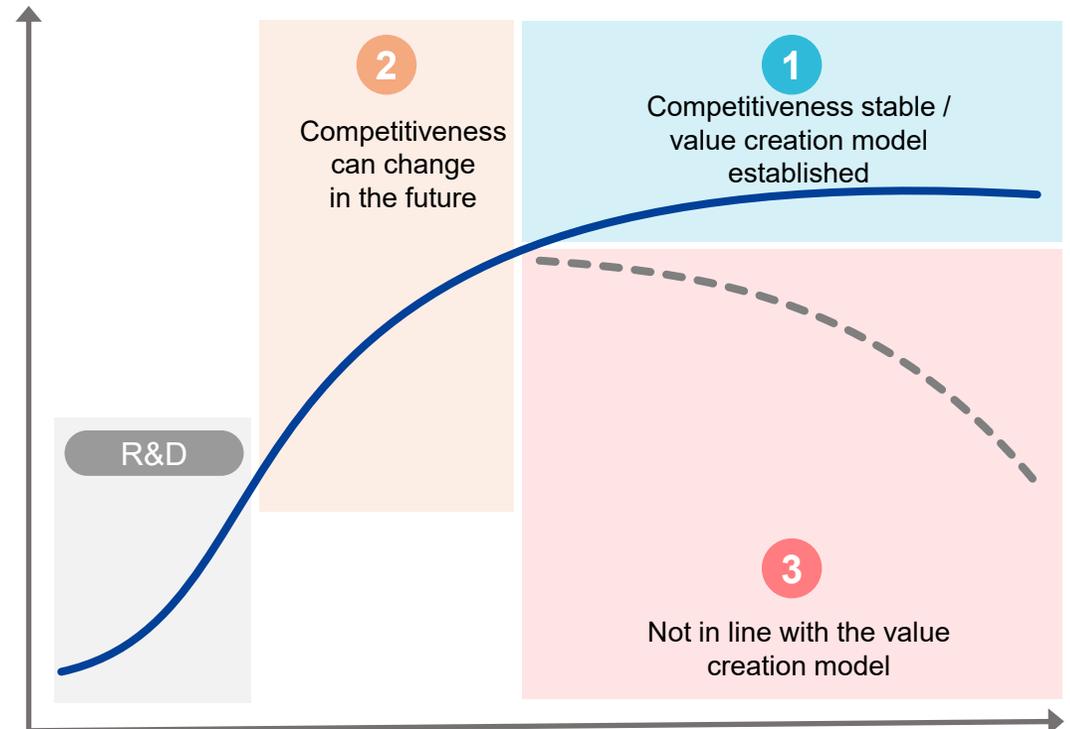


Profitability

Competitive / Time-Axis Perspective

Can the business continue to be successful in the future?
Is the business in line with Toray's value creation model?

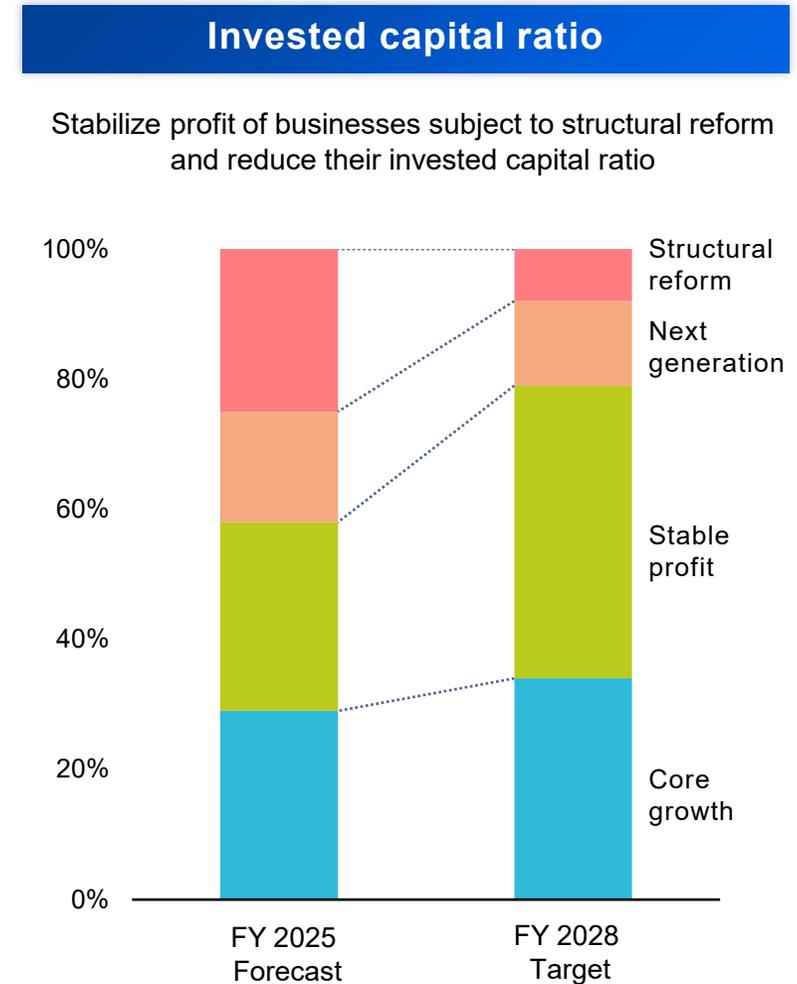
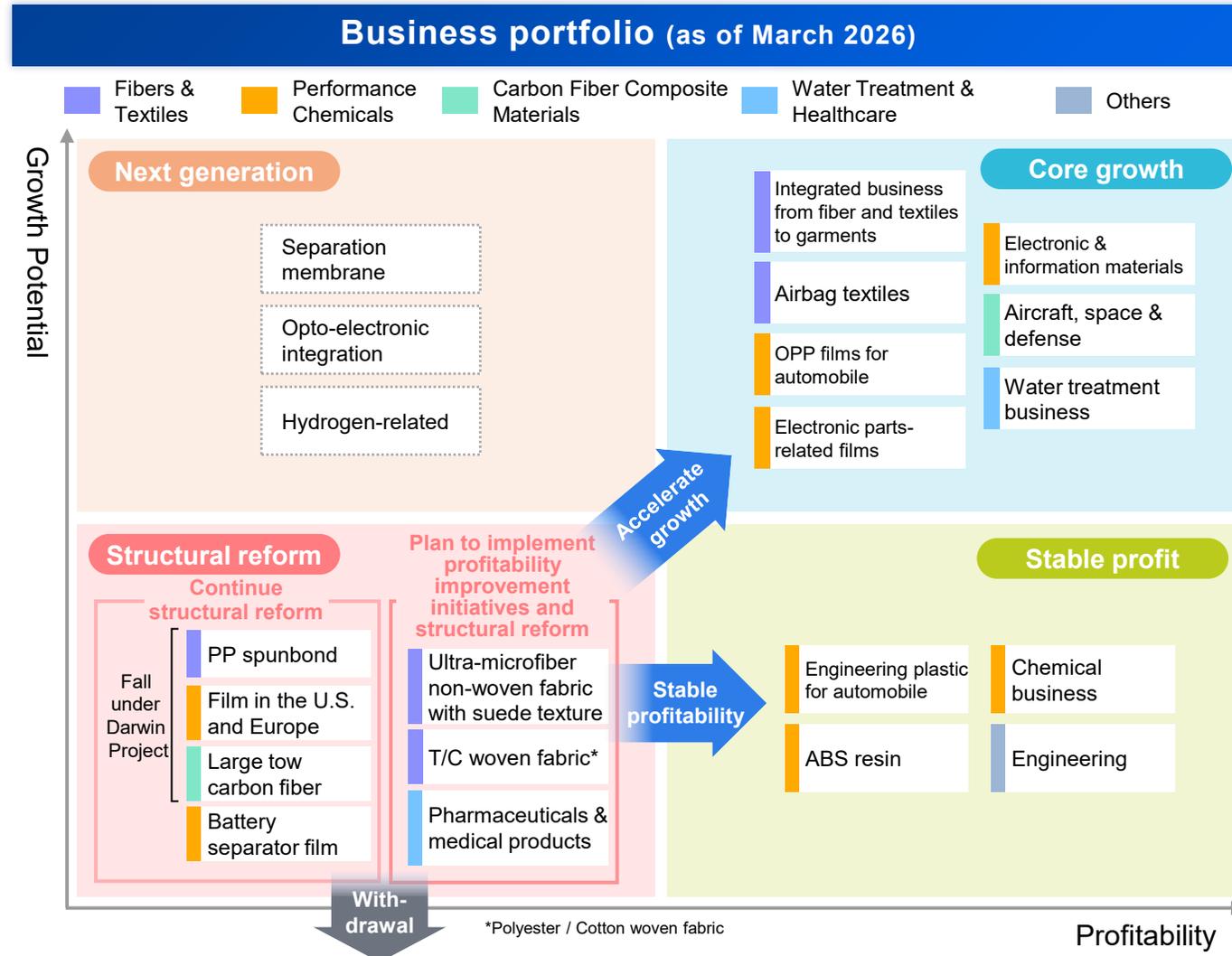
Added value



Time Axis

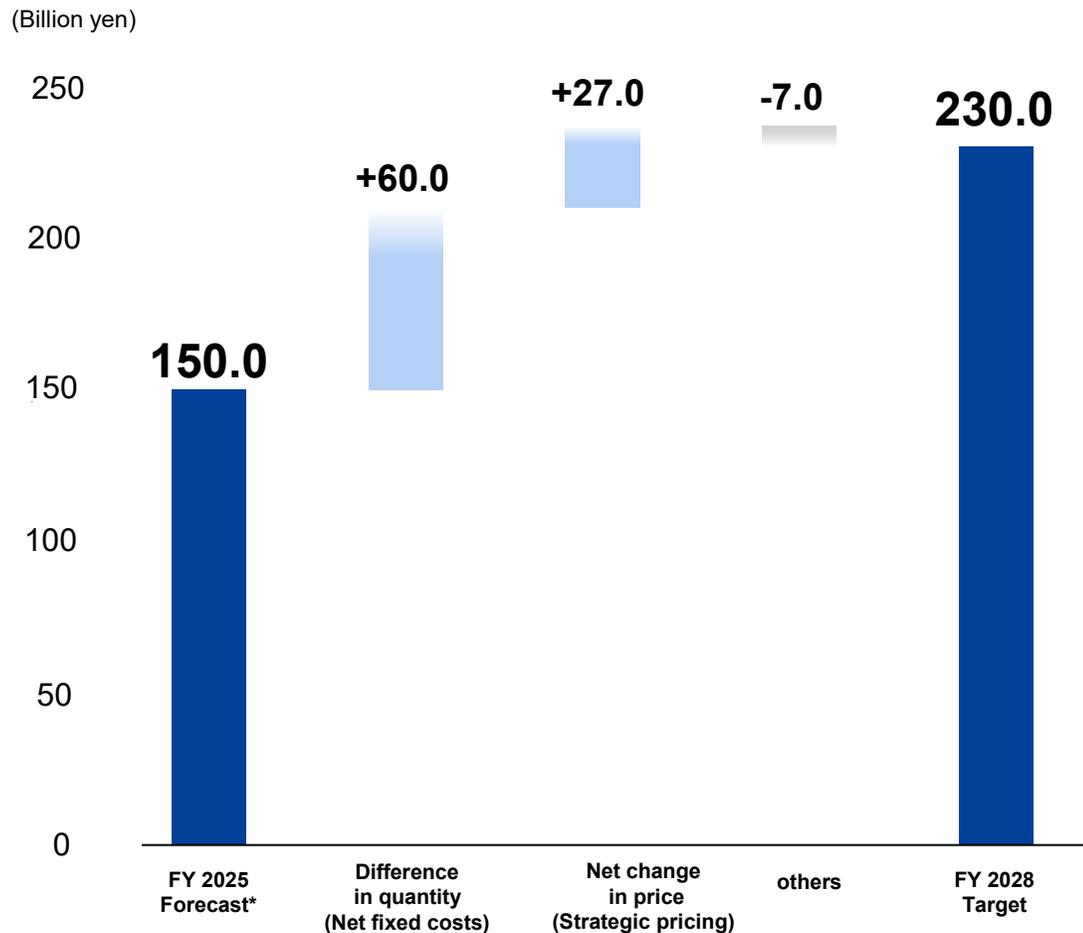
4. Reviewing Business Portfolio

- Continuously assess whether businesses and companies, regardless of whether they were fallen under Darwin Project, can be incorporated in our value creation model and whether we are the best owner
- Reduce the invested capital ratio of businesses subject to structural reform from just over 20% to below 10% by FY2028



6. Analysis of Core Operating Income

Pursue high-quality business expansion through innovation creation and strategic pricing, while continuing Darwin Project to enhance effectiveness



Innovation creation and strategic pricing	
Improve genba-ryoku (workplace competency) of pricing	Thorough implementation of value-based pricing, awareness-raising
Establishing data infrastructure	Develop a tool for visualizing pricing variations for the same product
Establish effective mechanisms	Strengthen collaboration across the Group

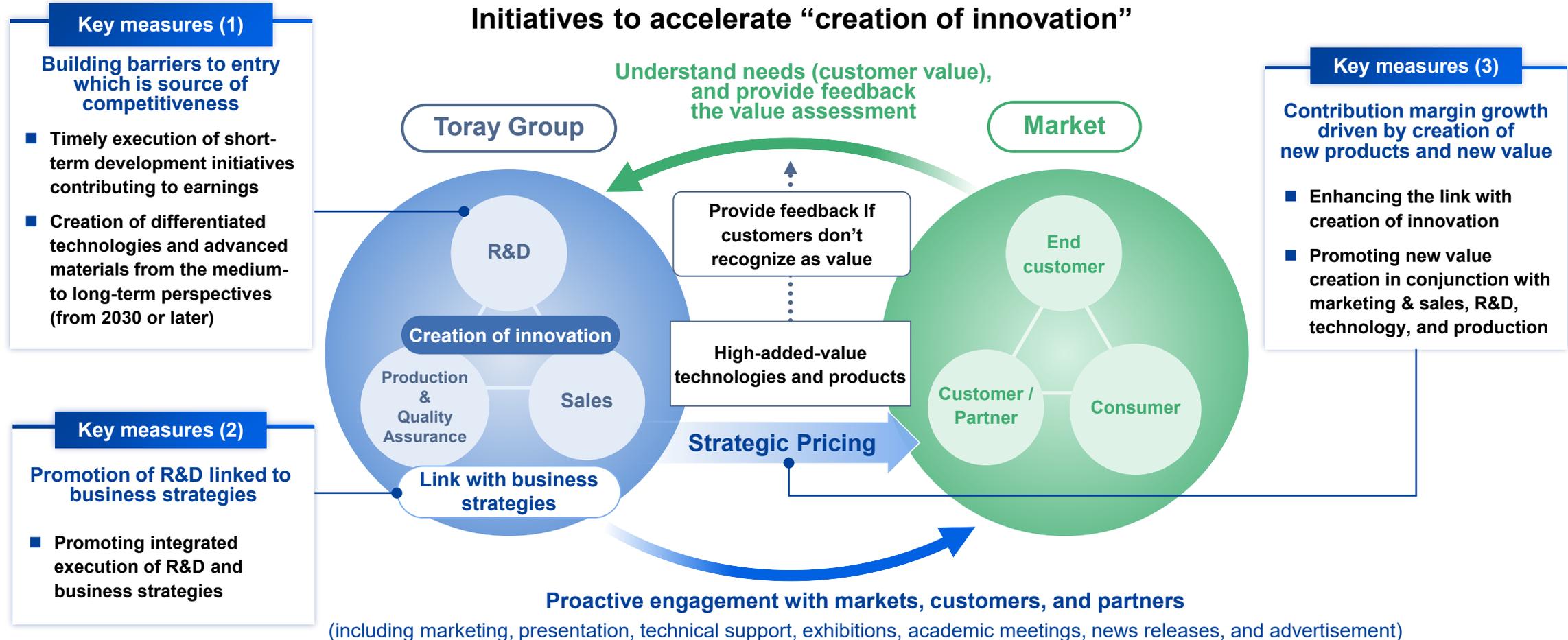
Darwin Project	
■ Review and replacement of businesses and companies subject to Darwin Project	
■ Accelerate profitability improvement→business structure reform	

* Forecast announced on February 10, 2026

7. Summary of Each Initiative:

(1) Continuous Creation of Highly Profitable Businesses

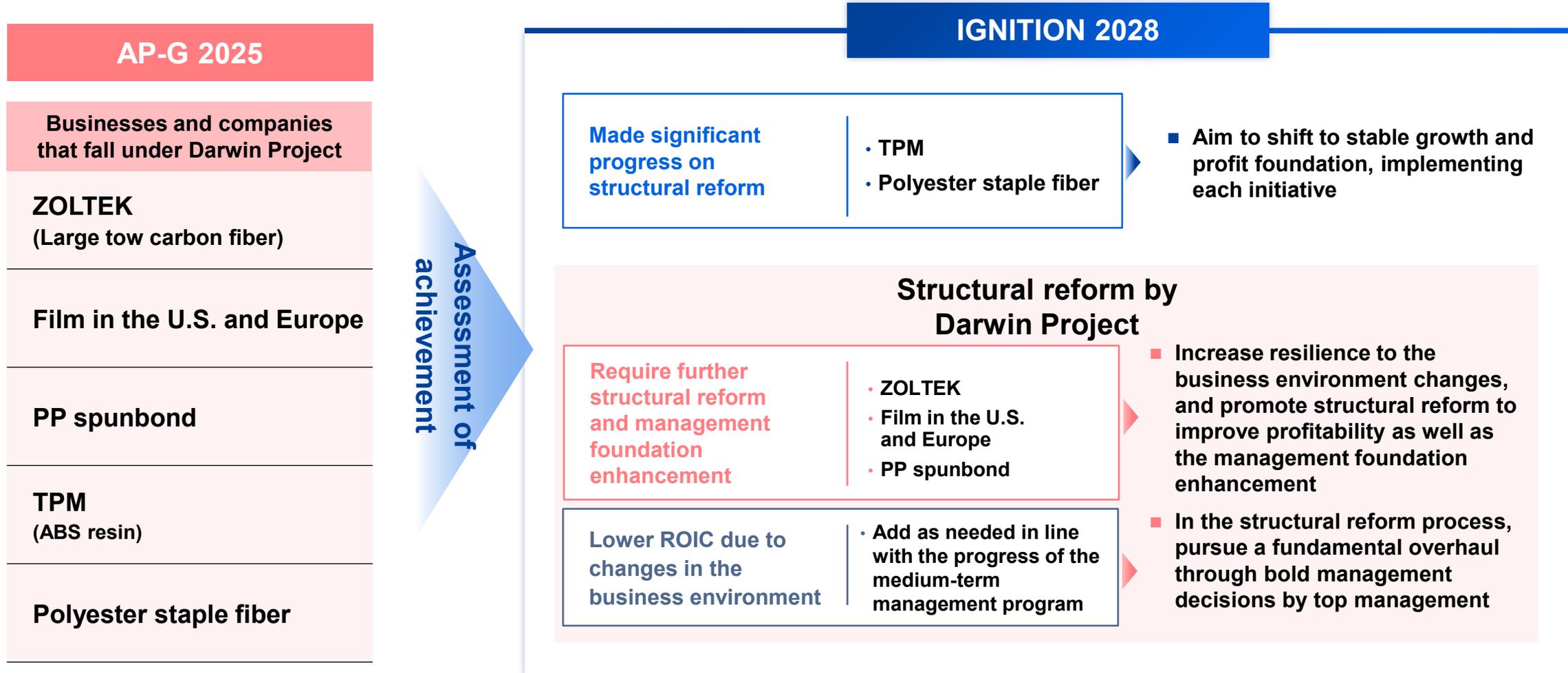
To realize the continuous creation of highly profitable businesses, we will further accelerate the creation of innovation initiatives and enhance the link with strategic pricing



8. Summary of Each Initiative: (2) Promotion of Darwin Project

Darwin Project is also used in IGNITION 2028.

For low- ROIC businesses with large invested capital, we implement thorough structural reform from the Group-wide perspective under the leadership of top management.



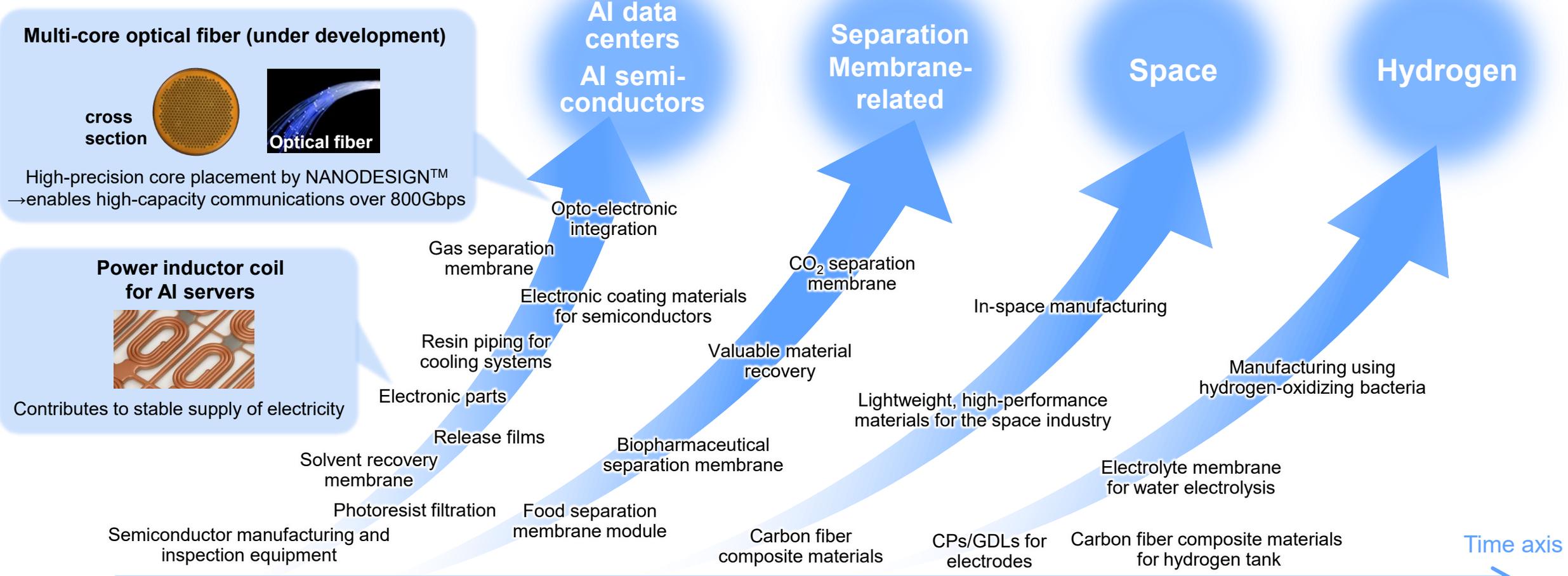
9. Summary of Each Initiative:

(3) Initiatives for the Next Generation Markets

To enter next-generation markets with strong growth potential, we will expand our product portfolio while continuing forward-looking capital investment and R&D investment.

Specifically, for AI data centers and AI semiconductors, we will also strengthen development in anticipation of next-generation technologies, including opto-electronic integration.

Next-generation market (growth business field)

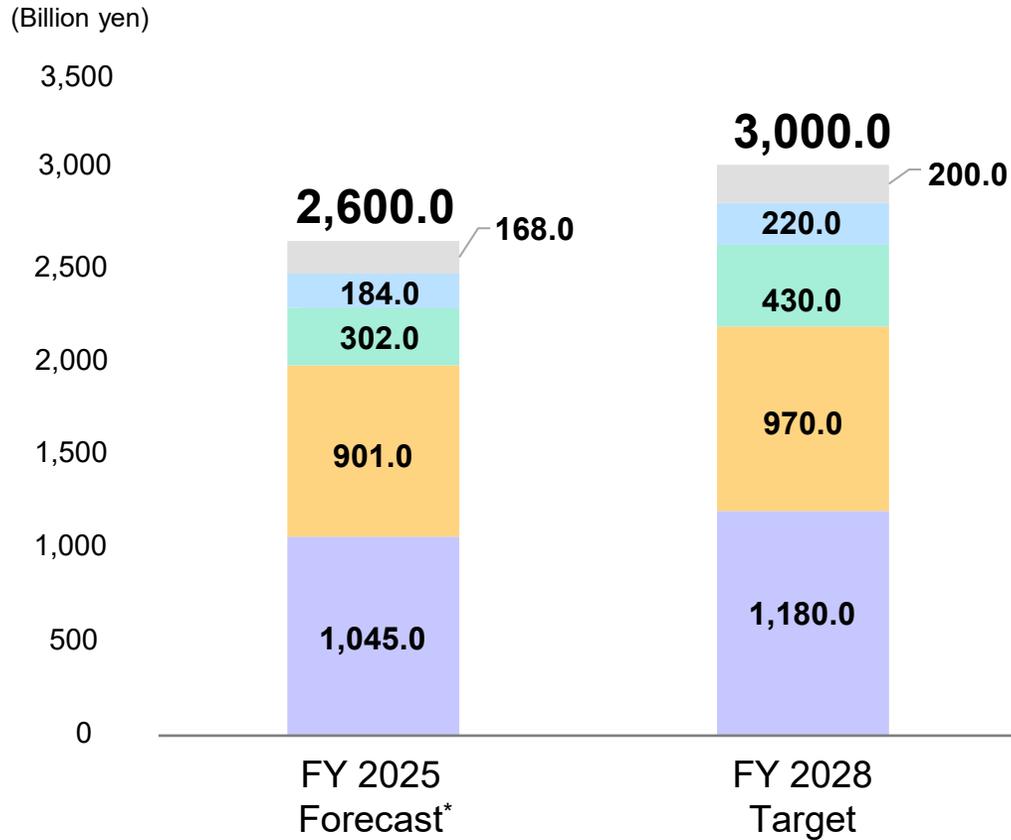


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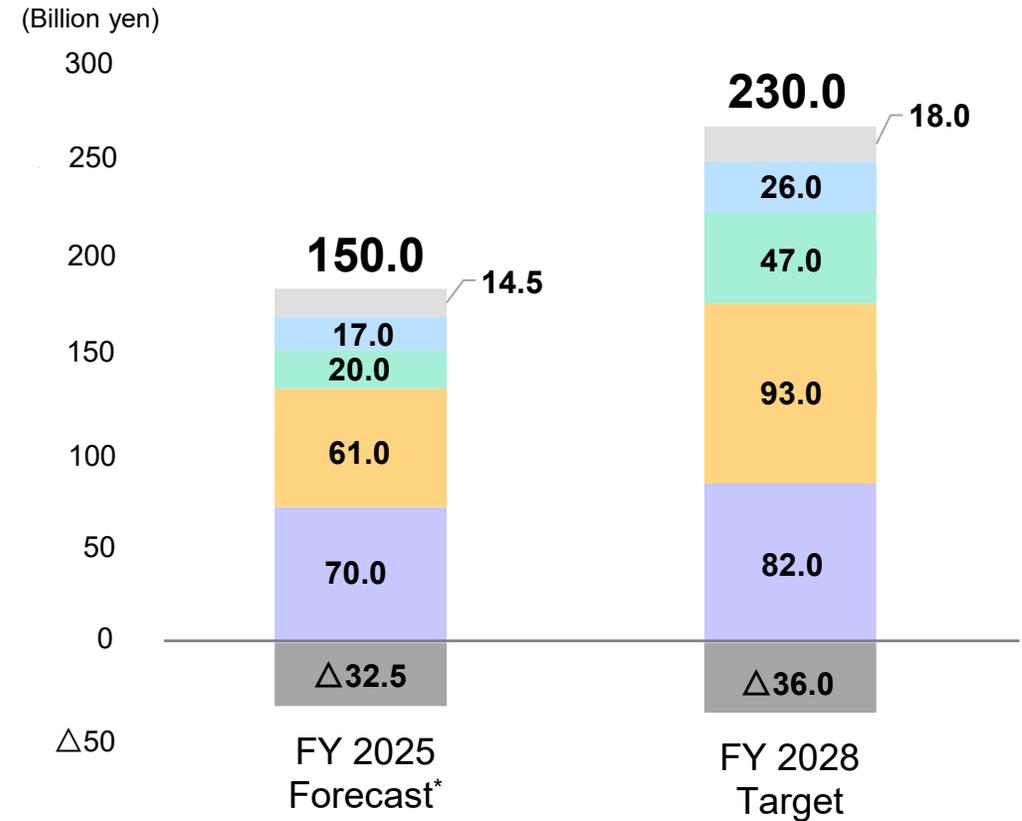
Strategies by Business

9. Revenue and Core Operating Income (by Segment)

Revenue



Core Operating Income



■ Fibers & Textiles
 ■ Performance Chemicals
 ■ Carbon Fiber Composite Materials
 ■ Water Treatment & Healthcare
 ■ Others
 ■ Adjustments

* Forecast announced on February 10, 2026 (after the segment realignment)

10-1. Targets and strategies by segment (1)

Segment ROIC (FY 2025→FY 2028)	Subsegment	Core operating income (billion yen)			Main products, applications	Initiatives for ROIC improvement
		FY 2025 Forecast	FY 2028 Target	Difference		
Fibers & Textiles (8%→9%)	Apparel applications	61.0	65.0	+4.0	(1) Integrated businesses from fibers, textiles, to garments (2) T/C business	(1) Focus capital allocation on high-growth regions and business areas to reinforce the “winning formula” (2) Promote structural reform for low-profitable company
	Industrial applications	9.0	17.0	+8.0	(1) Airbag textiles (2) Ultra-microfiber non-woven fabric with suede texture (3) PP spunbond (4) Polyester staple fiber	(1) Proactive expansion in global growth market such as India, and strengthening the foundations of the “winning formula” businesses (2) Capture the effect from invested capital by promotion of sales expansion in new applications and environmentally-friendly materials (3)&(4) Complete structural reform by promoting Darwin Project
Performance Chemicals (7%→10%)	Resins business	23.0	26.0	+3.0	(1) Engineering plastic (2) ABS resin	(1) Enhance value through advanced development and expand into growth markets such as xEVs (2) Improve functionality of transparent ABS resin and expand specialty ABS resin for automotive applications
	Chemical business	11.0	13.0	+2.0	(1) Basic chemicals (2) Fine chemical (3) Veterinary Medicines	(1)&(2) Strengthen supply chain for caprolactam products and expand fine chemicals business (3) Expand business for overseas
	Film business	14.0	29.0	+15.0	(1) PET film (2) OPP film	<ul style="list-style-type: none"> Expand by focusing on release film applications, film capacitor applications, and functional packaging applications Promote scale-down and withdrawal of products and applications with a high risk of competition from emerging players
	Electronic & information material business	8.5	17.0	+8.5	(1) OLED-related materials (2) Circuit materials	<ul style="list-style-type: none"> Maintain and expand high market shares in the display, semiconductor, and electronic parts applications through strong collaborative relationships with end customers, as well as timely launch of environmentally-friendly and next-generation products Accelerate creation of new businesses in growth fields including next-generation semiconductors and optical communication materials

10-2. Targets and strategies by segment (2)

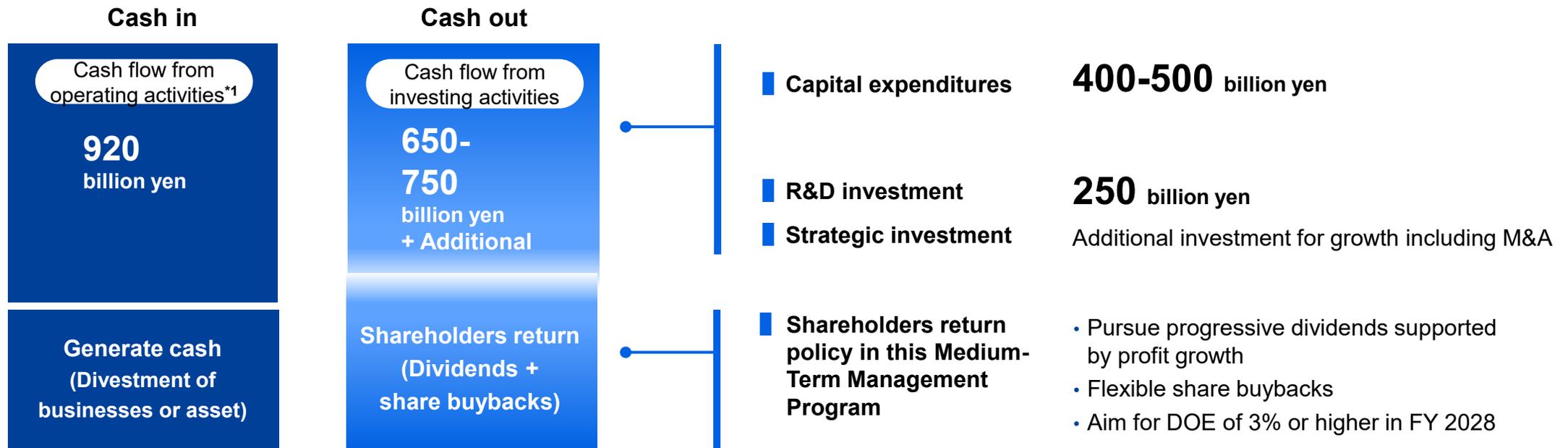
Segment ROIC (FY 2025→FY 2028)	Subsegment	Core operating income (billion yen)			Main products, applications	Initiatives for ROIC improvement
		FY 2025 Forecast	FY 2028 Target	Difference		
Carbon Fiber Composite Materials (2%→6%)	Aircraft, space & defense	17.5	33.0	+15.5	(1) Commercial aircraft applications (2) Space and defense applications	(1) Capture recovering demand in commercial aircraft, improve product portfolio (such as engines), and intensify profitability through sales expansion of high-performance products and intermediate materials (2) Enhance response capabilities for increasing demand in space and defense fields and develop business foundation and structure
	Sports, industrial	2.5	14.0	+11.5	(1) Sports applications (2) Industrial applications	(1)&(2) Expand business in areas where we can differentiate our products, accelerate product launches, and deliver customer value (2) Improve profitability through structural reform of the large low business and expansion of high-added-value product lineups and applications
Water Treatment & Healthcare (9%→14%)	Water treatment business	17.0	24.0	+7.0	(1) Seawater desalination (2) Wastewater reuse application, etc.	<ul style="list-style-type: none"> Expand business in the strategic focus areas such as seawater desalination and wastewater reuse, as well as maintaining and enhancing high profitability Accelerate launches of new high-added-value products by strengthening global development system Create and commercialize the membrane solution business and separation membrane-related business
	Pharmaceuticals & medical products	0.0	2.0	+2.0	(1) Blood purification products (2) In vitro diagnostic test kits that aid in the diagnosis of pancreatic cancer, etc.	<ul style="list-style-type: none"> Increase profits by launching competitive new blood purification products and regional expansion Expand sales of in vitro diagnostic test kits that aid in the diagnosis of pancreatic cancer and promote collaboration with diagnostic manufacturers in Japan and overseas Implement structural reform
-	Engineering business	13.0	16.0	+3.0	(1) Semiconductor-related equipment (2) LIB, next-generation battery production equipment (3) Pharmaceutical, bio, and functional food facilities	<ul style="list-style-type: none"> Provide high-quality solutions based on the combination of proprietary technologies, close relationships with customers and service capabilities New value creation through open innovation

III-3

Capital Allocation

With ROIC as our core management principle, we will make disciplined investments to drive further growth, accelerate structural reforms to strengthen cash generation, and deliver sustainable returns to shareholders through appropriate capital allocation

Capital Allocation Overview (Three-year cumulative total for FY 2026-2028)



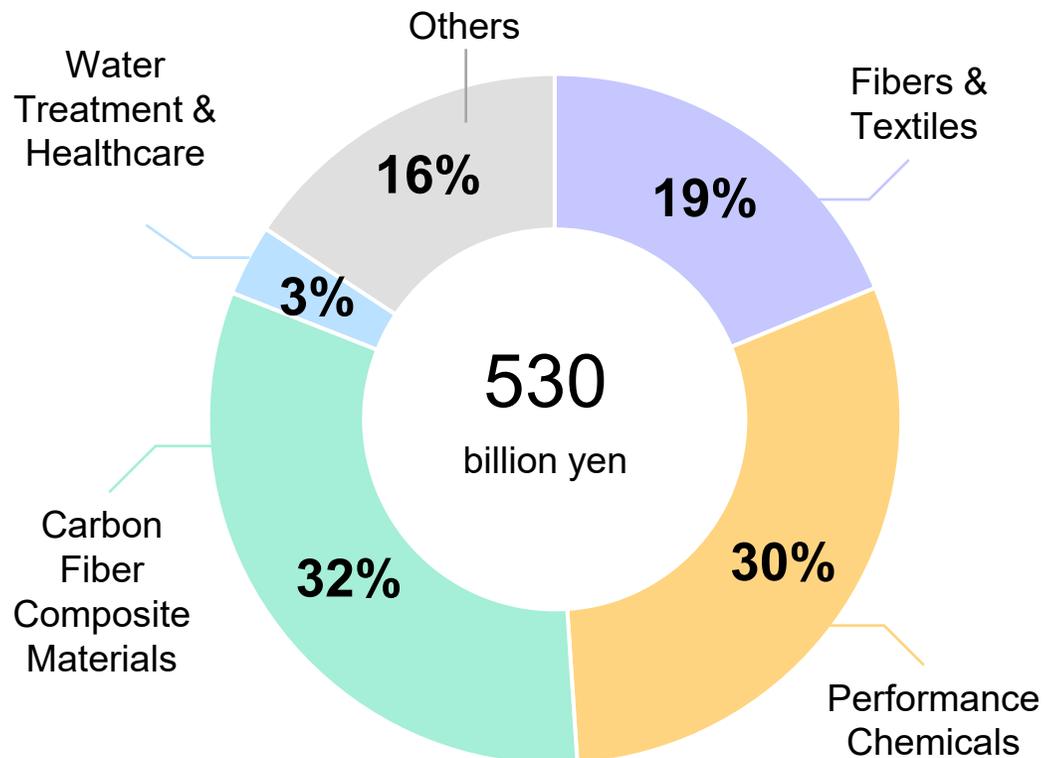
*1: Before deduction of R&D expenditure

2. Capital investment by Segment

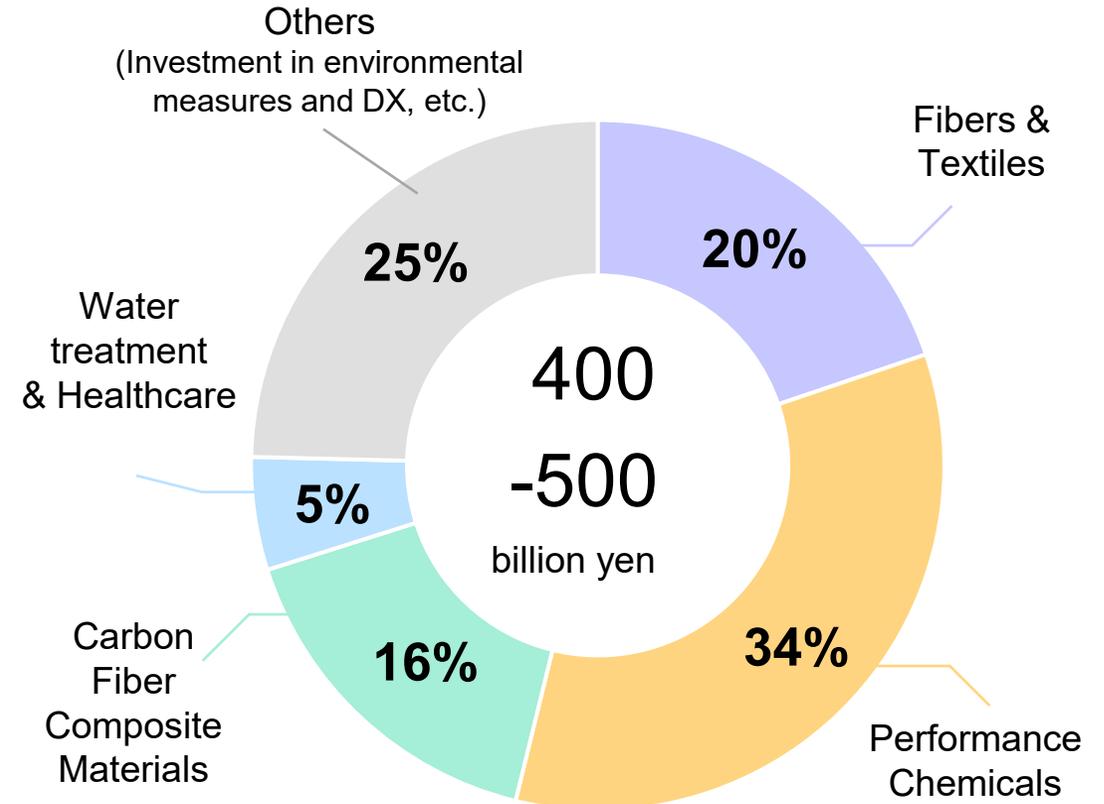
- Aiming to contribute to profitability and competitiveness, we allocate resources toward building and reinforcing sustainable competitive advantages, creating high-added-value, and promoting smart factory transformation
- In parallel, we plan investments in semiconductor and AI data center-related fields (included in Performance Chemicals), as well as in environmental measures and DX (included in others), with a long-term perspective

Cumulative total under AP-G 2025

(Actual result from FY2023-2024 and FY 2025 forecast)

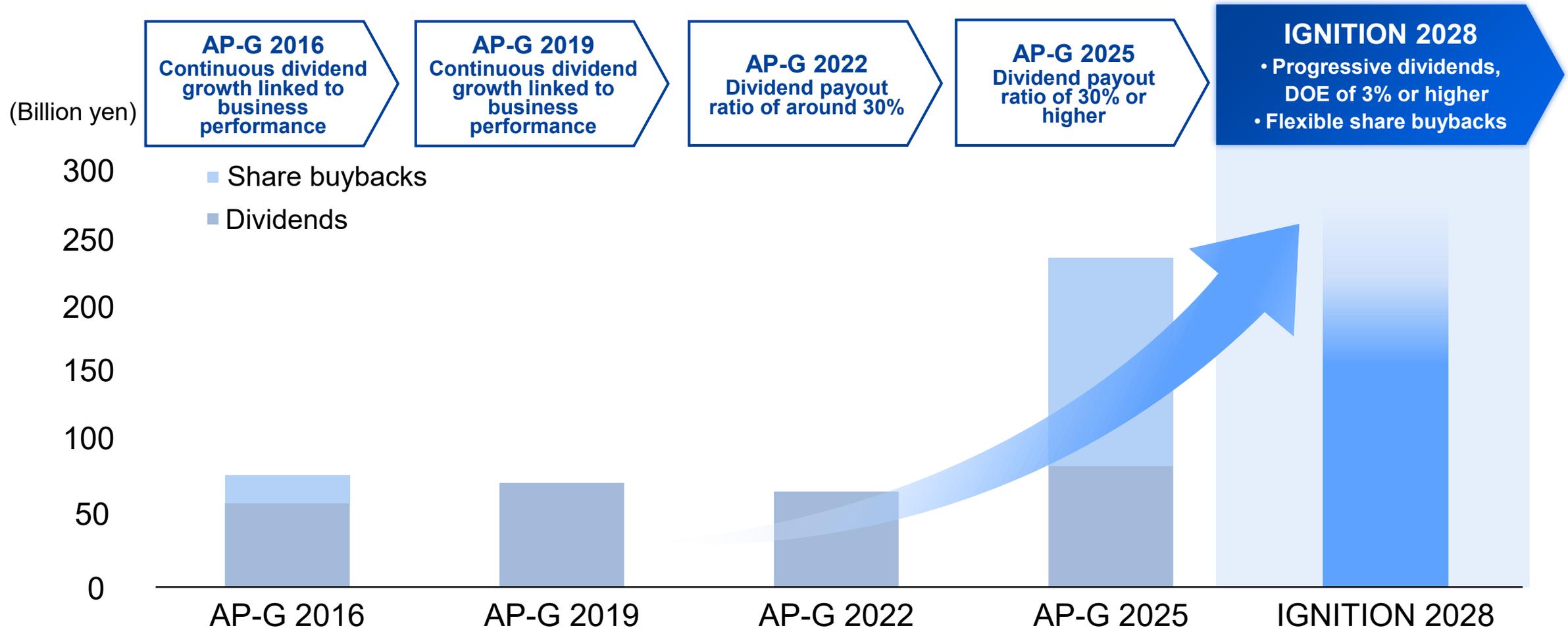


Cumulative total under IGNITION 2028



3. Shareholders Return Policy in IGNITION 2028

- Maintaining stable and sustainable dividends as a base, while pursuing progressive dividends supported by profit growth
- Flexible share buybacks, with due consideration to both strengthening our financial position and optimizing our capital structure
- Aiming for DOE of 3% or higher in FY 2028

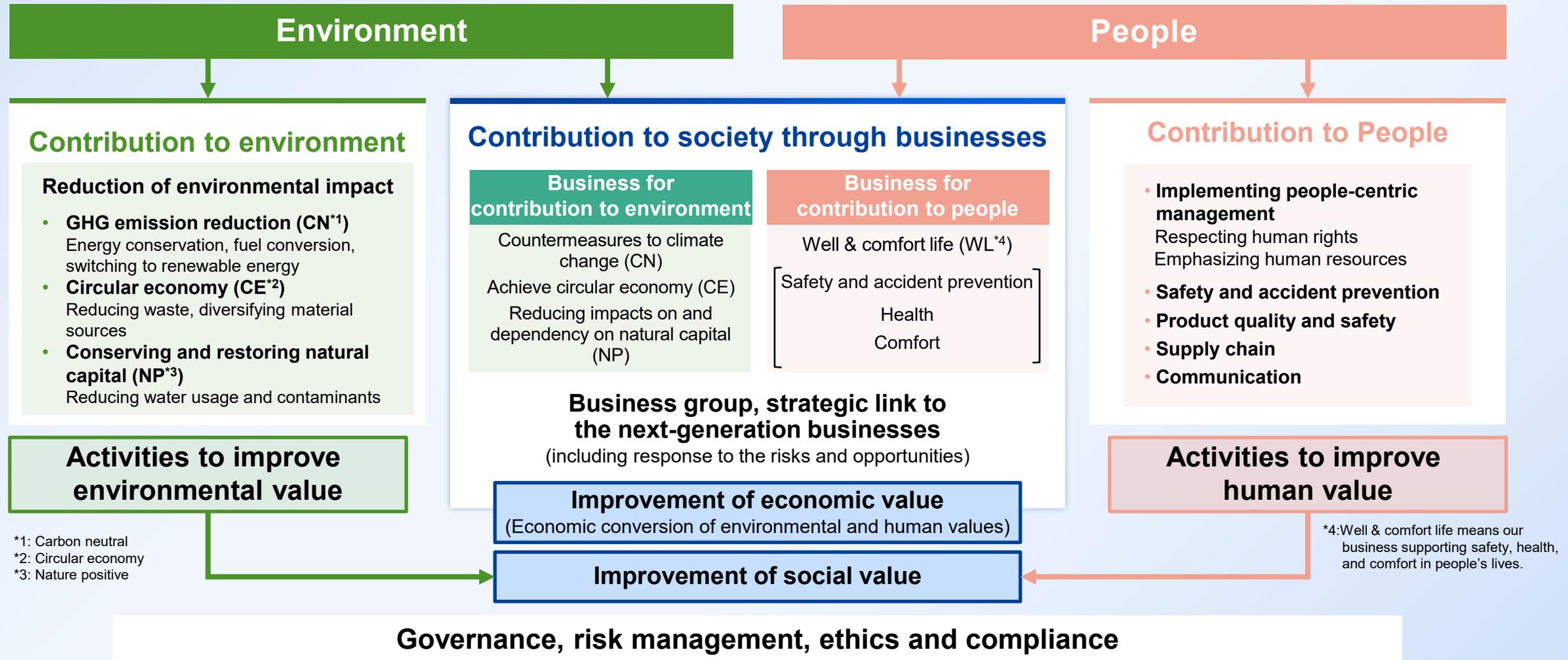


IV

Initiatives for Sustainability

1. Basic Policy for Sustainability Activities to Achieve TORAY VISION 2050

In order to achieve “the world as envisioned by the Toray Group for 2050” defined in TORAY VISION 2050, we promote activities that focus on “environment” and “people” and challenge to improve economic and social values while contributing to society.



2. Non-Financial Target

Under the Long-Term Management Strategies “Toray Challenges 2035,” FY 2035 targets were set

Non-financial target			
	FY 2025 Forecast	FY 2030 Target [vs FY 2013]	FY 2035 Target [vs FY 2013]
GHG emission reduction ^{*1*2*3}	19% reduction	20% reduction	35% reduction
The EX Score™ ^{*4} (Engagement Score)	67.4	70 or higher	70 or higher

*1: 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.

*2: Calculated by multiplying the degree of financial control Toray has over the individual subsidiary, in accordance with the GHG protocol, the international standard.

*3: Calculations include data for companies that joined the Toray Group in FY 2014 or later.

*4: The EX Score™ provides an indicator of organizational health. It measures the gap between each individual's expectations and their actual experiences. The score is maximized when both expectations and actual experiences are high and the gap between them is minimal. EX Score™ is a registered trademark of HRBrain, Inc.

3. Reduction of Environmental Impact (Including GHG Emission Reduction)

Targets under the Next Medium-Term Management Program and Long-Term Management Strategies

**GHG Emission Reduction^{*1*2*3}
(vs FY 2013)**

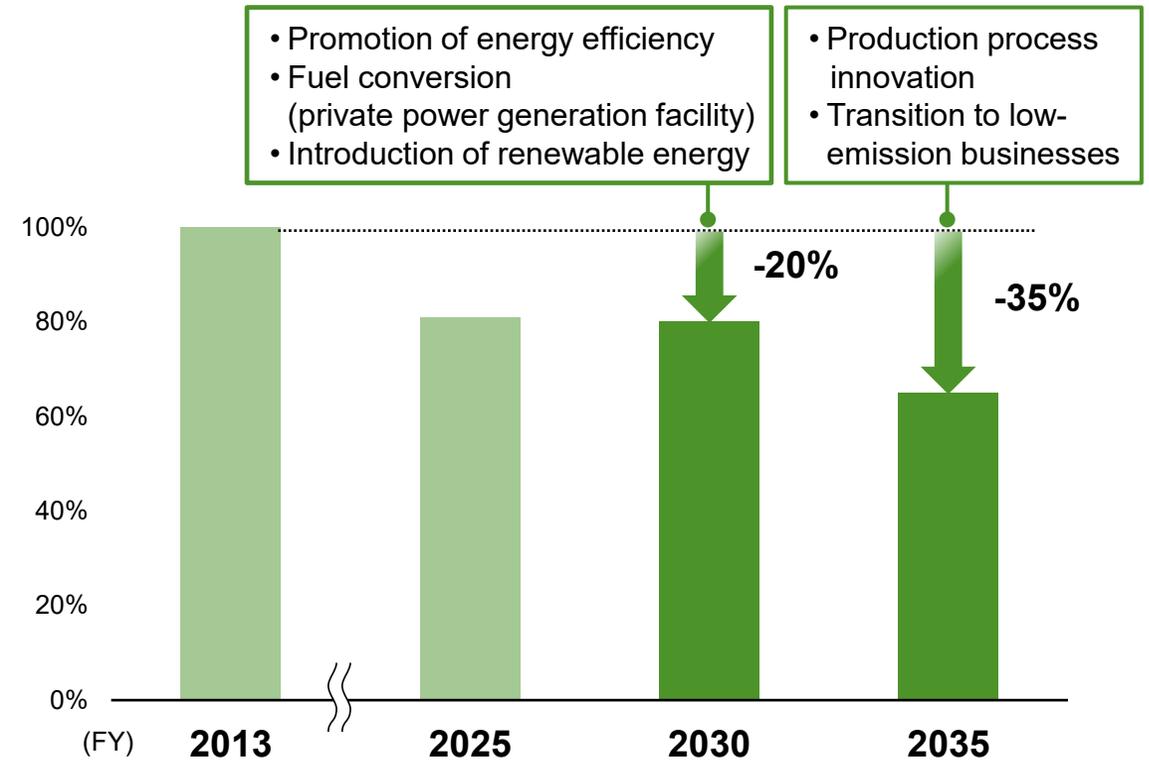
Forecast for FY 2025	FY 2030	FY 2035
19% reduction	20% reduction	35% reduction

Setting new reduction targets

Set new reduction targets for FY 2030 and FY 2035 and steadily promote GHG emission reduction

Policy for achieving reduction targets

- Promote “practical measures to reduce GHG emissions” considering the costs required for emissions reduction (incl. equipment investments and energy), as well as the impact of carbon costs on business operations.
- In addition to GHG emissions, promote reductions in waste, water use, and contaminants (incl. contaminants of concern), as manufacturer’s responsibility



*1: 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.

*2: Calculated by multiplying the degree of financial control Toray has over the individual subsidiary, in accordance with the GHG protocol, the international standard.

*3: Calculations include data for companies that joined the Toray Group in FY 2014 or later.

4. Implementing People-Centric Management - Autonomy, Challenge, and Co-Creation -

FY 2030 Target

EX Score™* : 70 or higher (FY 2025: 67.4)

*The EX Score™ provides an indicator of organizational health. It measures the gap between each individual's expectations and their actual experiences. The score is maximized when both expectations and actual experiences are high and the gap between them is minimal. EX Score™ is a registered trademark of HRBrain, Inc., an external research agency.

Toray Global HR Management (G-HRM) Fundamental Policy

Attitude expected for employees

Autonomy, challenge, and co-creation

Aiming for sustainable growth of individuals, organizations and businesses through autonomous challenge

Taking pride in being a "professional talent"



A proactive mindset to make work engaging

Enabling 'professional talent' to maximize their strengths and achieve fulfilment

People-centric management

Training of "professional talent"



Creating an environment where people can grow and work with vigor and enthusiasm

"Enhancement"
↓
"Implementation"
of People-centric management

Maximize corporate value

Pursuit of employee well-being

The company's future vision

Three human resources strategies

- (1) Inclusion of Diverse Human Resources and Values
- (2) Creating Human Resources and Organizations that Adapt to Change
- (3) Empathy with Toray Philosophy and Career Development with Rewarding and Engaging Work

5. Contribution to Society Through Businesses

Society is significantly changing due to population aging, improvements in the working environment, and growing awareness of human rights, as well as environmental challenges such as the worsening effects of global warming, resource depletion, marine contamination and loss of biodiversity.

We aim to contribute to society through Toray's businesses, and to achieve sustainable growth by converting social value into economic value in the four areas: Countermeasures to climate change, Achieve circular economy, Reducing impact on and dependence on natural capital, and Achieve society where people can live in prosperity.

Countermeasures to climate change (Carbon Neutral)

Energy conservation, fuel conversion to new energy such as hydrogen, responding to electrification



Carbon fiber



Example of businesses

Carbon fiber composite materials (for aircraft, wind turbine blade and pressure vessels), hydrogen related materials, films for capacitors, etc.

Achieve circular economy (Circular Economy)

Promote use of recycled materials and bio-based materials



Fiber made from recycled materials, &+™



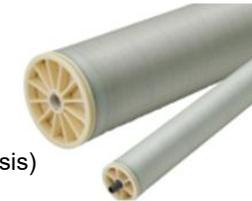
Ecodear™

Example of businesses

&+™ (fiber made from recycled materials), Ecouse™ Lumirror™, Products made from bio-based materials

Reducing impact on and dependence on natural capital (Nature Positive)

To reduce impact on and dependence on natural capital, improve water use efficiency and reducing contaminants and contaminants of concern



RO (reverse osmosis) element

Example of businesses

Water treatment membrane, PFAS-free products, etc.

Achieve society where people can live in prosperity (Well & Comfort Life)

Society where every individual can live safely, in good mental and physical health, and in comfort



Example of Businesses

Functional garment, fiber for airbag, Pharmaceuticals and medical products, Carbon fiber composite materials for sports, etc.

Recycling

■ Fiber made from recycled materials “&+™”

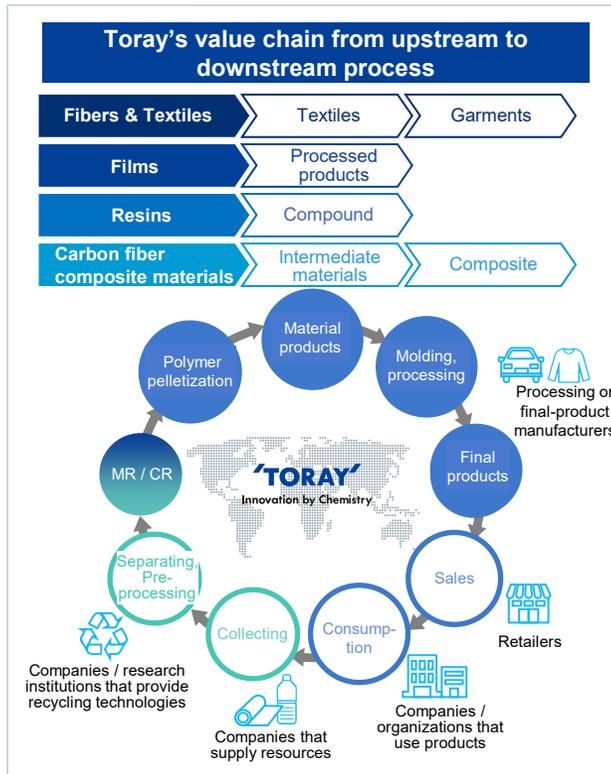
In addition to recycled polyester fibers made from used PET bottles, the brand expanded its lineup to include recycled nylon fibers made from discarded fishing nets

■ Ecouse™ Lumirror™

Established a recycling scheme of used PET film by customers, collaborating with recyclers and customers

■ Recycling composite materials <Under development>

In order to achieve recycle automobile parts and airbags, we promote R&D for chemical recycling using subcritical water



Biomass

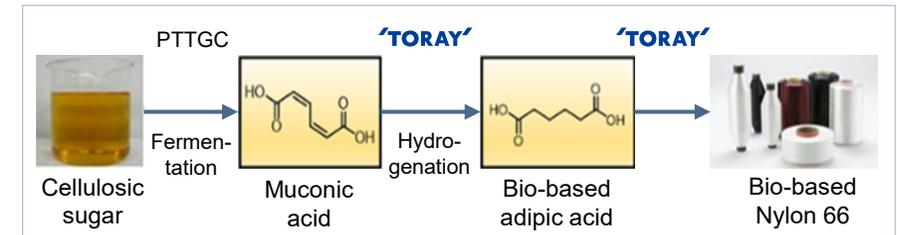
■ Partial biomass-based polyester fibers

■ Biomass-based nylon fibers

N410, N510 fiber: full-fledged promotion

■ Conversion and refinement process of cellulosic sugar to biochemicals <Under development>

Toray and PTTGC*2 began mass production technology study to establish a supply system for non-edible biomass-based nylon raw materials



Target for percentage of raw materials sourced from recycling, derived from biomass, or produced with CO₂ recycling used in Toray core polymers*1

FY 2025 Forecast	Target for FY 2030	Target for FY 2035
8%	20%	30%

*1: Ratio of recycled, biomass-derived, and CO₂-utilizing raw materials used in PET and nylon polymers

*2: PTT Global Chemical Public Company Limited

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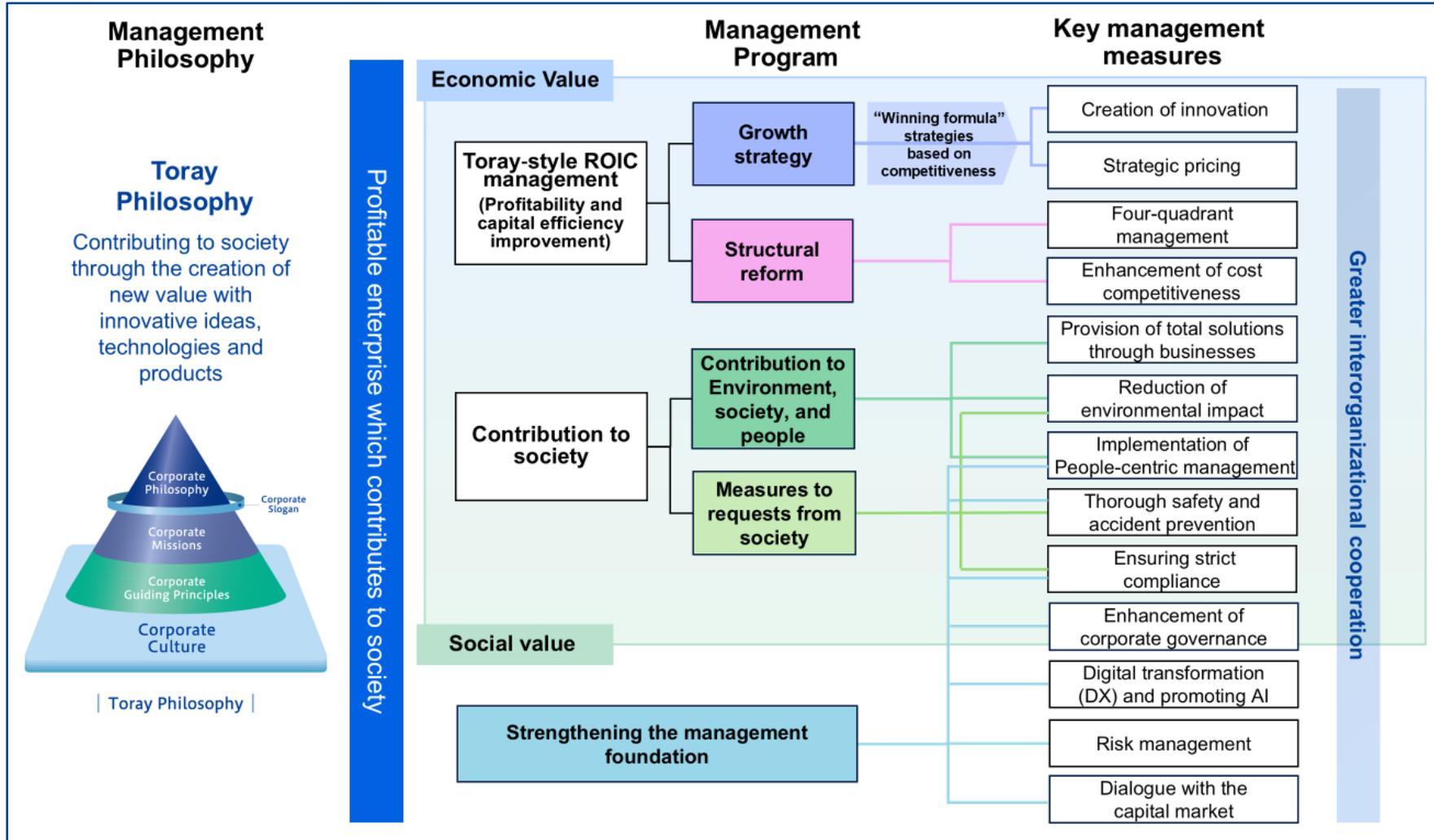
Summary of Initiatives under IGNITION 2028

(Reference) Toward a Truly Sustainable Enterprise

- IGNITION 2028 Strategy Tree -

Improve the quality and certainty of growth expansion and structural reform, and shift to a business structure that consistently generates a 7% ROIC

Toray Group's strategy tree (excerpt from an internal material)



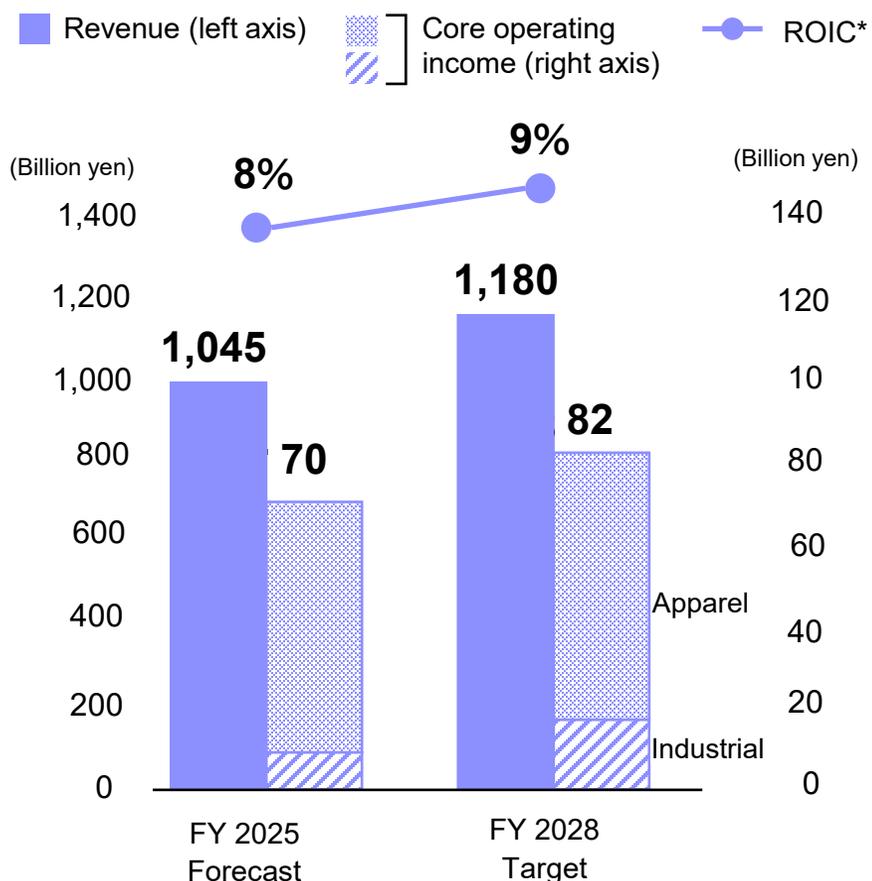


Reference



Transform and strengthen our business portfolio by promoting growth expansion strategies, return-to-growth strategies, and structural reform

Business expansion in the growth business field, and high-added-value creation with functional fibers and textiles



* ROIC=core operating income after tax / average invested capital (average of the balances at beginning and end of the period)

Apparel applications

■ Integrated business from fiber and textiles to garments

In order to enhance the “winning formula” strategy, we position the integrated business culminating in textiles and garments as a key driver of growth and focus capital investment on growth regions and business fields.

■ T/C woven fabric business

Reduce capital investment and promoting structural reform for low-profitable companies

Industrial applications

■ Airbag textiles business

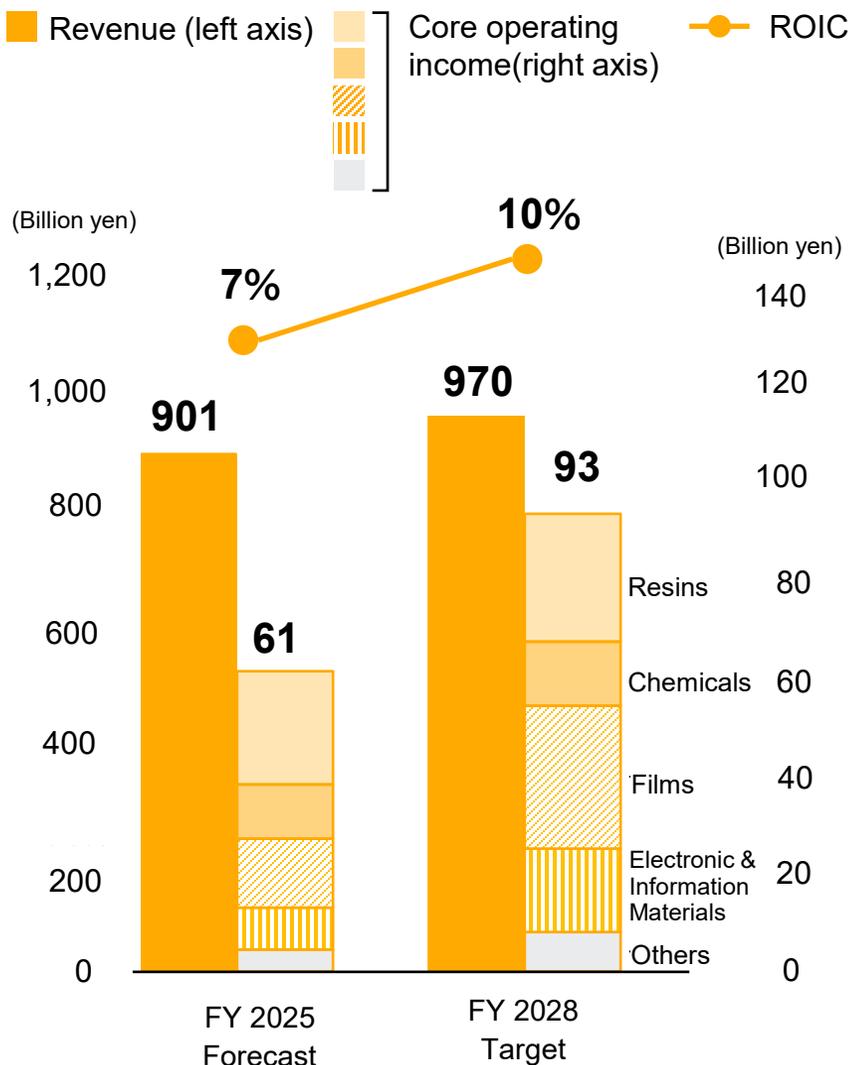
Proactive expansion in global growth market such as India, and strengthening the foundations of the “winning formula” businesses

■ Ultra-microfiber non-woven fabric with suede texture business

Steadily capture the effect from invested capital by promotion of sales expansion in new applications and environmentally-friendly materials

■ PP spunbond and polyester staple fiber businesses

Complete structural reform by promoting Darwin Project



Resins

- Enhance value through advanced development in the engineering plastics business and expand into growth markets such as xEVs
- Improve functionality of transparent ABS resin and expand specialty ABS resin for automotive applications

Chemicals

- Strengthen supply chain for caprolactam products and expand fine chemicals business
- Expand veterinary pharmaceuticals overseas

Films

- Expand by focusing on release film applications, film capacitor applications, and functional packaging applications
- Promote scale-down and withdrawal of products and applications with a high risk of competition from emerging players

Electronic & Information Materials

- Maintain and expand high market shares in the display, semiconductor, and electronic parts applications through strong collaborative relationships with end customers, as well as timely launch of environmentally-friendly and next-generation products
- Accelerate creation of new businesses in growth fields including next-generation semiconductor and optical communication materials

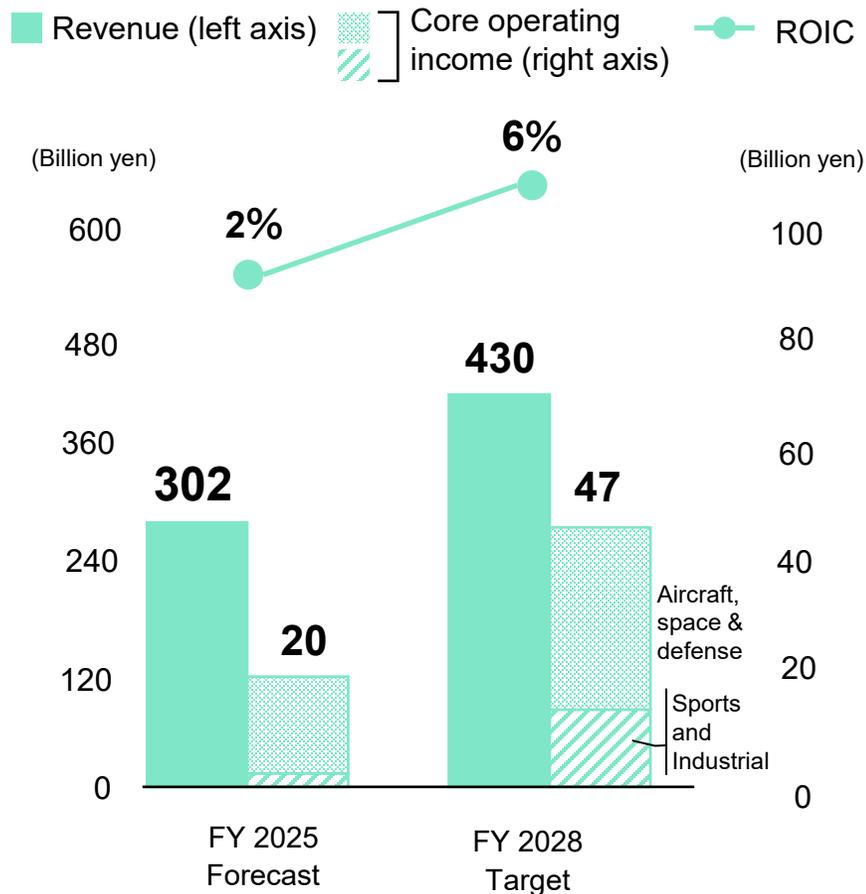


Target by subsegment

(Billion yen)

		FY 2025 Forecast	FY 2028 Target
Revenue	Resins, Chemicals	365.0	380.0
	Films	285.0	300.0
	Electronic & Information Materials	81.0	100.0
	Others	170.0	190.0
	Total	901.0	970.0
Core operating income	Resins, Chemicals	34.0	39.0
	Films	14.0	29.0
	Electronic & Information Materials	8.5	17.0
	Others	4.5	8.0
	Total	61.0	93.0

Contributing solutions to social issues through pursuing “high-functionality” and “reliability”
 Enhancing profitability by securing growth market and high-added-value creation (monetizing invested capital)



Aircraft, space & defense

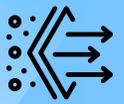
- Capture recovering demand in commercial aircraft, improve product portfolio (such as engines), and intensify profitability through sales expansion of high-performance products and intermediate materials
- Enhance response capabilities for increasing demand in space and defense fields and develop business foundation and structure

Sports, Industrial

- Expand business in areas where we can differentiate our products, accelerate product launches, and deliver customer value
- Improve profitability through structural reform of the large tow business and expansion of high-added-value product lineups and applications

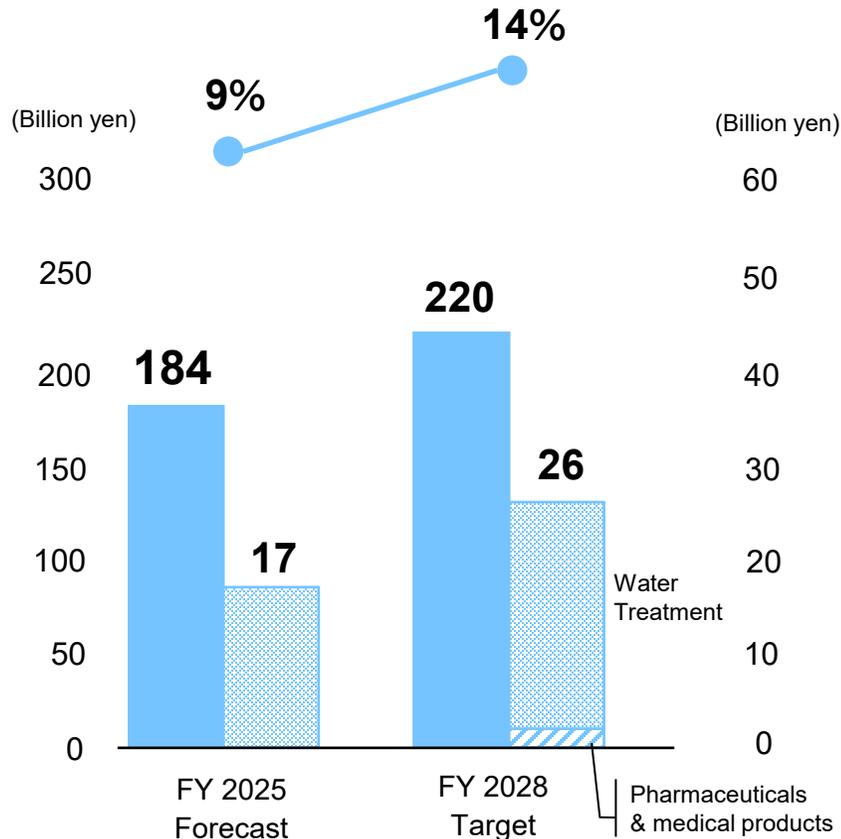
Revenue target by applications	FY 2025 Forecast	FY 2028 Target
Aircraft, space & defense	-	186.0
Sports	-	30.0
Industrial	-	214.0
Total	302.0	430.0

(Billion yen)



Establish a leading position in the water treatment membrane business, and increase profits through products for blood purification

■ Revenue (left axis) ■ Core operating income (right axis) ● ROIC



Water Treatment

- Expand business in the strategic focus areas such as seawater desalination and wastewater reuse, as well as maintaining and enhancing high profitability
- Accelerate launches of new high-added-value products by strengthening global development system
- Create and commercialize the membrane solution business and separation membrane-related business

Pharmaceuticals & Medical Products

- Increase profits by launching competitive new blood purification products and regional expansion
- Expand sales of in vitro diagnostic test kits that aid in the diagnosis of pancreatic cancer and promote collaboration with diagnostic manufacturers in Japan and overseas
- Implement structural reform

Descriptions of predicted business results, projections, and business contained in this material are based on predictive forecasts of the future business environment made at the present time.

The material in this presentation is not a guarantee of the Company's future business performance.

