TORAY
Innovation by Chemistry

100TH

TORAY IR Day

Medium-Term Management Program

“IGNITION 2028”

Fibers & Textiles Business

June 8, 2026

Toray Industries, Inc.
Senior Vice President, General Manager,
Fibers & Textiles Division

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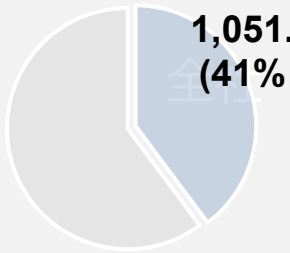
Outline of Toray Group Fibers & Textiles Business and its Strength

Overview：Position within the Fibers & Textiles Segment

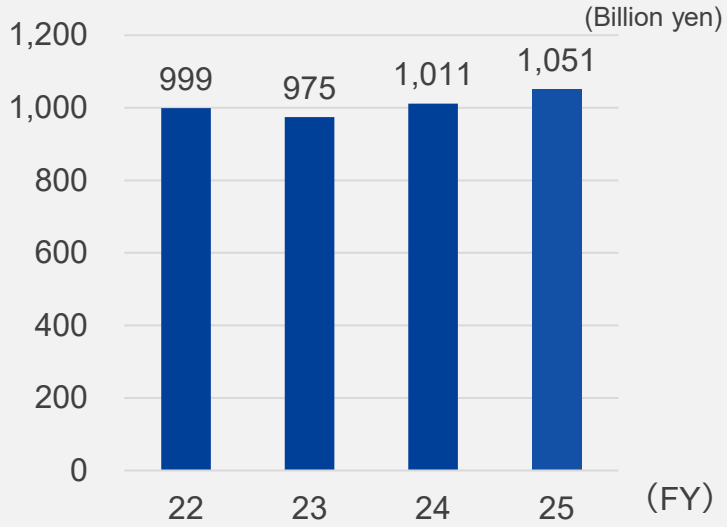
Revenue in FY 2025



1,051.1 billion yen (41% of the total)

- Businesses for all the three major synthetic fibers (nylon, polyester, and acrylic). Supply chain integrated businesses from fibers, textiles to garments
- Industrial applications including airbag fabrics and nonwoven fabrics
- Global operation including China and Southeast Asia

Trend in Revenue



< Main products and businesses>

Nylon fibers
Polyester fibers
Acrylic fibers

Textiles

Nonwoven fabrics for hygiene products

Fibers and textiles for airbags

Garments

Air Filter

Artificial leathers

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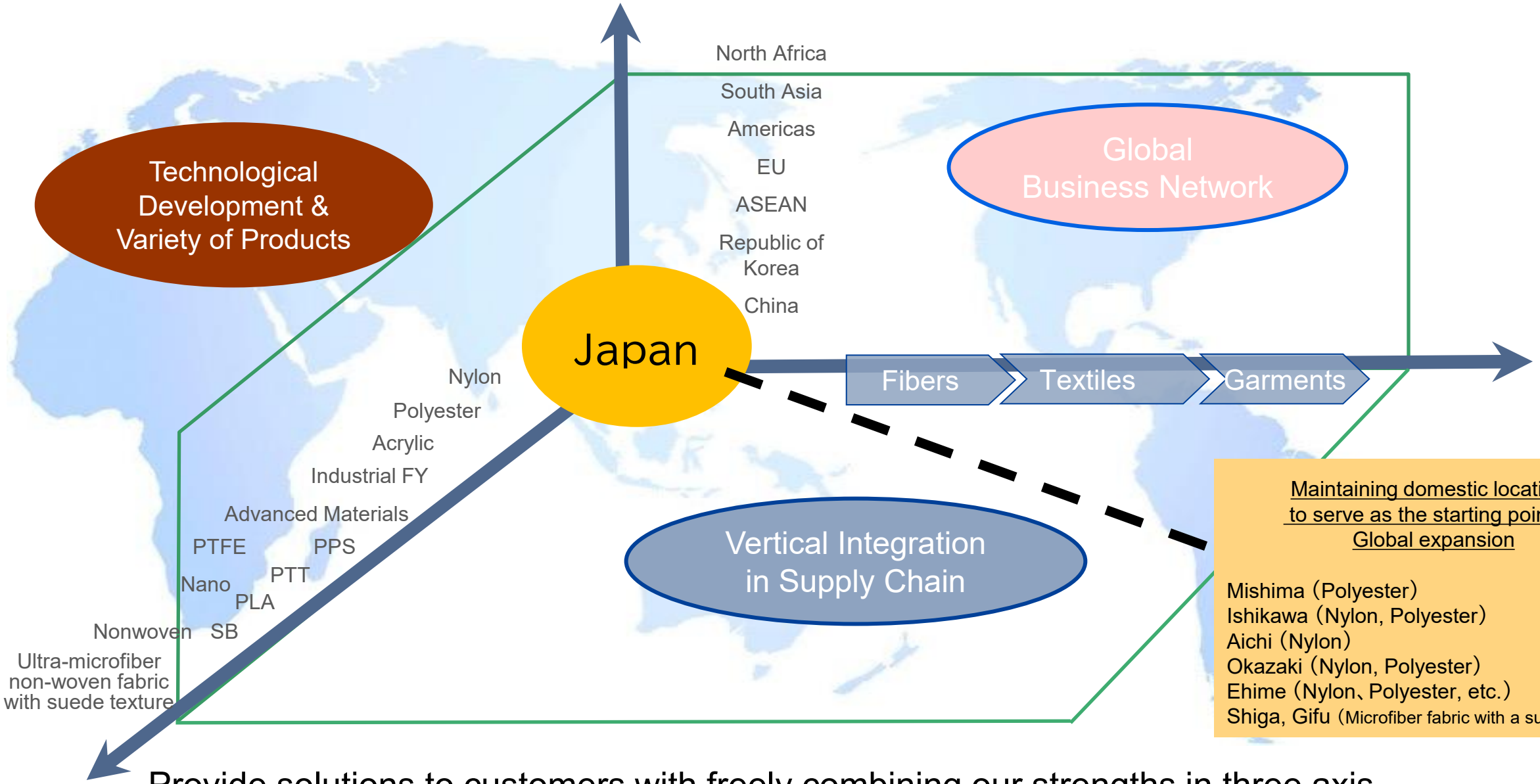
Overview： Strength of Toray's Fibers & Textiles Business: World's only Three-Dimensional Business Model



Maintaining domestic locations to serve as the starting point for Global expansion

Mishima（Polyester）
Ishikawa（Nylon, Polyester）
Aichi（Nylon）
Okazaki（Nylon, Polyester）
Ehime（Nylon、Polyester, etc.）
Shiga, Gifu（Microfiber fabric with a suede texture）

Provide solutions to customers with freely combining our strengths in three axis

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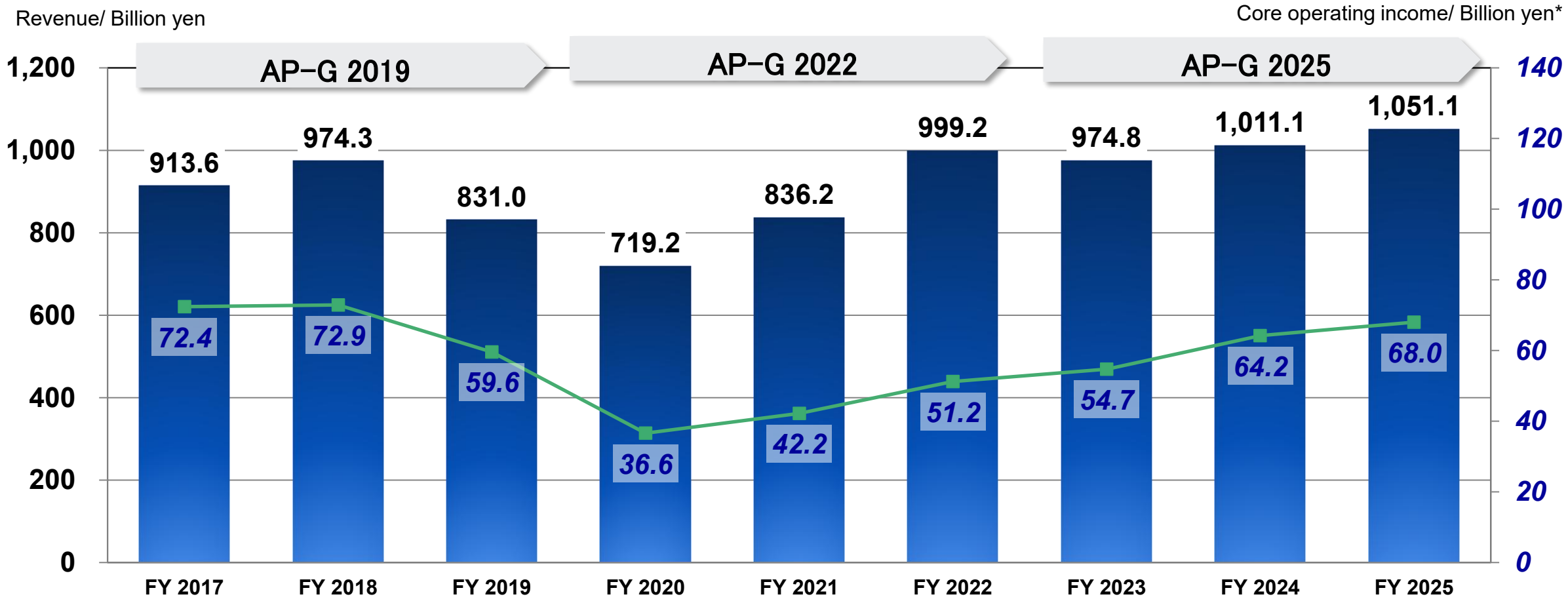
II

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

Business Results of Fibers & Textiles Segment

After reaching the bottom in FY 2020, revenue and core operating income has steadily improved, increasing y-o-y



* Up to FY 2018: Operating income（J-GAAP） FY 2019 and after: Core operating income (IFRS)

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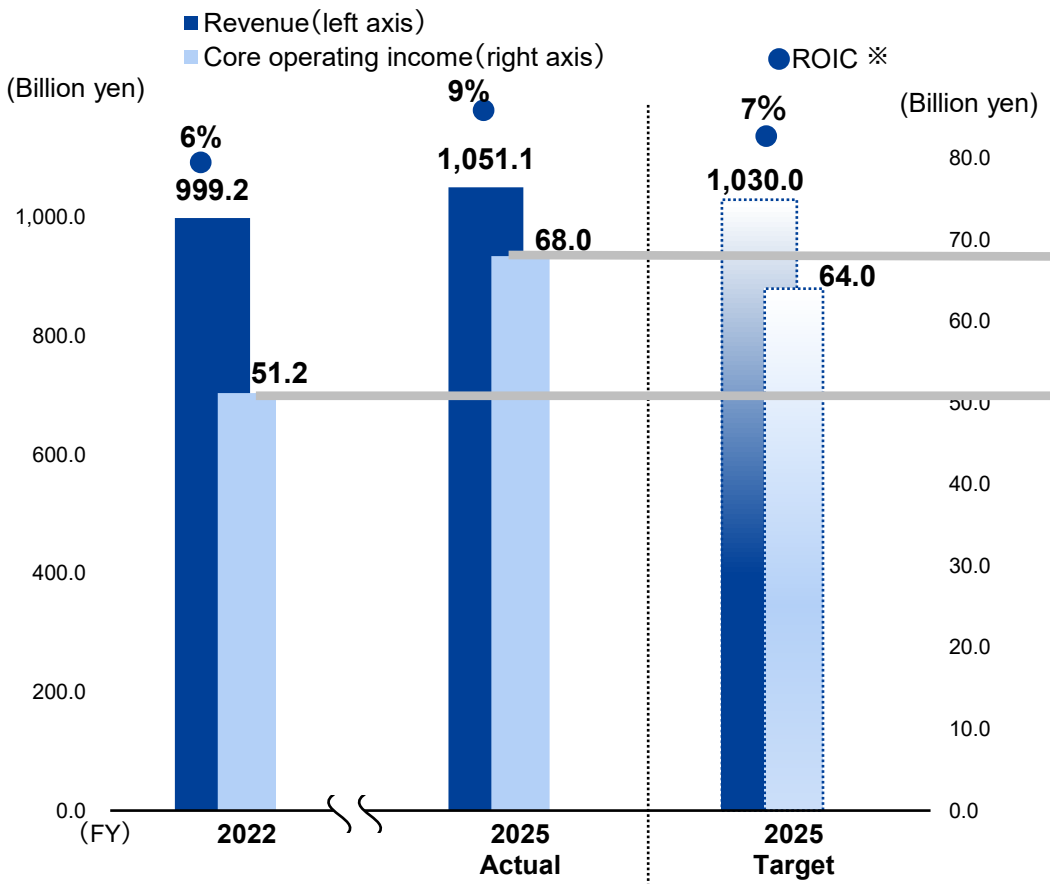
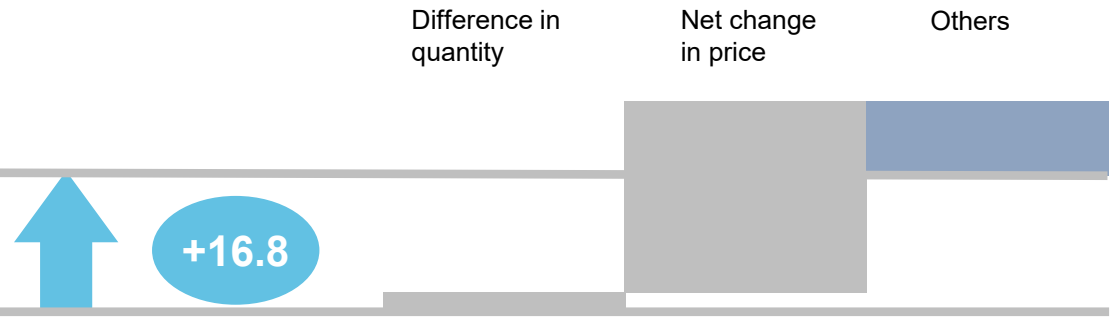
Reviewing the Medium-Term Management Program, “Project AP-G 2025” (1)

Revenue and core operating income (Fibers & Textiles Segment)



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

[Summary]
Promoted Projects to Improve Profits of Specified Businesses and Companies (Darwin Project) and strategic pricing in response to downward price pressure, due to sluggish market conditions and rising domestic outsourcing costs. In FY 2025, core operating income increased compared to FY 2022 and exceeded the targets.



Difference	Main Factors
Difference in quantity	● Expansion of growth businesses including airbag fabrics and integrated businesses from fibers, textiles to garments ● Optimization of production scale through promotion of structural reform ● Slowdown in artificial leather business due to decline in automobile-related demand
Net change in price (strategic pricing)	● Improving profitability through expansion of high value-added and differentiated materials ● Passing on increased raw materials, fuel, and processing costs to prices
Others	● Fixed cost (Increase in labor and outsourcing cost), etc.

Reviewing the Medium-Term Management Program, "Project AP-G 2025" (2)

Three Basic Strategies

1. Improving profitability by enhancing value creation capabilities
2. Business expansion through utilizing environmentally friendly materials and sophisticated, high-performance products in growth fields
3. Enhancement of competitiveness

Achievements
Business expansion through higher value-added products including airbag fabrics and integrated businesses from fibers, textiles to garments
Business expansion through continuous creation of high value-added materials such as NANODESIGN™
Improving market recognition as environmentally friendly materials by development and deployment of biomass-derived fibers
Improving presence in overseas markets through global brand development of textiles
Improving competitiveness through deepening the global supply chain for the apparel applications
Achieving certain results through promotion of Darwin Project (structural reform), including achieving profitability in PP spunbond and polyester staple fiber businesses

Remaining issues and ongoing issues

- **Deepening and extending global supply chain**
- **Further deepening of sales systemand development of high value-added materials**
- **Strengthening the supply system and optimal production based on demand locations**
- **Responding to demand fluctuation risks**
- **Promotion and acceleration of structural reform**

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III

Business Environment and Trends in Demand

Business Environment and demand Surrounding the Fibers &Textile business

Fiber demand continues to expand but growth rate is slowing

- Global fiber demand has nearly doubled over the past 20 years
- Expansion is expected to continue driven by population growth, although the pace of growth is projected to gradually moderate due to slowing growth in China.

Change in business model due to strengthened environmental regulations

- Acceleration of business model transformation in the textile industry accompanying the international standardization of environmental regulations led by Europe
- Development of environmentally friendly materials and response to supply chain visualization are essential requirements for continuing the textile business

Increasing geopolitical risks

- Energy crises caused by the Russia-Ukraine issue and the Middle East issues, and US-China conflicts have become permanent business risks from the perspective of economic security concerns
- In building supply chains, “risk diversification and resilience” and “local production for local consumption” are important , in addition to "quality," "cost," and "short delivery times"

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IV Medium-term Management Program

Basic Policy: "IGNITION 2028" "Deepening Growth, Accelerating Reform"

- Long term vision of Fibers & Textiles business-

Through Toray group's fibers & textiles products, provide new value and enrich the lives of people around the world

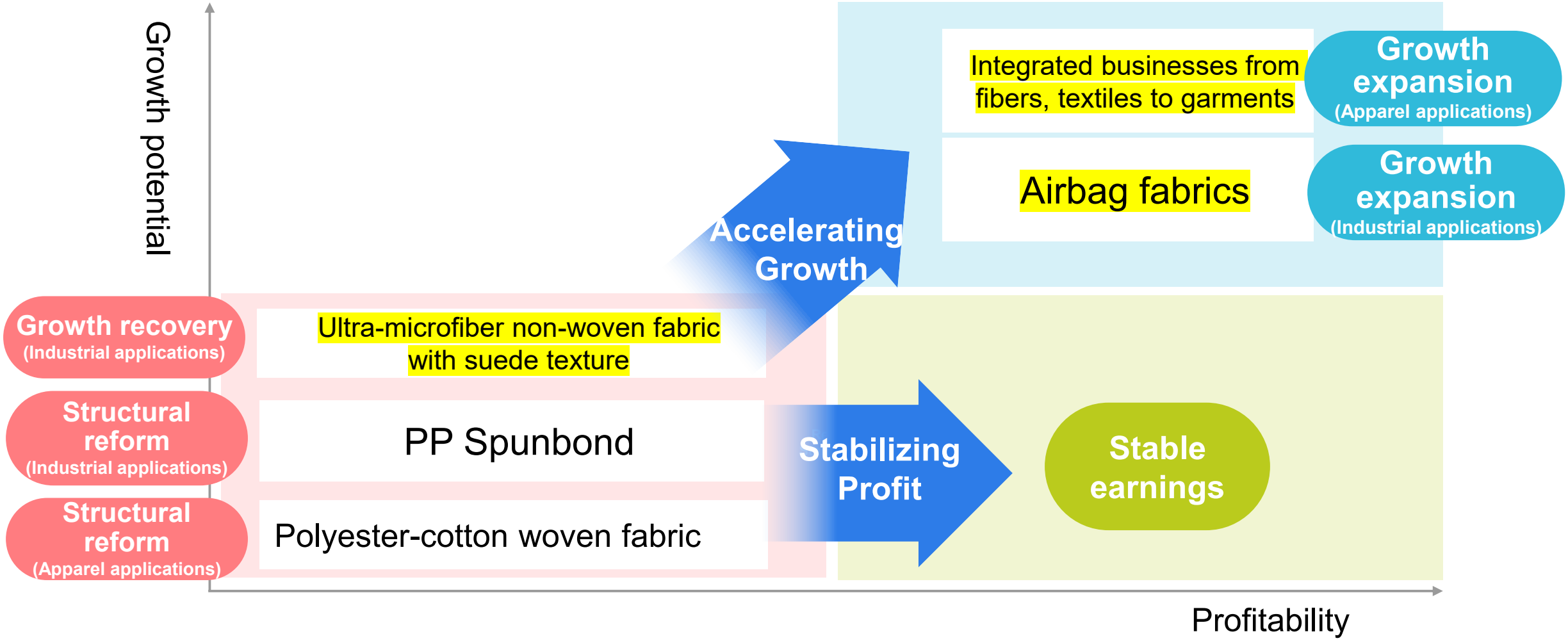
-Basic Policy for Fibers & Textiles Business under IGNITION 2028 -

Based on the competitiveness of each business,
we will focus on following:

(1) Growth expansion strategy
(2) Growth recovery strategy
(3) Structural reform

We will promote business portfolio transformation and strengthening, aiming for "realization of a truly sustainable fibers and textiles business"

Fibers & Textiles Business Portfolio Transformation and Strengthening: "Growth Expansion/Return" and "Structural Reform"



With ROIC as the overarching concept, we will pursue growth strategy and structural reform with equal intensity

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The core fiber business to provide integrated solutions from yarn to sewing

1. Advancement of global supply chain operations
2. Promotion of high value-added materials
3. Creation of innovation by developing new products and new value

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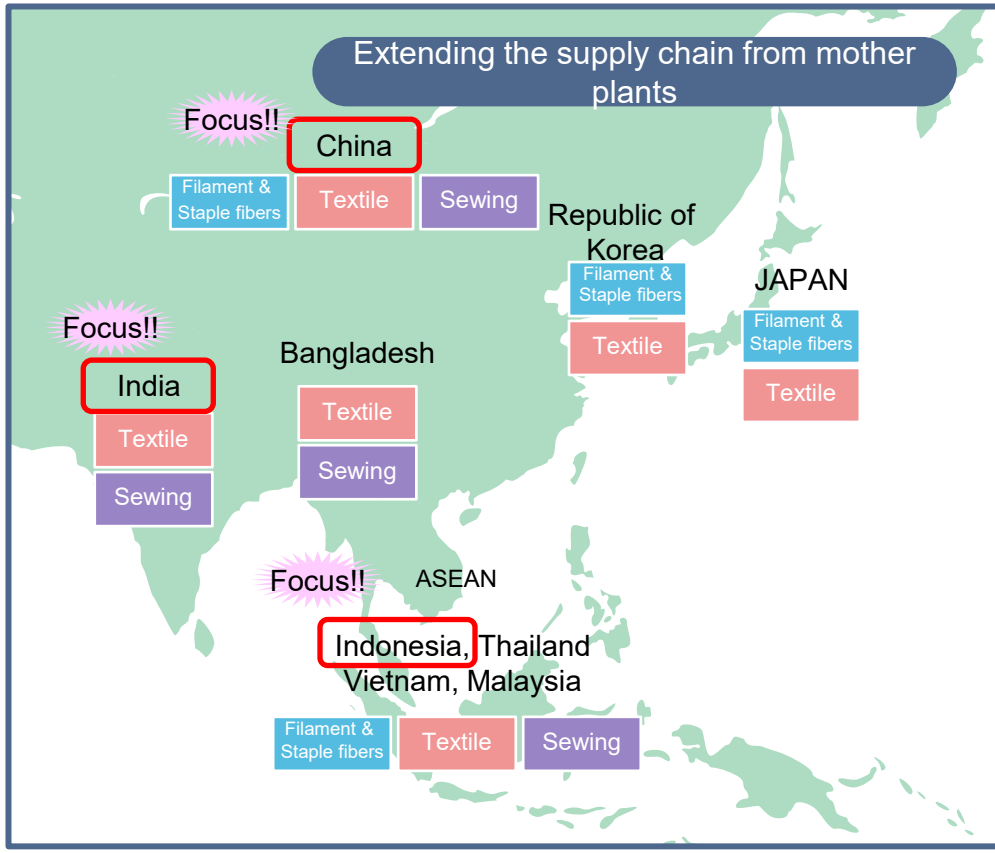
(1) Growth Expansion Strategy: Integrated Businesses from Fibers, Textiles to Garments
Enhancement of global supply chain operations

- Deepening and extending the global supply chain, with intensive strengthening in Indonesia and India
- Business expansion with technical support from Japan's technology and development mother plants
- Development of high value-added products combining strengths in both materials (high-functionality, environmentally friendly, etc.) and sewing (sealing, bonding, etc.)

Deepening and extending the Asian supply chain for the apparel applications



Development of innovative materials through collaboration with Toray Synthetic Fiber Cluster (Japan) and Toray Fibers & Textiles Research Laboratories (China) Co., Ltd

Expansion of high value-added integrated textile and sewing business for apparel in Asia

- **Vietnam, China: Utilization of PTHL knitting facilities**
- **Indonesia: Planning new knitting facility**
- **India: Establishment of new sewn products manufacturing company (TOMA)**

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Innovative technology NANODESIGN™ supporting value-adding across the entire supply chain

NANODESIGN TECHNOLOGY

2016
uts-fit™
Premium Softness, Stretch

2019
Kinari™
Luxurious Silk-like Luster

2020
Camifu™
Light weight with a Smooth Dry Touch

2021
Qticle™
Wool inspired Supple Texture

2023
DEWEIGHT™
PFAS-free water-repellent stretch

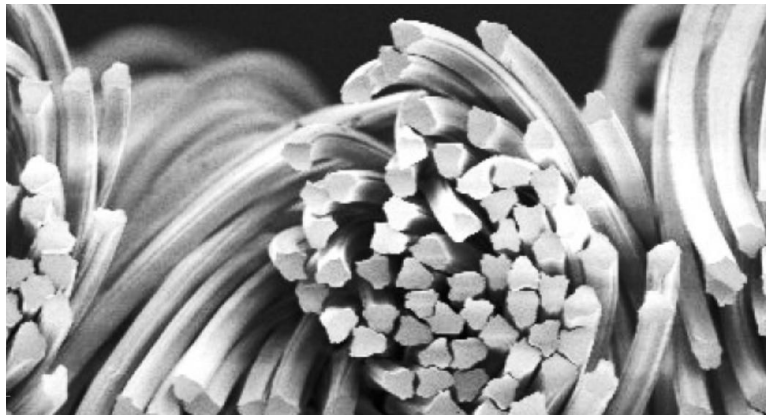
2024
SillookMirai™
Silk inspired Fabric with Plant Based Raw Material

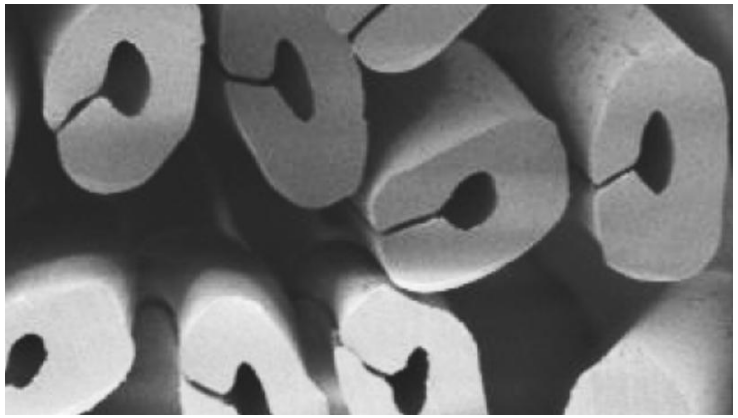
2025
DEWEIGHT™ PS
Premium powder touch and water repellency

2026
AURLIST™
Luxurious luster and soft loft

Technology of Craftsmanship and Innovation by Toray

Toray marked its 100th anniversary on April 16, 2026.
NANODESIGN™ is an innovative composite spinning technology developed by Toray.
By controlling the fineness and structure of fibers at the nanoscale, it enables the creation of entirely new materials with functionalities and textures that were previously unattainable.
Supported by a foundation of craftsmanship and continuous innovation, Toray continues to evolve in the development of high value-added materials.





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(1) Growth Expansion Strategy: Integrated Businesses from Fibers, Textiles to Garments
Promotion of High Value-Added Materials (2)

TORAY

Strengthening competitiveness through high-functionality textile brands

Light, Warm and Durable High-volume Knitted Fabric

KARUISHI

A lightweight material that combines thermal insulation with outstanding abrasion resistance and durability.

Comfortable Stretch Fabric

Primeflex™

A lightweight material with excellent stretch and recovery, superior durability, and versatility for a wide range of applications.

Waterproof Breathable Fabric

Dermizax™

Toray‘s proud fabric that achieves the highest level of waterproofness, breathability and resistance to condensations with meticulous attention to yarn, weaving, membrane, and backing

Light blocking, UV protection, and heat shielding

SUMMER SHIELD

Special three-layer laminate structure improves comfort in extreme heat conditions

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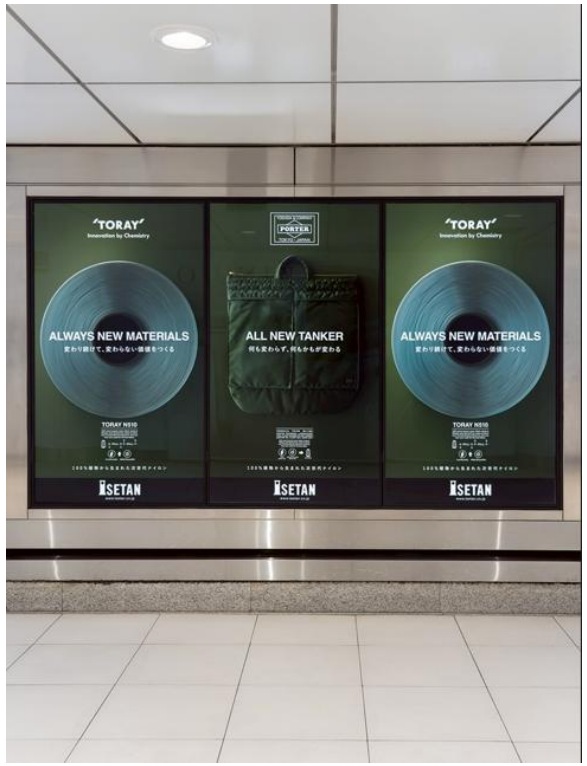
(1) Growth Expansion Strategy: Integrated Businesses from Fibers, Textiles to Garments
Creation of Innovation Through New Products and New Value (1)

Appeal corporate brand and material brand to consumers through joint promotional campaigns

Joint project with UNITED ARROWS Co., Ltd.
NANODESIGN ™

"Woven Label on the Inside of the Jacket"
A branding tool that condenses the brand's worldview, value, technology, differentiation, transparency, and emotional attachment into a single element.

In collaboration with Yoshida & Co., 100% bio-based Nylon 510 fiber has been adopted for the "TANKER" series of Yoshida & Co. and brought to market



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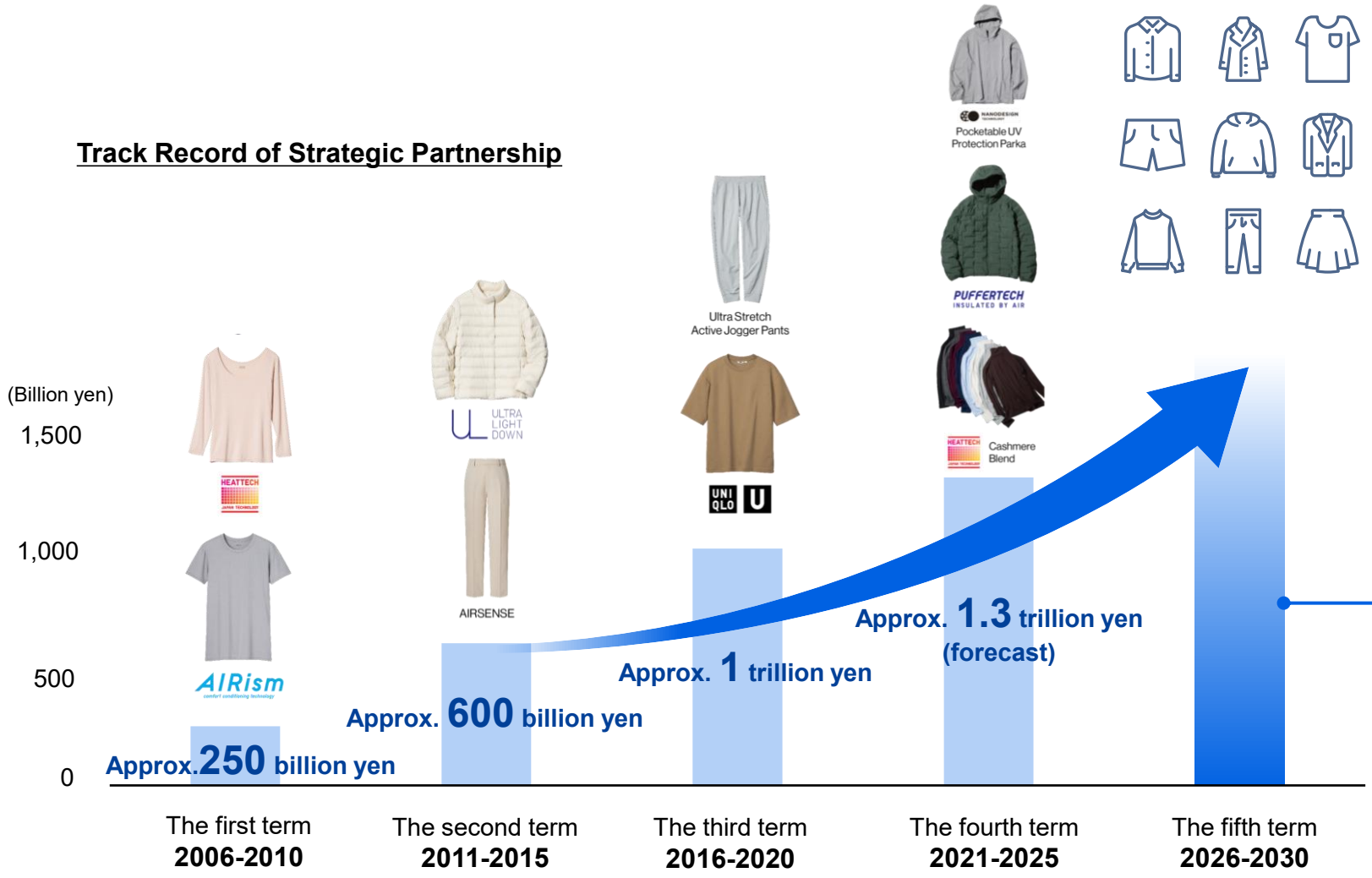
(1) Growth Expansion Strategy: Integrated Businesses from Fibers, Textiles to Garments
Creation of Innovation Through New Products and New Value (2)

The Fifth Term Strategic Partnership Agreement Between UNIQLO and Toray

Aim to create multiple "Innovative LifeWear" products that change life and common knowledge of customers around the world, and accelerate creation of a new end-to-end industrial structure, from development to marketing

Track Record of Strategic Partnership



TORAY Innovation by Chemistry

UNIQLO LifeWear

The fifth term (2026-2030)

- **Development and products:**
  Create some major core products, Innovative LifeWear
- **Accelerate extension of supply chain:**
  Deepening local production for local consumption, and active investment to Southeast Asia and South Asia
- **Sustainability:**
  Tackle to the global issues of society and environment

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(2) Growth Expansion Strategy: Expansion of Airbag Fabric Business

Strengthening and developing a solid business foundation that cannot be threatened by anyone

1. Establish the integrated supply structure from yarn to fabric to sewing

2. Establish a global supply network for the consistent high-quality fabrics

3. More advanced business strategy to capture market expansion

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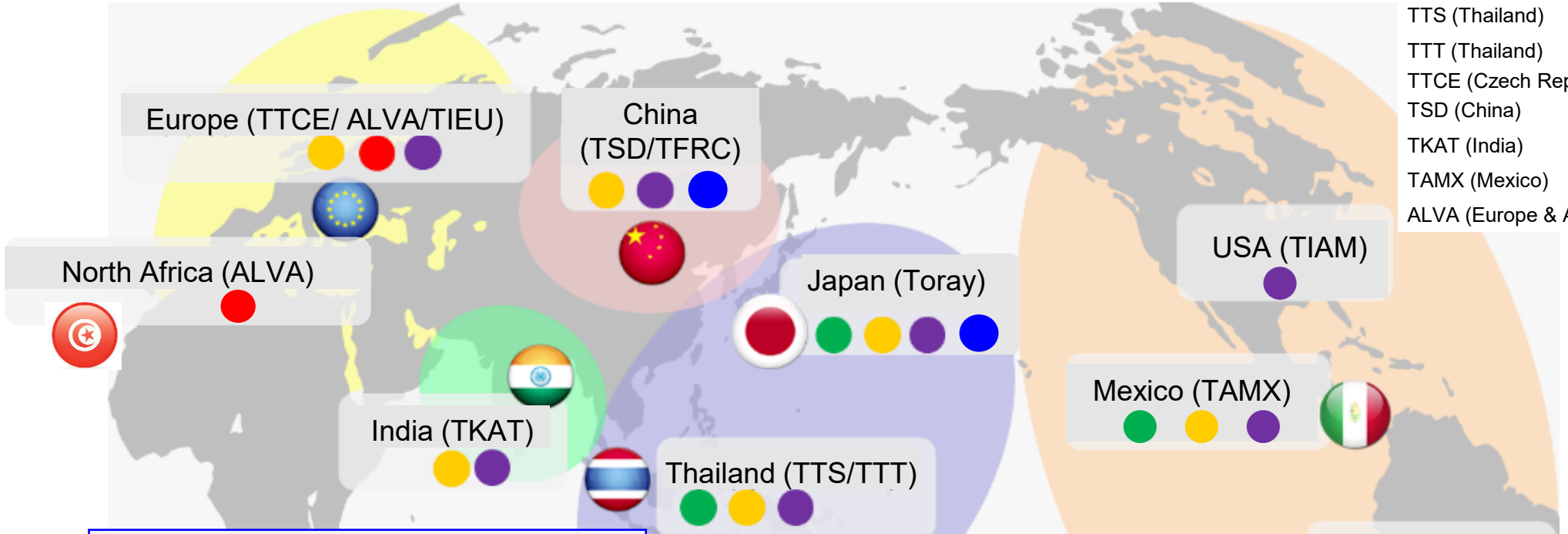
(2) Growth Expansion Strategy: Airbag Fabric Business
Establish the complete supply structure from yarn to base fabric to sewing

TORAY

Linking regions, organizations, product bases to make use of technical resource, connections and know-how



TTS (Thailand)	2002 ～
TTT (Thailand)	2002 ～
TTCE (Czech Republic)	2006 ～
TSD (China)	2013 ～
TKAT (India)	2014 ～
TAMX (Mexico)	2015 ～
ALVA (Europe & Africa)	2020 ～

Production and sales of yarn:	3 sites
Production and sales of fabrics:	6 sites
Sewing of cushions:	2 sites
R&D center:	2 sites
Marketing :	8 sites

~1990s	2000s	2010s	2020s
Start of yarn and base fabric production in Japan			
	Start of base fabric production in ASEAN, China, and Europe		
		Launch of base fabric operations in India and the Americas	
			Acquisition of European sewing business

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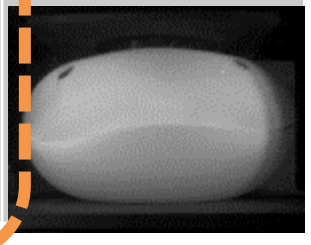
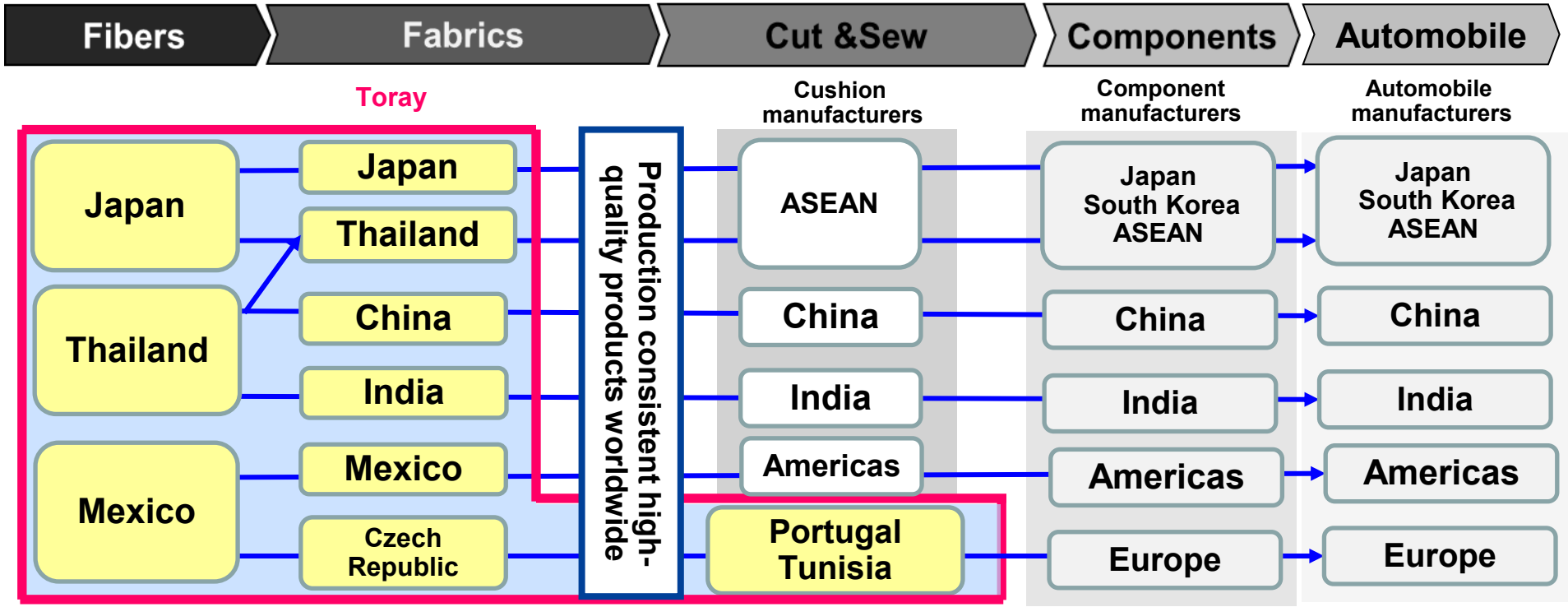
(2) Growth Expansion Strategy: Airbag Fabric Business
Establish a global supply network for providing the consistent high-quality fabrics

Process	Polymer	Thread	Textile material (Weaving)	Cushion (Sewing)	Module Assembly
Finished goods					

Established global supply chain that covers major production areas for automobiles and enables provide the consistent high-quality airbag fabrics worldwide

Constructed an integrated supply chain including cutting and sewing
Established R&D system



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(2) Growth Expansion Strategy: Airbag Fabric Business
"More advanced business strategy to capture market expansion"

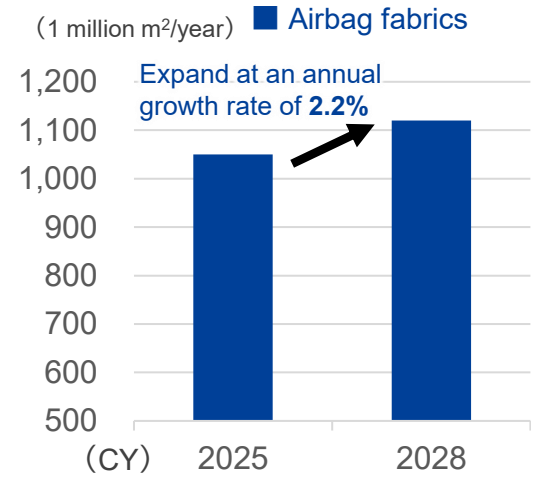
TORAY

Business environment

Demand expanded due to increase of automobile production, increase of airbag installment rate in emerging countries

Automobile production: **91.4 million** units per year in 2025 → **94.2 million** units per year in 2028

Airbag installment rate: Expanded mainly in emerging countries (e.g.: in India, installing 6 airbags in a car has become standard).



Demand forecast for airbag fabrics

Business strategies

- Strengthening optimal production and supply structure based on demand locations (achieving both cost competitiveness and responsiveness)
- Business advancement and profitability enhancement through deepening of integrated structure from yarn to fabric to sewing
- Acceleration of material development and high-functionality development centered on sustainability

Strategy in the Indian market

1. Increase production capacity of TKAT, the only weaving plant in the region
2. Support leading module manufacturers in the region to increase their local procurement portion
3. Promotion of development of recycling technology and yarn and fabric development starting from polymer

Trend of increasing airbag installation

2019: Mandated driver seat airbag
2022: Mandated front passenger seat airbag
Start of consideration for mandatory 6 airbags
2023: New car safety assessment system launched, standardization of 6 airbags

Aiming to expand business beyond the demand growth of airbag fabrics, leveraging our strengths, global supply chain, and business model integrating fibers, fabrics, and sewing

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(3) Growth Recovery Strategy:
Ultra-Microfiber Non-Woven Fabric with Suede Texture Business

Based on the two-brand strategy, promote growth strategy and structural reform with equal intensity

1. Structural reforms, strengthening of organizational management, and growth expansion measures for Alcantara

2. Further penetration of ALCANTARA™ and Ultrasuede™ brand identity

3. Differentiation through high value-added and customer-specific response

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(3) Growth Recovery Strategy:
Structural reforms, strengthening of management structure, and growth expansion measures for Alcantara

To rebuild the business performance of Alcantara, a top brand of ultra-microfiber non-woven fabric with suede texture that symbolizes our high value-added business, we will drive both thorough structural reform to strengthen our organizational management and growth expansion aimed at further enhancing profitability with equal intensity.

■ Factors behind Alcantara's weak performance

- Weak demand in the high-end automobile market due to the economic slowdown in Europe
- Surging manufacturing costs due to the emergence of geopolitical risks (the Russia-Ukraine war)

Structural reforms

Under Darwin project, teams are organized from Japan's production, sales, and management divisions to drive the initiatives.

■ Outline of new structural reforms and strengthening of organizational management

- Fixed cost reduction: Optimization in line with organizational structure and business scale
- Variable cost reduction: Lowering production costs (improving productivity, optimizing base fabric types, reviewing raw material and fuel purchasing contracts)
- Expanding high value-added products in non-automotive fields, targeting high-end brands in Europe and other regions. Strengthen the resilience to market fluctuations through the leveling of the business portfolio.

Growth expansion

■ Key drivers for returning to a growth trajectory and enhancing profitability

(1) Build entry barriers by strengthening relationships through direct marketing to major automotive OEMs

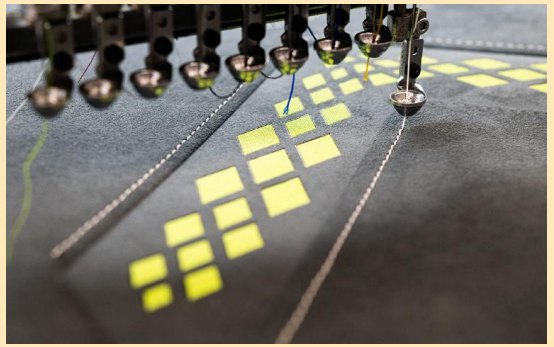
(2) Create a virtuous cycle in the ultra-high-net-worth market through a precise targeting strategy

Selectively target ultra-high-net-worth segment brands aligned with the Alcantara™ brand (top apparel, super sports cars, private helicopters, yachts, luxury furniture, etc.), creating a virtuous cycle in which each adoption leads directly to further promotion.

Alcantara™ +Ferrari

Alcantara™ +Ligne Roset

(3) Enhance value-added and differentiation through advanced processing and tailor-made production
— Expanding "Complex Manufacturing"



Alcantara™ +Stone Island Ghost

Expand value-added processing lines (embroidery, embossing, cutting) within the Alcantara™ plant and drive growth in core operating income by expanding sales of differentiated products enabled by an integrated process from spinning to finished products.

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(3) Growth Recovery Strategy: Ultra-Microfiber Non-Woven Fabric with Suede Texture Business
Further penetration of ALCANTARA™ and Ultrasuede™ brand identity

- **Continuously promote brand value enhancement with the two brand strategy**
- **Globally expand business mainly in automotive interior, interior, and the consumer electronics applications**

ALCANTARA®

<Alcantara S.p.A, (Italy)>

"Made in Italy" by unique design and craftmanship
Luxury brand focusing on sustainability

- Strengthening brand image through adoption in symbolic models such as European automotive high-end models, top apparel, mobility for the affluent (private helicopters, yachts), and World Expo exhibition venues.

ultrasuede®

<Toray Industries Ultrasuede Dept. (Japan)>

Japanese Advanced material brand with a wide variety of products made by Toray's leading-edge technology

- Continuation of Ultrasuede™ Design Collections focused on brand concept penetration and design image evocation + exhibitions at partner locations
- Penetration of brand image to the next generation through co-marketing with valued customers and industry-academia collaboration

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(3) Growth Recovery Strategy: Ultra-Microfiber Non-Woven Fabric with Suede Texture Business

"Differentiation through high value-added and customer-centric response" (the Automotive interior applications)

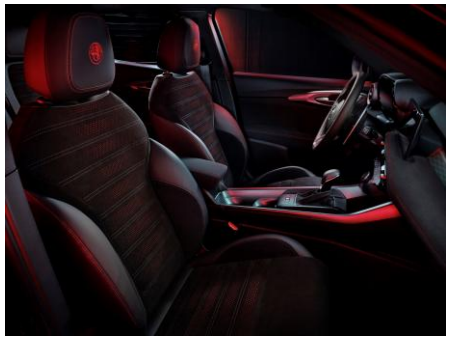
Driving customer-centric business in automotive interiors, our most important application

- Promoting direct approaches to automobile OEMs in major regions and extending supply chains (supplying laminated and cut products)
- Building sales and supply systems from Toray Group's global bases to provide attentive service to key customers worldwide

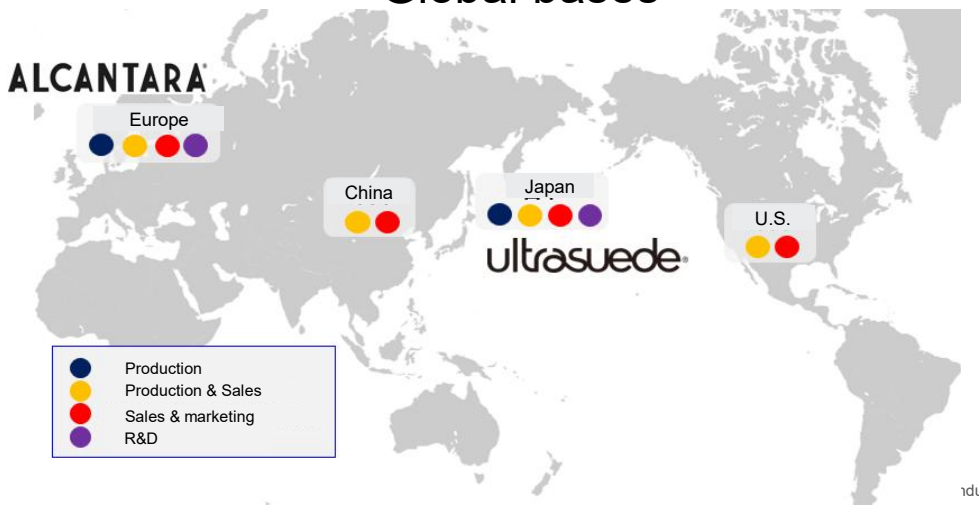
	Product Name	Yarn	Greige fabric	Dyeing services	Lamination processing	Cutting/ Sewing	Seat/ Ceiling Tier1	Vehicle assembly
Toray	Ultrasuede™	Toray Industries, Inc. (Domestic production in Japan) *Dyeing outsourced			Also supplying laminated products		Adient, Magna, Toyota Boshoku, TS Tech, Howa, etc.	Automobile manufacturers
	Alcantara™	Alcantara S.p.A (Produced in Italy) *Integrated production up to dyeing			Also supplying laminated and cut products		Coindu, Adient, Grammer, Zwisstex, KEK, etc.	Automobile manufacturers

<Urethane Foam / Laminated products>

<Cut products>



Global bases

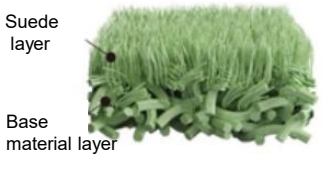
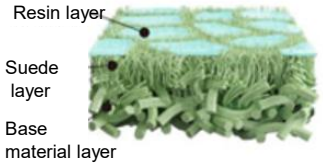
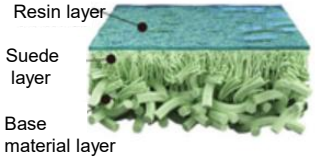


(3) Growth Recovery Strategy: Ultra-Microfiber Non-Woven Fabric with Suede Texture Business

Differentiation through high value-added and customer-specific solutions (New products)

ultrasuede® nu

- A superlative new premium quality material option, which combines advanced design and functionality. Suede and grain leather touch and appearance coexist.
- Ultrasuede ™ nu provides customers with a new choice superior to conventional natural and synthetic leathers.

Non-woven material with suede texture	ultrasuede® nu	Non-woven material with grain leather appearance
		

ultrasuede® nu 6 Features

- Delicate texture and suppleness reminiscent of premium aniline leather
- A unique, calming luster
- Light, comfortable breathability
- It's both uniform and lightweight, easily processed for a multitude of products and users
- Widely adaptable to a variety of specifications, functions and applications
- Unlimited creative options like laser cutting, embossing or printing

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(3) Growth Recovery Strategy: Ultra-Microfiber Non-Woven Fabric with Suede Texture Business

Differentiation through high value-added and customer-specific solutions (the Non-automotive applications)

In the non-automotive applications as well, we aim to expand business through strengthening existing fields and actively committing to new growth areas.

Strengthening the supply chain for the interior applications

Launching Ultrasuede™ cutting and sewing business in Europe (in collaboration with our Group company Alva (Portugal))

Equipped with a dedicated showroom to strengthen quick response services

Ultrasuede™ Showroom

Expansion into Consumer Electronics (CE) field

Ultrasuede™ and Alcantara™ are seeing expanding adoption as go-to materials for CE device, a high-growth market, particularly in exterior cases and interior protective applications, offering both high strength and durability as well as a thin, supple feel and premium texture.

By introducing new products that surpass suede (such as Ultrasuede™ nu), we aim at expanding applicable areas further.

ALCANTARA
- Microsoft

ALCANTARA
- Motorola

Ultrasuede
- final

Ultrasuede
- NuAns

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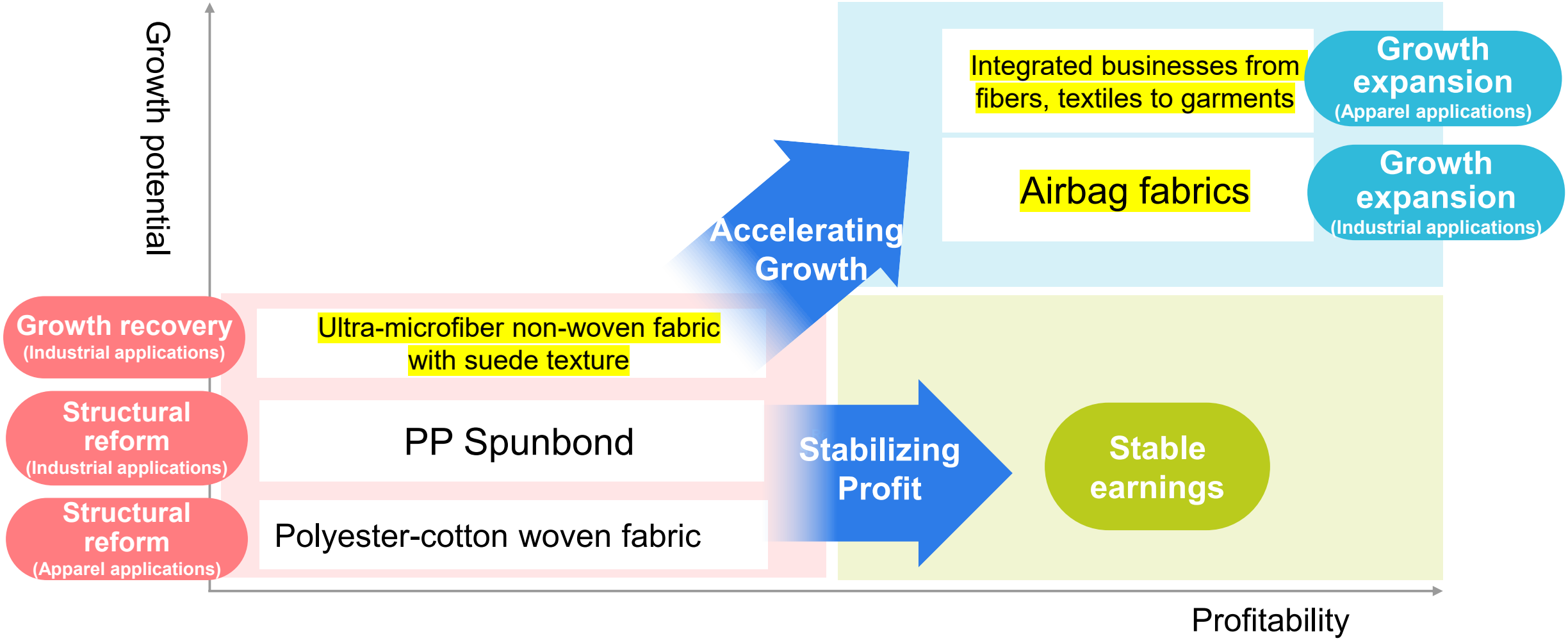
Fibers & Textiles Business Portfolio Transformation and Strengthening: "Growth Expansion/Return" and "Structural Reform"



With ROIC as the overarching concept, we will pursue growth strategy and structural reform with equal intensity

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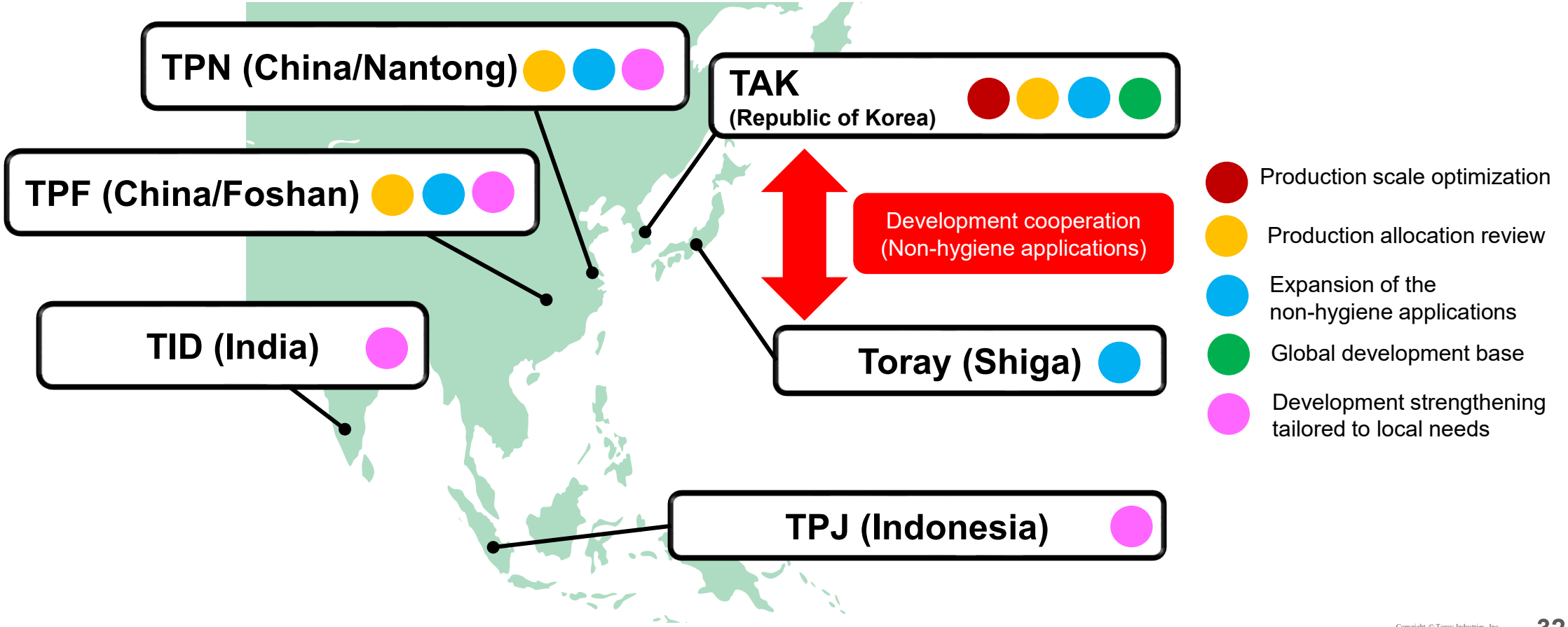
Structural Reform: Global Operation of PP Spunbond Business

AP-G 2025

- Optimization of production scale (reengineering) in line with slowing growth in the hygiene materials market, and review of optimal production locations (production allocation).
- Achieved profitability in FY 2025.

IGNITION 2028

- Differentiated product development (global development + localization development): Strengthening development tailored to local needs
- Expansion of the non-hygiene applications (in conjunction with Toray "ARTORAY"): Expansion of differentiated products for industrial materials



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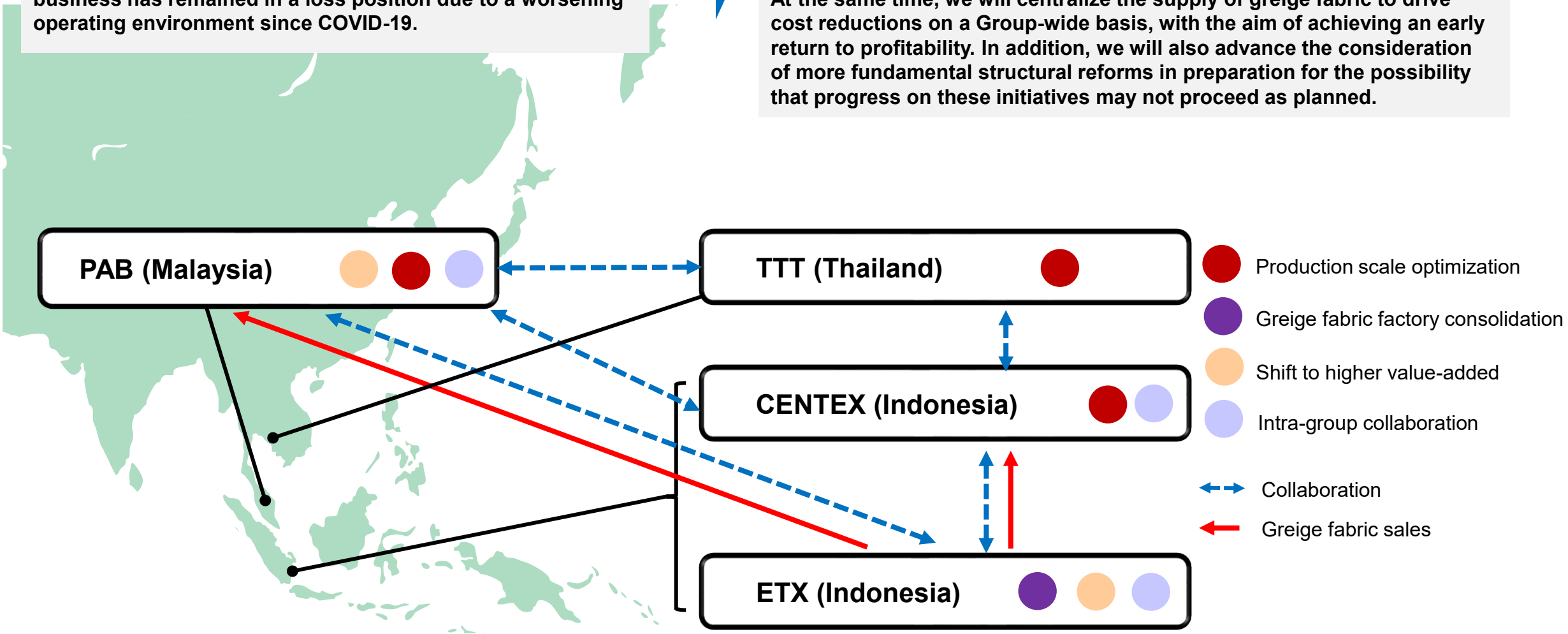
Structural Reform:
Polyester-Cotton Fabric Business Global Operation

AP-G 2025

The staple men's dress shirt market is facing declining demand and an influx of low-priced products, and the business has remained in a loss position due to a worsening operating environment since COVID-19.

IGNITION2028

We will focus on expanding sales of high value-added products for the uniform and fashion applications through collaboration across the Group. At the same time, we will centralize the supply of greige fabric to drive cost reductions on a Group-wide basis, with the aim of achieving an early return to profitability. In addition, we will also advance the consideration of more fundamental structural reforms in preparation for the possibility that progress on these initiatives may not proceed as planned.



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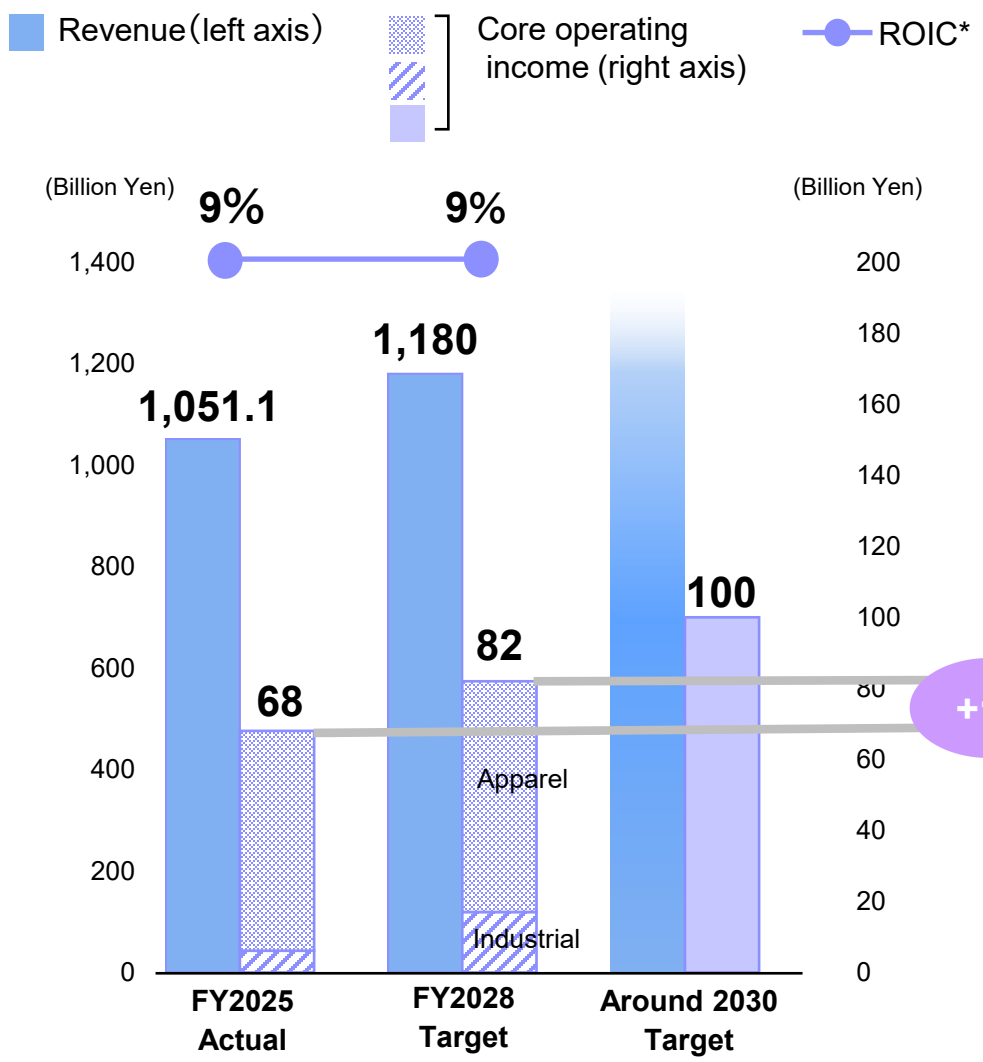
V

FY 2028 Target

IGNITION 2028 Targets



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

(1) Steadily expand growth businesses and promote higher value-added, as well as implementing business structural reform. Improve business portfolio and enhance profitability, targeting core operating income of 82.0 billion yen for FY 2028, an increase of 14.0 billion yen compared to FY 2025.

(2) Advance initiatives under IGNITION 2028, aiming for core operating income of 100.0 billion yen around 2030.

Growth Strategy	(1) Integrated Businesses from Fibers, Textiles to Garments Prioritizing capital investment in growth regions and fields to strengthen "Winning formula" strategy
	(2) Airbag Fabric Business Proactive expansion in global growth markets such as India and strengthening "Winning formula" business foundation
Structural Reform	(3) Ultra-Microfiber Non-Woven Fabric with Suede Texture (*) ・Clearly communicating brand identity and implementing global business development ・Expand the non-automotive applications to avoid demand fluctuation risk
	(4) PP Spunbond Business Complete structural reform through promotion of Darwin Project
	(5) Polyester-Cotton Woven Fabric Business Promote structural reform for low-profitability companies

*Increase in core operating income of ultra-microfiber non-woven fabric with suede texture business through growth recovery strategy is categorized under structural reform

Applications	Apparel applications ((1)(5)) + 3.1 billion yen Industrial applications ((2)(3)(4)) + 10.9 billion yen

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Innovation by Chemistry

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