

**'TORAY'**

**Notice of the  
143rd Ordinary  
General Meeting  
of Stockholders**

For the Fiscal Year Ended March 31, 2024



**2024**

**Toray Industries, Inc.**

1-1, Nihonbashi-Muromachi 2-chome,  
Chuo-ku, Tokyo 103-8666, Japan

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

## **Dear stockholders**

I would like to express my sincere gratitude to our stockholders for their continued support. I am pleased to invite you to participate in our 143rd Ordinary General Meeting of Stockholders.

Mitsuo Ohya  
President  
Toray Industries, Inc.



## To Our Stockholders

Dear Stockholder:

Please take notice that the 143rd Ordinary General Meeting of Stockholders of the Company will be held as set forth to the right.

In convening this general meeting of stockholders, the Company has taken measures for the electronic provision of information contained in the voting information, etc. (matters subject to measures for electronic provision). The Company posted these matters on the Company's website (Investor Relations) as follows. Please access the Company's website to check these matters.

The Company's website:

[https://www.toray.com/global/ir/stocks/sto\\_008.html](https://www.toray.com/global/ir/stocks/sto_008.html)

In addition to the above website, the matters subject to measures for electronic provision are posted on the Tokyo Stock Exchange's website.

Tokyo Stock Exchange's website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

(Please access the above address, enter the Issue name (company name) or securities code, and perform a search, and select "Basic information" and "Documents for public inspection/PR information" to read the matters)

If you do not attend the meeting in person, you can exercise your voting rights via the Internet or in writing. Please review the accompanying information and exercise your voting rights by 5:30 p.m., Monday, June 24, 2024 (Japan Standard Time).

Voting via the Internet:

Please review the "Exercise of Voting Rights via the Internet" on page 5 and enter your vote for or against each proposition by the time described above.

Voting via Postal Mail:

Please indicate your vote for or against each proposition on the enclosed voting form and return the form to us by the time described above.

(Securities code: 3402)

June 5, 2024

(Start date of measures for electronic provision:  
May 23, 2024)

Mitsuo Ohya

President and Representative Member of the Board

Toray Industries, Inc.

1-1, Nihonbashi-Muromachi 2-chome, Chuo-ku,  
Tokyo 103-8666, Japan

1. Date and time of meeting:  
Tuesday, June 25, 2024, 10:00 a.m.
2. Place:  
Tokyo International Forum  
(Hall C),  
5-1, Marunouchi 3-chome,  
Chiyoda-ku, Tokyo, Japan
3. Matters to be discussed and to be reported:
  1. The Business Report and Consolidated Financial Statements for the 143rd business year (from April 1, 2023 to March 31, 2024), and Reports of the Independent Auditor and the Board of Corporate Auditors on the relevant Consolidated Financial Statements conducted respectively
  2. Report on the Non-consolidated Financial Statements for the 143rd business year (from April 1, 2023 to March 31, 2024)

Matters to be acted upon:

Proposition No. 1:

Appropriation of Surplus

Proposition No. 2:

Election of Twelve Members of the Board

Proposition No. 3:

Payment of Bonuses to Members of the Board

4. Matters to be decided upon convocation:

- (1) In accordance with the provisions of laws and regulations and the Articles of Incorporation of the Company, among the matters subject to measures for electronic provision, the following matters are not included in the matters to be included in a paper copy to be sent to shareholders who have requested it. Corporate auditors and the independent auditor have audited materials subject to audit including the following matters.
  - 1) Consolidated Statement of Changes in Equity, and Notes to Consolidated Financial Statements in Consolidated Financial Statements
  - 2) Non-consolidated Statement of Changes in Equity, and Notes to Non-consolidated Financial Statements in Non-consolidated Financial Statements
- (2) If a stockholder exercises his/her vote in duplicate, both online (including votes through smartphones) and via the enclosed voting form, only the online vote shall be effective. Furthermore, if a stockholder exercises online votes more than once, the last vote shall be effective.
- (3) If the voting form you return does not indicate your vote for or against each proposition, this shall be treated as an indication of approval.

If you exercise your voting right by proxy on the day of the meeting, one (1) other stockholder with voting rights may attend the meeting as proxy in accordance with the provisions of the Articles of Incorporation of the Company. Provided, however, that the proxy shall submit a document evidencing his/her power of representation, such as a power of attorney.

If you attend the meeting in person on the day of the meeting, please submit the enclosed voting form at the reception desk.

If there are any revisions to the matters subject to measures for electronic provision, the Company will make an announcement to that effect and the matters before and after corrections on the Company's website and the Tokyo Stock Exchange's website.

**A Guide for the Exercise of Voting Rights**

Please review the accompanying information from page 7 and exercise your voting rights by any of the following methods.

**If you exercise your voting rights in advance****Exercise of Voting Rights via the Internet**

(For details, please see the next page.)

Voting through smartphones, etc.

Please scan the Portal of Shareholders' Meeting Login QR code at the bottom right of the enclosed voting form with your smartphone etc. to log into the website and tap the "Exercise of Voting Rights" button. Then, please exercise on the "Smart Exercise" screen.

\* QR Code is a registered trademark of DENSO WAVE INCORPORATED.

Deadline for voting: Your votes must be exercised by 5:30 p.m., Monday, June 24, 2024.

Voting via PCs, etc.

The Portal of Shareholders' Meeting

<https://www.soukai-portal.net>

Voting Rights Exercise Website

<https://www.web54.net>

Please access the above websites by entering a login ID and password indicated on the enclosed voting form. After login, follow the instructions on the screen and register your vote for or against each proposition.

Deadline for voting: Your votes must be exercised by 5:30 p.m., Monday, June 24, 2024.

**Voting via Postal Mail**

Please indicate your vote for or against each proposition on the enclosed voting form and return the form to the Company's Transfer Agent by the deadline.

If you do not indicate your vote for or against each proposition, this shall be treated as an indication of approval.

Deadline for voting: The voting form must be received by 5:30 p.m., Monday, June 24, 2024.

**If you are able to attend the meeting**

Please bring the enclosed voting form with you and present it to the receptionist.

Date and time of meeting: Tuesday, June 25, 2024, 10:00 a.m.

[The receptionist is scheduled to be ready at 9:00 a.m.]

Requests for the shareholders who are able to attend the meeting

- (1) Please carefully decide your attendance, considering the spread of infectious diseases and your health conditions.
- (2) Any major changes in the operation or venue of the General Meeting of Stockholders due to the further spread of infections and other factors will be posted on the Company's website (<https://www.toray.com/global/ir/>). Please check the latest information.

Matters to note concerning the duplicated exercise of voting rights

- (1) If two or more online votes (including votes through smartphones) are exercised, only the latest vote will count.
- (2) If a vote is exercised in duplicate using the voting form and via online (including votes through smartphones), only the online vote (including votes through smartphones) will count.

If you have any questions about the exercise of your voting rights, please call one of the following numbers.

Transfer Agent: Stock Transfer Agency Business Planning Dept., Sumitomo Mitsui Trust Bank, Limited

For the exercise of voting rights  
0120-652-031 (toll-free within Japan only)  
(9:00 to 21:00)

For other inquiries  
0120-782-031 (toll-free within Japan only)  
(9:00 to 17:00 on weekdays)

## Exercise of Voting Rights via the Internet

Voting through smartphones, etc.

- 1) Please scan the QR code shown on the voting form.  
\* QR Code is a registered trademark of DENSO WAVE INCORPORATED.
- 2) Tap the “Exercise of Voting Rights” button on the top page of the Portal of Shareholders’ Meeting.
- 3) The top page of “Smart Exercise” is displayed. Then, follow the instructions on the screen and register your vote for or against each proposition.

If you intend to change any of your votes after you have exercised your voting rights, you will be required to enter the login ID and password indicated on the enclosed voting form.

Voting via PCs, etc.

- 1) Please access by entering the login ID and password indicated on the enclosed voting form from the following URL.  
The Portal of Shareholders’ Meeting  
<https://www.soukai-portal.net>  
Login ID and password for the “Portal of Shareholders’ Meeting”
- 2) After login, click the “Exercise of Voting Rights” button on the top page of the General Meeting of Shareholders Portal.
- 3) Please follow the instructions on the screen and register your vote for or against each proposition.

You may continue to use the “Voting Rights Exercise Website.”

<https://www.web54.net>

- \* Connection fees payable to Internet service providers and communication expenses payable to telecommunication carriers, etc. when using the Internet will be borne by stockholders.
- \* In certain Internet user environments, subscribing to certain services, or when using certain devices, you may be unable to use the above websites.

For Institutional Investors

In addition to voting via the Internet as mentioned above, institutional investors have the option of voting via the Electronic Proxy Voting Platform operated by ICJ Inc. Please note, however, that this voting platform is available only to those who subscribe in advance.

## Guidance on the Live Stream via the Internet

The Company will provide a live streaming service via the Internet as follows to ensure that stockholders who do not visit the meeting venue on the date of the meeting will have the opportunity to view the meeting in progress.

Please note that you will be unable to exercise your voting rights, ask questions, or propose motions when viewing the live stream of the meeting.

Date and time of the live stream

Tuesday, June 25, 2024, from 10:00 a.m. to the closing of the meeting

The streaming page is scheduled to be available from around 30 minutes before the opening of the meeting (9:30 a.m.).

Method for viewing

Please visit the website below, enter your ID (stockholder number) and password (postal code), and click the log-in button.

Streaming URL: <https://3402.ksoukai.jp>

ID: the stockholder number (nine digits) indicated in the voting form.

Password: the postal code (seven digits, with no hyphen) indicated in the voting form.

\* Please be sure to write down your ID and password before posting the voting form.

<Points of Attention>

- \* During the live stream, subtitles will be displayed via voice recognition. Because these subtitles are entered in real time, they may be displayed later than the audio, and may not display accurately.
- \* Due to conditions of your personal computers or other devices, Internet connection environment or network traffic conditions, you may be unable to view the live stream.
- \* Communication charges, etc. when viewing the live stream will be borne by stockholders.
- \* We may be forced to suspend or cancel the live stream because of problems in the Internet environment, problems with equipment or materials, or other conditions.
- \* Please refrain from recording, photographing, or storing the live stream, or from sharing the URL or your ID or password with any other persons.
- \* To protect the privacy of stockholders in attendance, the video recording of the meeting venue will be limited to the immediate vicinity of the seats of the chairman and executives. Please be aware in advance that stockholders present may appear in the live stream for unavoidable reasons.

Contacts for assistance with the live stream

If you have any questions, please contact the following numbers.

For your ID (stockholder number) and password (postal code): Sumitomo Mitsui Trust Bank, Limited Dedicated line for virtual stockholder meeting support 0120-782-041 Reception time: 9:00 a.m. to 5:00 p.m. (excluding Saturdays, Sundays, and public holidays)	For viewing the live stream: V-cube, Inc. 03-4335-8082 Reception date and time: Tuesday, June 25, 2024, 9:00 a.m. to the close of the meeting
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## Voting Information

Propositions and Related Information:

**Proposition No. 1:**  
*Appropriation of Surplus*

With regard to the year-end dividend for the fiscal year, management intends to pay ¥9 per share in light of Toray's business performance, financial strength and other factors. As a result, the annual dividend, consisting of an interim dividend of ¥9 and a year-end dividend of ¥9, will be ¥18 per share.

Year-end dividend

(1) Type of dividend assets: Money

(2) Allotment of dividend assets to stockholders and the total amount

Allotment of dividend assets to stockholders: ¥9 per share of common stock

Total amount: ¥14,422,175,793

(3) Effective date of distribution of surplus

June 26, 2024

[Reference] Financial Highlights

Years ended March 31,	Billions of yen, except per share data			
	2021	2022	2023	2024
Revenue	¥1,883.6	¥2,228.5	¥2,489.3	¥2,464.6
Core operating income	90.3	132.1	96.0	102.6
Operating income	55.9	100.6	109.0	57.7
Profit attributable to owners of parent	45.8	84.2	72.8	21.9
Basic earnings per share (yen)	28.61	52.63	45.49	13.67
Equity attributable to owners of parent	1,237.9	1,405.6	1,535.0	1,736.0
Total assets	2,848.8	3,043.9	3,194.0	3,466.5

Note 1: Core operating income is calculated by excluding income and expenses due to non-recurring factors from operating income.

Note 2: Figures shown are rounded to the nearest ¥0.1 billion.



**Proposition No. 2:**

*Election of Twelve Members of the Board*

The term of office of all the thirteen members of the Board will expire at the close of this general meeting. Accordingly, the stockholders are requested to elect twelve members of the Board with the decrease of one internal Member of the Board. Required Information on the twelve Candidates for Members of the Board is as follows.

[List of Candidates for Directors]

Candidate No.	Name	Gender	Current positions, responsibilities and significant concurrent positions at the Group
1	Akihiro Nikkaku [Reappointed]	Male	Chairman and Representative Member of the Board
2	Mitsuo Ohya [Reappointed]	Male	President and Representative Member of the Board
3	Satoru Hagiwara [Reappointed]	Male	Executive Vice President and Representative Member of the Board (Legal & Compliance Division (Security Trade Administration Dept.); Intellectual Property Division; Technology Center)
4	Kazuyuki Adachi [Reappointed]	Male	Executive Vice President and Member of the Board (Purchasing & Logistics Division; Manufacturing Division)
5	Kazuhiko Shuto [Reappointed]	Male	Executive Vice President and Member of the Board (Marketing and Sales; Corporate Marketing Planning Division)
6	Tetsuya Tsunekawa [Reappointed]	Male	Senior Vice President and Member of the Board (Corporate Strategic Planning Division; HS Division)
7	Masahiko Okamoto [Reappointed]	Male	Senior Vice President and Member of the Board (Finance & Controller's Division)
8	Kunio Ito [Reappointed] [Outside] [Independent]	Male	Outside Director
9	Ryoji Noyori [Reappointed] [Outside] [Independent]	Male	Outside Director
10	Susumu Kaminaga [Reappointed] [Outside] [Independent]	Male	Outside Director
11	Kazuo Futagawa [Reappointed] [Outside] [Independent]	Male	Outside Director
12	Yuko Harayama [Reappointed] [Outside] [Independent]	Female	Outside Director

[Outside] Outside Director

[Independent] Independent director registered at the Exchange

No.1

**Akihiro Nikkaku**

(Reappointed)



***Personal History:***

April 1973	Joined the Company
June 2001	General Manager, Engineering Division; General Manager, Second Engineering Dept.
June 2002	Vice President (Member of the Board)
June 2004	Senior Vice President (Member of the Board)
June 2006	Senior Vice President (Member of the Board & Member of the Executive Committee)
June 2007	Executive Vice President and Representative Member of the Board
June 2010	President and Representative Member of the Board
June 2020	President and Representative Member of the Board
June 2023	Chairman and Representative Member of the Board (incumbent)

***Date of Birth:***

January 6, 1949

***Shares Owned:***

191,300

***Attendance at the Meetings of the Board of Directors:***

100% (14 out of 14)

(Reason for recommending him as candidate for member of the Board position)

Akihiro Nikkaku has gained rich experience and high level of expertise in technology, production, engineering, sales, and corporate strategic planning as a whole. He has also led the promotion of the growth strategy as Chairman and President of the Company based on a long-term corporate vision and the medium-term management program since assuming office as President in June 2010. We believe that he has contributed to the Company's sustainable development and has supervised the management of the overall Group from an objective viewpoint. We therefore continue to recommend his election as a member of the Board.

**No.2**

**Mitsuo Ohya**

(Reappointed)



***Date of Birth:***

*June 11, 1956*

***Shares Owned:***

*80,158*

***Attendance at the Meetings of the Board of Directors:***

*100% (14 out of 14)*

***Personal History:***

April 1980	Joined the Company
June 2009	General Manager, Industrial & Textile Fibers Division
June 2012	Vice President (Member of the Board)
June 2014	Retired from Vice President (Member of the Board) President and Representative Member of the Board, Toray International, Inc.
June 2016	Senior Vice President (Member of the Board & Member of the Executive Committee)
June 2020	Executive Vice President and Representative Member of the Board
June 2023	President and Representative Member of the Board (incumbent)

(Reason for recommending him as candidate for member of the Board position)  
Mitsuo Ohya has gained rich experience and a high level of expertise in sales mainly related to the fibers & textiles business. He has led the promotion of the growth strategy based on a long-term corporate vision and the medium-term management program since assuming office as President in June 2023. We believe that he has contributed to the Company's sustainable development by leading the Group's management and has supervised the management of the overall Group from an objective viewpoint. We therefore continue to recommend his election as a member of the Board.

No.3

**Satoru Hagiwara**

(Reappointed)



***Personal History:***

April 1981	Joined the Company
April 2011	General Manager, Industrial Films Division
June 2012	Vice President (Member of the Board)
June 2014	Senior Vice President (Member of the Board)
June 2017	Retired from Senior Vice President (Member of the Board) President and Representative Member of the Board, Toray Advanced Film Co., Ltd.
June 2020	Senior Vice President and Member of the Board
June 2022	Executive Vice President and Representative Member of the Board (incumbent) (Presently in charge of Legal & Compliance Division (Security Trade Administration Dept.) and Intellectual Property Division; General Manager, Technology Center)

***Date of Birth:***

*October 22, 1956*

***Shares Owned:***

*90,098*

***Attendance at the  
Meetings of the***

***Board of Directors:***

*100% (14 out of 14)*

(Reason for recommending him as candidate for member of the Board position)  
Satoru Hagiwara has gained rich experience and a high level of expertise mainly in sales, technology and manufacturing related to the films business. He has steadily promoted the growth strategy based on a long-term corporate vision and the medium-term management program since assuming office as a member of the Board in June 2020. We believe that he has appropriately executed his duties in the business fields under his charge and has supervised management from an objective viewpoint. We therefore continue to recommend his election as a member of the Board.

No.4

**Kazuyuki Adachi**

(Reappointed)



***Personal History:***

April 1980	Joined the Company
October 2017	Director, Toray Industries (Thailand) Co., Ltd.; President, Luckytex (Thailand) Public Company Limited; Chairman, Thai Toray Textile Mills Public Company Limited
June 2018	Senior Vice President (Member of the Board)
June 2020	Senior Vice President and Member of the Board
June 2023	Executive Vice President and Member of the Board (incumbent)
	(Presently in charge of Purchasing & Logistics Division; General Manager, Manufacturing Division)

***Date of Birth:***

March 14, 1957

***Shares Owned:***

44,600

***Attendance at the Meetings of the Board of Directors:***

100% (14 out of 14)

(Reason for recommending him as candidate for member of the Board position)  
Kazuyuki Adachi has gained rich experience and a high level of expertise mainly in technology and production related to the fibers & textiles business. He has steadily promoted the growth strategy based on a long-term corporate vision and the medium-term management program since assuming office as a member of the Board in June 2018. We believe that he has appropriately executed his duties in the business fields under his charge and has supervised management from an objective viewpoint. We therefore continue to recommend his election as a member of the Board.

No.5

**Kazuhiko Shuto**  
(Reappointed)



*Personal History:*

April 1980	Joined the Company
April 2014	General Manager, Textiles Division
June 2014	Vice President (Member of the Board)
June 2016	Senior Vice President (Member of the Board)
June 2018	Retired from Senior Vice President (Member of the Board) Chief Representative for China; Chairman & President, Toray Industries (China) Co., Ltd.; Chairman, Toray Sakai Weaving & Dyeing (Nantong) Co., Ltd.
<i>Date of Birth:</i> December 31, 1957	June 2020 Senior Vice President
<i>Shares Owned:</i> 54,900	June 2021 Senior Vice President
<i>Attendance at the Meetings of the Board of Directors:</i> 100% (14 out of 14)	June 2022 Senior Vice President and Member of the Board
	June 2023 Executive Vice President and Member of the Board (incumbent) (Presently in charge of Marketing and Sales; Corporate Marketing Planning Division)

(Reason for recommending him as candidate for member of the Board position)  
Kazuhiko Shuto has gained rich experience and a high level of expertise mainly in sales related to the fibers & textiles business. He has steadily promoted the growth strategy based on a long-term corporate vision and the medium-term management program since assuming office as a member of the Board in June 2022. We believe that he has appropriately executed his duties in the business fields under his charge and has supervised management from an objective viewpoint. We therefore continue to recommend his election as a member of the Board.

**No.6**

**Tetsuya Tsunekawa**

(Reappointed)



***Personal History:***

April 1984	Joined the Company
January 2004	General Manager, Films & Film Products Research Laboratories
November 2009	General Manager, Advanced Film Technical Dept., Films & Film Products Research Laboratories
June 2012	General Manager, Tsuchiura Plant
June 2014	Vice President (Member of the Board)
June 2016	Senior Vice President (Member of the Board)
June 2020	Retired from Senior Vice President (Member of the Board) Senior Vice President
June 2022	Senior Vice President
June 2023	Senior Vice President and Member of the Board (incumbent) (Presently General Manager, Corporate Strategic Planning Division; in charge of HS Division)

***Date of Birth:***

March 28, 1960

***Shares Owned:***

64,300

***Attendance at the Meetings of the Board of Directors:***

100% (10 out of 10)

(Reason for recommending him as candidate for member of the Board position)  
Tetsuya Tsunekawa has gained rich experience, knowledge, and a high level of expertise and is well versed in worksites as he has been engaged mainly in research, technology, and manufacturing related to the films business. He has steadily promoted the growth strategy based on a long-term corporate vision and the medium-term management program since assuming office as a member of the Board in June 2023. We believe that he has appropriately executed his duties in the business fields under his charge and has supervised management from an objective viewpoint. We therefore continue to recommend his election as a member of the Board.

No.7

**Masahiko Okamoto**

(Reappointed)



***Personal History:***

April 1986	Joined the Company
April 2009	Vice President (Member of the Board), Toray Industries (Malaysia) Sdn. Berhad; Vice President (Member of the Board), Penfabric Sdn. Berhad; General Manager on Special Assignment, Finance & Controller's Division (Finance & Controller's Chief for Malaysia)
June 2013	General Manager, Finance Dept.
September 2017	General Manager, Controller's Dept.
June 2020	Corporate Vice President and Member of the Board
June 2023	Senior Vice President and Member of the Board (incumbent) (Presently General Manager, Finance & Controller's Division)

***Date of Birth:***

January 12, 1963

***Shares Owned:***

34,300

***Attendance at the Meetings of the Board of Directors:***

100% (14 out of 14)

(Reason for recommending him as candidate for member of the Board position)  
Masahiko Okamoto has gained rich experience and a high level of expertise mainly in accounting, administration and strategic planning. He has steadily promoted the growth strategy based on a long-term corporate vision and the medium-term management program since assuming office as a member of the Board in June 2020. We believe that he has appropriately executed his duties in the business fields under his charge and has supervised management from an objective viewpoint. We therefore continue to recommend his election as a member of the Board.



No.8

**Kunio Ito**

(Reappointed)

(Candidate for an outside and independent director position)



**Personal History:**

April 1980	Lecturer, Faculty of Commerce and Management, Hitotsubashi University
June 1984	Assistant Professor, Faculty of Commerce and Management, Hitotsubashi University
April 1992	Professor, Faculty of Commerce and Management, Hitotsubashi University
August 2002	Dean, Graduate School of Commerce and Management and Faculty of Commerce and Management, Hitotsubashi University
December 2004	Executive Vice President and Board Member, Hitotsubashi University
June 2005	Outside Member of the Board, Akebono Brake Industry Co., Ltd.
December 2006	Professor, Graduate School of Commerce and Management, Hitotsubashi University
June 2007	Outside Member of the Board, Mitsubishi Corporation
June 2009	Outside Director, Sharp Corporation
June 2009	Outside Director, Tokio Marine Holdings, Inc.
June 2012	Outside Director, Sumitomo Chemical Company, Limited
June 2013	Outside Director, Kobayashi Pharmaceutical Co., Ltd. (incumbent)
May 2014	Outside Director, Seven & i Holdings Co., Ltd.
June 2014	Outside Director, the Company (incumbent)
January 2015	Director, Hitotsubashi CFO Education and Research Center (incumbent)
April 2015	Research Professor, Graduate School of Commerce and Management, Hitotsubashi University
April 2015	Specially Appointed Professor, Chuo Graduate School of Strategic Management
April 2018	Research Professor, Department of Business Administration, Hitotsubashi University Business School

**Date of Birth:**

December 13, 1951

**Shares Owned:**

61,500

**Attendance at the Meetings of the Board of Directors:**

100% (14 out of 14)

(Reason for recommending him as candidate for outside director position and summary of expected roles)

Kunio Ito has rich experience and advanced expertise as a university professor (accounting and management). He also has experience as an outside director of corporations and is known for his good personality and deep insight. We are sure he will objectively supervise management and participate in important decision-making. The Company thus recommends his reelection to the Board of Directors as an outside director. His term of office as outside director will reach 10 years at the close of this general meeting.

(Matters regarding independency)

Kunio Ito satisfies the requirements for independent director/auditor set forth in the regulations of Tokyo Stock Exchange and the standards for judging the independence stipulated by the Company, and we believe that his independency is secured.

**No.9**

**Ryoji Noyori**

(Reappointed)

(Candidate for an outside and independent director position)



***Date of Birth:***

*September 3, 1938*

***Shares Owned:***

*23,100*

***Attendance at the Meetings of the Board of Directors:***

*100% (14 out of 14)*

***Personal History:***

February 1968	Assistant Professor, School of Science, Nagoya University
August 1972	Professor, School of Science, Nagoya University
January 1997	Dean, Graduate School of Science and School of Science, Nagoya University
June 2001	Outside Director, TAKASAGO INTERNATIONAL CORPORATION (incumbent)
October 2003	Designated Professor, Nagoya University
October 2003	President, RIKEN
October 2003	Chief Fellow, Center for Research and Development Strategy, Japan Science and Technology Agency
October 2004	Special Professor, Nagoya University (incumbent)
June 2015	Director-General, Center for Research and Development Strategy, Japan Science and Technology Agency
June 2015	Outside Director, the Company (incumbent)

(Reason for recommending him as candidate for outside director position and summary of expected roles)

Ryoji Noyori has rich experience as a university professor, and advanced expertise in synthetic organic chemistry, one of core technologies of the Company. He also has experience as an outside director of corporations and is known for his good personality and deep insight. We are sure he will supervise management from an objective position and participate in important decision-making based on his academic and technical viewpoints. The Company thus recommends his reelection to the Board of Directors as an outside director. His term of office as outside director will reach 9 years at the close of this general meeting.

(Matters regarding independency)

Ryoji Noyori satisfies the requirements for independent director/auditor set forth in the regulations of Tokyo Stock Exchange and the standards for judging the independence stipulated by the Company, and we believe that his independency is secured.

**No.10**

**Susumu Kaminaga**

(Reappointed)

(Candidate for an outside and independent director position)



**Personal History:**

May 1969	Joined Sumitomo Precision Products CO., LTD.
March 1995	Representative Director, Surface Technology Systems Ltd.
June 2000	Director, Sumitomo Precision Products CO., LTD.
June 2002	Managing Director, Sumitomo Precision Products CO., LTD.
June 2004	President, Sumitomo Precision Products CO., LTD.
June 2012	Senior Advisor, Sumitomo Precision Products CO., LTD.
October 2012	Representative Director, SK Global Advisers Co., Ltd. (incumbent)
December 2012	Outside Director, DEFTA Capital (incumbent)
June 2016	Outside Director, Olympus Corporation
June 2020	Outside Director, the Company (incumbent)

**Date of Birth:**

December 3, 1946

**Shares Owned:**

6,100

**Attendance at the Meetings of the Board of Directors:**

93% (13 out of 14)

(Reason for recommending him as candidate for outside director position and summary of expected roles)

Susumu Kaminaga has rich experience as a member of top management in several companies, as well as international perspective and experience as an outside director of a company. He is known for his good personality and deep insight. We are sure he will objectively supervise management and participate in important decision-making primarily from a viewpoint of corporate management. The Company thus recommends his reelection to the Board of Directors as an outside director. His term of office as outside director will reach 4 years at the close of this general meeting.

(Matters regarding independency)

Susumu Kaminaga satisfies the requirements for independent director/auditor set forth in the regulations of Tokyo Stock Exchange and the standards for judging the independence stipulated by the Company, and we believe that his independency is secured.

No.11

**Kazuo Futagawa**

(Reappointed)

(Candidate for an outside and independent director position)



**Personal History:**

April 1980	Joined the Ministry of Health and Welfare
September 2012	Director-General of Minister's Secretariat, the Ministry of Health, Labour and Welfare
July 2014	Director-General, Health Policy Bureau, the Ministry of Health, Labour and Welfare
October 2015	Vice-Minister of Health, Labour and Welfare
July 2017	Retired from Vice-Minister of Health, Labour and Welfare
August 2018	Special Advisor on Policy, Social Security Reform Office, Cabinet Secretariat
June 2020	Outside Director, the Company (incumbent)
December 2020	Outside Director, Kanamic Network Co., LTD (incumbent)

**Date of Birth:**

December 2, 1956

**Shares Owned:**

9,300

**Attendance at the Meetings of the Board of Directors:**

100% (14 out of 14)

(Reason for recommending him as candidate for outside director position and summary of expected roles)

Kazuo Futagawa has rich experience and advanced expertise as an administrative officer and is known for his good personality and deep insight. We are sure he will supervise management from an objective position and participate in important decision-making primarily from a viewpoint of business strategy and business development. The Company thus recommends his reelection to the Board of Directors as an outside director. His term of office as outside director will reach 4 years at the close of this general meeting.

(Matters regarding independency)

Kazuo Futagawa satisfies the requirements for independent director/auditor set forth in the regulations of Tokyo Stock Exchange and the standards for judging the independence stipulated by the Company. The Company has entered into a consultant agreement with him on the business development of advanced materials of the Company. The amount of remuneration paid to him by the Company during the fiscal year ended March 31, 2024 was lower than the amount set forth by the Company in the Standards for Judging the Independence of Outside Directors/Corporate Auditors. For the reasons stated above, we believe that his independency is secured.

No.12

**Yuko Harayama**

(Reappointed)

(Candidate for an outside and independent director position)



**Personal History:**

January 1998	Assistant Professor, Faculty of Economics, University of Geneva
April 2002	Professor, Graduate School of Engineering, Tohoku University
June 2007	Outside Director, Compagnie de Saint Gobain SA
September 2010	Deputy Director, Directorate for Science, Technology and Industry, Organization for Economic Cooperation and Development
March 2013	Executive Member, Council for Science, Technology and Innovation, Cabinet Office
April 2020	Executive Director, RIKEN
July 2022	Co-Representative Director, Japanese Association for the Advancement of Science
June 2023	Outside Director, the Company (incumbent)
April 2024	Trustee, Yamaguchi University (incumbent)

**Date of Birth:**

April 16, 1951

**Shares Owned:**

0

**Attendance at the Meetings of the Board of Directors:**

100% (10 out of 10)

(Reason for recommending her as candidate for outside director position and summary of expected roles)

Yuko Harayama has rich experience as a university professor and advanced expertise. She also has knowledge gained by engaging in science, technology and innovation policies, and is known for her good personality and deep insight. We are sure she will supervise management from an objective position and participate in important decision-making based on her academic and technical viewpoints. The Company thus recommends her reelection to the Board of Directors as an outside director. Her term of office as outside director will reach 1 year at the close of this general meeting.

(Matters regarding independency)

Yuko Harayama satisfies the requirements for independent director/auditor set forth in the regulations of Tokyo Stock Exchange and the standards for judging the independence stipulated by the Company, and we believe that her independency is secured.

- Note 1: There are no special interests between each of the candidates for member of the Board position and the Company.
- Note 2: The Tokyo Stock Exchange has been notified that Kunio Ito, Ryoji Noyori, Susumu Kaminaga, Kazuo Futagawa, and Yuko Harayama are independent directors/auditors under the regulations of the Exchange.
- Note 3: If the election of Kunio Ito, Ryoji Noyori, Susumu Kaminaga, Kazuo Futagawa, and Yuko Harayama is approved by this proposition, in accordance with the Articles of Incorporation the Company plans to continue agreements with them to limit their liability for damages arising from negligence in the performance of the duties of outside directors. Under these agreements, their liability for damages shall be limited to the minimum amount stipulated in Article 425, paragraph 1 of the Companies Act if they have performed their duties in good faith and without gross negligence.
- Note 4: The Company has entered into a directors and officers (D&O) liability insurance policy with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance policy covers the loss legally obligated to pay as damage and the defense cost incurred by the insured in the event that a claim for damages is made against the insured due to any act (including inaction) committed by the insured in his/her capacity as a director, officer or corporate auditor of the Company. The Company bears all insurance premiums for the insured. Each candidate is to be included as the insured under the insurance policy.

## [Reference] Skills Matrix of Members of the Board and Corporate Auditors

If Proposition No. 2 is approved as originally proposed, the composition of the Company's members of the Board and Corporate Auditors and their expertise and experience will be as follows.

Name	Business operations				Corporate			Strategic
	Management experience	Global business experience	Technology/manufacturing/R&D	Sales/marketing	Legal/intellectual property/risk management	Accounting/finance	Human resource management/diversity	
Member of the Board	Akihiro Nikkaku	○	○				○	
	Mitsuo Ohya	○			○		○	
	Satoru Hagiwara	○		○		○		
	Kazuyuki Adachi	○	○	○				
	Kazuhiko Shuto	○	○		○			
	Tetsuya Tsunekawa	○		○				○ (DX)
	Masahiko Okamoto		○				○	
	Kunio Ito					○	○	○ (ESG)
	Ryoji Noyori			○				○ (Science and technology)
	Susumu Kaminaga	○	○					○ (Business strategies)
	Kazuo Futagawa					○		○ (Policy science)
Yuko Harayama						○	○ (Innovation)	
Corporate Auditor	Hideki Hirabayashi	○	○			○		
	Yoshiyuki Tanaka	○	○	○				
	Hiroyuki Kumasaka					○	○	
	Makiko Takabe					○	○	
	Kozo Ogino	○					○	

\* The skills matrix above is not an exhaustive list of all the knowledge and experience held by the individuals, but presents up to three major skills among those that the Company expects of them to promote management strategies.

The reasoning behind the selection of each skills matrix item is as follows.

Item		Reason for selection (for items under business operations, examples of criteria to judge whether they are applicable are shown in square brackets)
Business operations	Management experience	Amid drastic changes in the business environment, abundant experience and accomplishments in corporate management are required of top management in order to assess opportunities and risks in the Company's business, formulate sustainable growth strategies, and lead the creation of new value. [Whether or not they have experience serving as president inside/outside the Toray Group, etc.]
	Global business experience	Abundant practical experience and advanced knowledge and skills in global business are needed amid the globalization of our business areas. [Whether or not they have business experience at an overseas operating company, etc.]
	Technology/manufacturing/R&D	Abundant experience and advanced knowledge and skills in the fields of technology, manufacturing, R&D, sales, and marketing are needed in order to help us provide essential solutions to global issues through the provision of innovative technologies and advanced materials, which are our strengths, as a manufacturer [Whether or not they have experience serving as General Manager in the Company's business divisions, or Technology Center, or Manufacturing Division, or Engineering Division, or Research & Development Division, or officers with responsibility for technology and manufacturing, etc.]
	Sales/marketing	
Corporate	Legal/intellectual property/ risk management	Abundant experience and advanced knowledge in the fields of legal, intellectual property, risk management, etc. is required in order to ensure compliance with domestic and overseas laws and regulations regarding the management and business operations of the Company, and to implement appropriate risk management.
	Accounting/finance	Abundant experience and advanced knowledge in finance, accounting, tax, etc. is required in order to help the Company achieve the financial and efficiency indicators and global business management targets set forth in the Company's long-term corporate vision and medium-term management program.
	Human resource management/ diversity	Abundant experience, knowledge, and skills in human resource management and diversity are needed in order to help the Company achieve the sound, sustainable growth we are aiming for, and deepen our people-oriented management, maximize corporate value, and ensure the happiness of our employees.
Strategic		This refers to the important skill items, areas of expertise, and specialist knowledge other than those above expected of Directors in order to promote the Company's management strategies.



**[Reference] Standards for Judging the Independence of Outside Directors/Corporate Auditors**

Toray Industries, Inc. (the “Company”) established the following standards for the independence of outside directors and outside corporate auditors (collectively, “Outside Director/Corporate Auditor”) to ensure the objectivity and transparency of governance.

If an Outside Director/Corporate Auditor or a candidate for Outside Director/Corporate Auditor is found not to fall under any of the following items as a result of an investigation of the candidate performed by the Company to a reasonably practicable extent, the Company shall judge that he/she possesses independence.

1. An executive (Note 1) of the Company, its subsidiaries, or affiliated companies (collectively, the “Group”) or a person who has been an executive of the Group in the past 10 years.
2. A current major shareholder of the Company (Note 2) or an executive thereof.
3. A party of which the Group directly or indirectly holds 10% or more voting rights out of the total number of voting rights, or an executive thereof.
4. A major client or supplier (Note 3) of the Group or an executive thereof.
5. A person who belongs to an audit company acting as the independent auditor of the Company or Group companies.
6. A person rendering professional services, such as a consultant, attorney-at-law, or certified public accountant, who receives a large amount of monetary consideration or other property (Note 4) from the Group besides remuneration as a member of the Board or corporate auditor (if the person receiving such property is a body such as a legal person and partnership, including a consulting firm, legal firm, or accounting firm, a person who belongs to such body).
7. A person who receives a large donation (Note 5) from the Group (if the person receiving such large donation is a body such as a legal person and partnership, an executive thereof).
8. An executive of a company in which an executive of the Group is elected as a member of the Board or corporate auditor.
9. A person who has fallen under any of items 2 through 8 above in the past three years.
10. If a person who falls under any of items 1 through 8 above is an important person (Note 6), a spouse or relative within the second degree of kinship thereof.
11. Any other person who is likely to have conflicts of interest with general shareholders and is subject to circumstances reasonably deemed unable to fulfill his/her duties as an independent Outside Director/Corporate Auditor.

**Notes**

1. An “executive” means an executive director, executive officer, operating officer of a legal person or other body, or other person or employee similar thereto. When judging the independence of an outside corporate auditor, a non-executive director is included.
2. A “major shareholder” means a shareholder who holds shares with 10% or more of voting rights in his/her own name or another person’s name at the end of the most recent fiscal year of the Company.
3. A “major client or supplier” means a person who comes under any of the following.
  - (1) A business partner that has been provided with products, etc. by the Group and has made payments to the Company in an aggregate amount of not less than the higher of 2% of the annual consolidated net sales of the Company or one hundred million yen (¥100,000,000) in the most recent fiscal year.
  - (2) A business partner that has provided the Group with products, etc. and has received payments from the Company in an aggregate amount of not less than the higher of 2% of the annual consolidated net sales of the business partner or one hundred million yen (¥100,000,000) in the most recent fiscal year.
  - (3) A financial institution that has extended a loan to the Group, whereby the outstanding balance of the loan is more than 2% of the consolidated total assets of the Company at the end of the fiscal year of the Company.
4. A “large amount of monetary consideration or other property” means either of the following cases:
  - (1) In the case where the person who provides professional services is an individual, the amount refers to the total amount of the relevant property received from the Group excluding remuneration as a director/corporate auditor, exceeding ten million yen (¥10,000,000) in the most recent fiscal year; and
  - (2) In the case where the person who provides professional services is an entity such as a corporation or partnership, the amount refers to the total amount of the relevant property received from the Company, exceeding the higher of 2% of the consolidated net sales or total annual revenue of the relevant entity, or ten million yen (¥10,000,000) in the most recent fiscal year.
5. A “large donation” means a donation from the Group to a recipient of more than ten million yen (¥10,000,000) annually in the most recent fiscal year.
6. An “important person” means an executive director, executive officer, operating officer, or an employee who executes important operations, such as a person in charge of a division.

***Proposition No. 3:******Payment of Bonuses to Members of the Board***

In light of business results during the period under review, the Company proposes to pay the following bonuses to the eight members of the Board (excluding outside directors) who are in office as of the end of the fiscal year: ¥69,400,000.

The Board of Directors determines the total amount of bonuses to members of the Board after receiving a report from the Governance Committee, in consideration of consolidated core operating income, etc., the metric that best represents the result of the Company's global business operation, plus the previous results and other factors.

## Business Report (from April 1, 2023 to March 31, 2024)

### 1. Review of Operations of Toray Group

#### (1) Operations and Results for the Period

##### The Business Environment and Trends in Revenue and Profitability

	FY 2023	Year-on-year changes
Revenue	2,464.6 billion yen	(1.0%)
Core operating income	102.6 billion yen	6.9%
Operating income	57.7 billion yen	(47.1%)
Profit attributable to owners of parent	21.9 billion yen	(69.9%)

During the period under review, the recovery in the global economy lacked strength due to the sluggish economy in Europe and a slowdown in China despite a strong showing by the U.S. The Japanese economy continued to recover gradually, but uncertainties over the outlook of the global economy and prolonged adjustment in the semiconductor market exerted downward pressure on the recovery.

Under such circumstances, Toray Group starting from fiscal 2023 has been promoting its medium-term management program “Project AP-G 2025,” aiming to achieve sound, sustainable growth through the implementation of five basic strategies of “Sustainable growth,” “Ultimate value creation,” “Product and operational excellence,” “Enhancement of people-centric management,” and “Risk management and governance.”

As a result, consolidated revenue for the fiscal year ended March 31, 2024 decreased 1.0% compared with the previous fiscal year to ¥2,464.6 billion, while core operating income (Note 1) increased 6.9% to ¥102.6 billion. Operating income declined 47.1% to ¥57.7 billion and profit attributable to owners of parent fell 69.9% to ¥21.9 billion due to the recording of

impairment losses, etc. in the Carbon Fiber Composite Materials segment on sluggish demand in wind turbine blade applications, etc.

##### Fibers & Textiles

	FY 2023	Year-on-year changes
Revenue	974.8 billion yen	(2.4%)
Core operating income	54.7 billion yen	6.8%



Apparel applications were impacted by deteriorating market conditions in the U.S. and Europe, and hygiene material applications were sluggish due to the worsening supply-demand balance. Industrial applications maintained a recovery trend on the back of continued demand improvement in automobile applications and expansion in EV applications.

##### Performance Chemicals

	FY 2023	Year-on-year changes
Revenue	886.1 billion yen	(2.6%)
Core operating income	36.7 billion yen	20.8%



In the resins and chemicals businesses, the resins business was weak given the impact of demand decline in the Chinese market and other factors, while automobile applications in Japan showed signs of improvement. The chemicals business performed strongly. In the films business, even though the mainstay electronic parts-related application of PET films is recovering gradually, the impact of inventory adjustment in supply chains persisted in some areas.

In the electronic & information materials business, demand for OLED-related materials and circuit materials saw some recovery in demand.

## Carbon Fiber Composite Materials

	FY 2023	Year-on-year changes
Revenue	290.5 billion yen	3.1%
Core operating income	13.2 billion yen	(17.2%)



The aerospace applications recovered steadily, while wind turbine blade applications entered into an adjustment phase and demand for the industrial applications including pressure vessels softened.

## Environment & Engineering

	FY 2023	Year-on-year changes
Revenue	244.1 billion yen	6.7%
Core operating income	23.2 billion yen	17.7%



In the water treatment business, shipment in the U.S. and China, the two major markets for reverse osmosis membranes, was strong. Further, in addition to strong sales of a construction subsidiary in Japan, a plant-related business of an engineering subsidiary also expanded.

## Life Science

	FY 2023	Year-on-year changes
Revenue	52.2 billion yen	(2.8%)
Core operating income	(1.3) billion yen	–



In the pharmaceutical business, sales of oral anti-pruritic drug REMITCH® (Note 2) were affected by the introduction of its generic versions and the NHI drug price revision, and sales of

orally active prostacyclin derivative DORNER® were affected by inventory adjustment overseas.

In the medical devices business, even though sales of dialyzers were affected by the soaring prices of raw materials and fuels, shipment of dialyzers for hemodiafiltration in Japan was strong.

Notes:

1. Core operating income is calculated by excluding income and expenses due to non-recurring factors from operating income.
2. REMITCH® is a registered trademark of Torii Pharmaceutical Co., Ltd.

## [Capital Expenditures]

We invest in growth with the aim of achieving “sound, sustainable growth.” The following are major investments in production facilities that have been implemented during the business year.

- 1) Major production facilities completed during the year:

### **Carbon Fiber Composite Materials:**

Establishment of production facilities for carbon fiber and prepreg (at Toray Composite Materials America, Inc.)

- 2) Expansion of major production facilities under construction during the year:

### **Fibers & Textiles:**

Expansion of production facilities for Alcantara® (Phase 2) (at Alcantara S.p.A.)

### **Carbon Fiber Composite Materials:**

Expansion of production facilities for carbon fiber (at Zoltek de Mexico, S.A. de C.V.)

### **Carbon Fiber Composite Materials:**

Expansion of production facilities for carbon fiber (at Toray Composite Materials America, Inc.)

### **Carbon Fiber Composite Materials:**

Expansion of production facilities for carbon fiber (at Toray Advanced Materials Korea Inc.)

### **Carbon Fiber Composite Materials:**

Expansion of production facilities for carbon fiber (at Toray Carbon Fibers Europe S.A.)

## [Financing Activities]

Toray Group raised funds mainly in the form of bank loans and issuance of bonds during the business year.

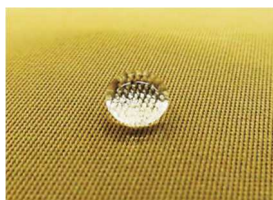
## [Results and progress with R&D aimed at solving issues]

Toray Group invests continuously in research and technological development and works to create innovation for sustainable growth in the future under its corporate philosophy of “Contributing to society through the creation of new value with innovative ideas, technologies and products.”

### <Fibers & Textiles>

#### Toray Group developed PFAS-free (fluorine-free) water-repellent stretchy textile DEWEIGHT™

The Group developed DEWEIGHT™, a water-repellent stretchy textile with excellent water droplet abstaining properties, by using NANODESIGN®, an innovative conjugate spinning technology, to create a new fiber with precisely-controlled cross sections, and our proprietary textile technology to achieve a multi-roughness textile structure (a distinctive, uneven structure) similar to natural fibers. We plan to launch this product for men’s and women’s apparel ranging from outerwear to bottoms from the spring/summer season of 2025.



### <Field of resins in Performance Chemicals>

#### Toray Group and Honda started jointly validating chemical nylon 6 recycling for automotive applications

The Group and Honda R&D Co., Ltd. have begun verifying a chemical recycling technology for recovering nylon 6 parts, which entails depolymerizing with subcritical water and regenerating the materials as caprolactam, a raw monomer. Subcritical water is water at high temperatures and pressures. It is free of catalysts, additives do not affect it, and it can

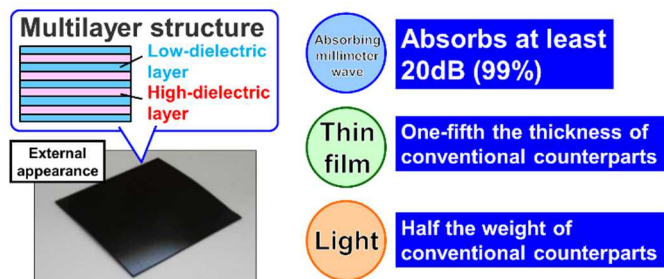
depolymerize nylon 6 in several dozen minutes to create high yields of raw monomer. We seek to put these technologies to practical use by around 2027.

### <Field of films in Performance Chemicals>

#### Toray Group created ultra-high tensile strength films comparable to stainless steel, and created one of the thinnest and lightest millimeter-wave absorption films in the world

The Group created a film made of ultra-high molecular weight polyethylene, which is almost as strong as stainless steel. Due to its high cold resistance, superior chemical resistance, and low dielectric constant, this film could serve in superconductivity, space, and other cryogenic applications. Its high strength also saves weight and space. In addition, it can offer high chemical resistance in semiconductor manufacturing processes as an alternative to fluoropolymer, which is a kind of PFAS.

In addition, we have developed “millimeter-wave absorption films” for telecommunication devices that use the 5G high-speed communication standard, and received the Award for Excellence at the Nikkei Excellent Products and Services Award sponsored by Nikkei Inc. The film eliminates electromagnetic interference in 5G devices incorporating millimeter wave modules. It also helps lighten devices and enhance design flexibility.



### <Field of electronic & information materials in Performance Chemicals>

#### Toray Group developed a new hybrid bonding insulating resin

The Group developed a new insulating resin material for hybrid bonding. The material is

based on polyimide coatings (SEMICOFINE® and PHOTONEECE®) sold as insulating resin materials for semiconductor and display devices. The Group will push ahead with prototyping and providing samples to customers. It aims to obtain materials certification in 2025 and start mass production by 2028.

**<Carbon Fiber Composite Materials>  
Toray Group developed TORAYCA® T1200, the world's highest-strength carbon fiber, and the new carbon fiber TORAYCA® M46X with high tensile modulus and enhanced strength**

TORAYCA® T1200, the world's highest-strength carbon fiber, was awarded a 2023 Technology category award from the Society of Polymer Science, Japan. The Company was given high marks for successfully creating ultra-high-strength carbon fiber which delivers far greater strength than conventional carbon fiber. We plan to expand its use to a variety of applications, including aircraft applications.

Toray Group has also developed TORAYCA® M46X, which is around 20% stronger than others in the TORAYCA® MX series while maintaining a high tensile modulus. Going forward, we will promote the development of a wide range of applications, including sports applications such as fishing rods, bicycles, and golf shafts, and plan to launch it in the fiscal year ended March 31, 2024.

**<Environment & Engineering>  
Toray Group developed highly durable reverse osmosis (RO) membranes to meet growing demand for wastewater reuse**

The Group has developed a highly durable reverse osmosis (RO) membrane that can produce stable, high-quality water over a long period of time while maintaining high removal performance under severe conditions, such as the reuse of factory wastewater and sewage treatment. In addition to simplifying operation management, these membranes are expected to reduce replacement frequency by half and

improve the carbon footprint. We plan to commence sales in the first half of 2024.

**<Life Science>  
In vitro diagnostic test kit "Toray APOA2-iTQ," which aids in the diagnosis of pancreatic cancer, has become covered by health insurance and available for sale, and Toray Group initiated phase II clinical trials of "TRK-950" for gastric cancer patients**

The Group started sales of "Toray APOA2-iTQ" intended to aid in the diagnosis of pancreatic cancer. It is expected to detect pancreatic cancer at an early stage, which was not possible with traditional tumor markers.

In addition, the Group launched phase II clinical trials of "TRK-950" for gastric cancer patients in the three countries of the United States, Japan, and South Korea. Toray is developing this agent to treat solid tumors.



**<Toward the realization of carbon neutrality>  
Commencement of on-site construction at Suntory Minami Alps Hakushu Water Plant and Suntory Hakushu Distillery to install a P2G system**

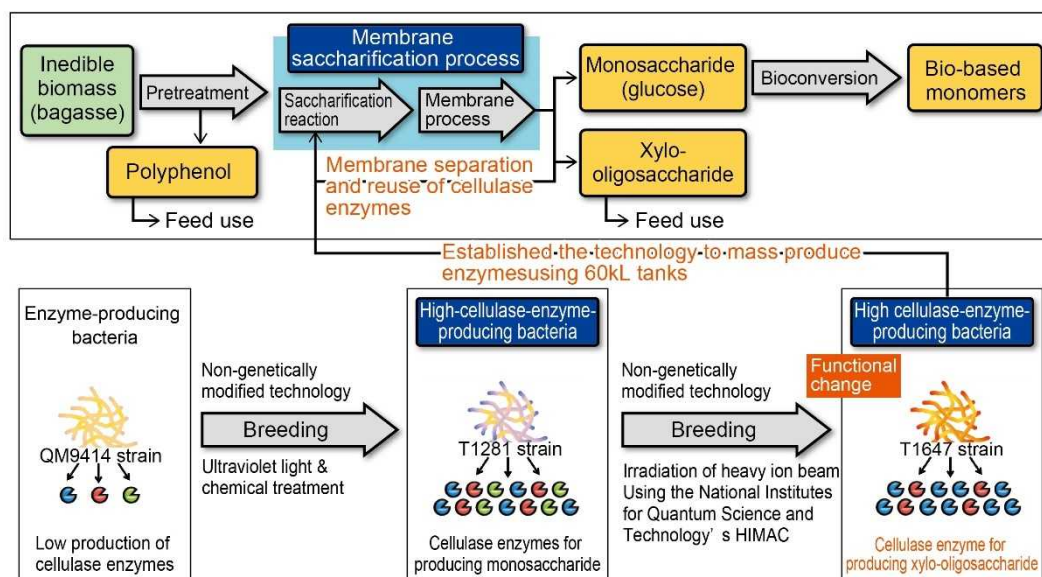
In the hydrogen-related field, Yamanashi Prefecture and ten companies collaborating on technology development have started construction work in Yamanashi Prefecture to construct a total system of integrated components for a large-scale power-to-gas (P2G) system, with the goal of decarbonizing the Suntory Minami Alps Hakushu Water Plant and Suntory Hakushu Distillery (Hokuto City, Yamanashi Prefecture). Aiming to start operations in 2025, we will push ahead with decarbonization with Japan's largest polymer-

electrolyte membrane electrolyzer and promote a hydrogen energy society through the use of regional renewable energy.

**<Efforts to realize a recycling-oriented society>**

**R&D efforts for the self-production of biomass degrading enzymes using non-genetically modified technology received the “SANKEI SHIMBUN Award in the 36th Advanced Technology Award”**

Toray Group has independently developed a microorganism (dubbed “T1281”) that produces enzymes that break down dietary fiber from biomass into sugars, and has established enzyme mass production technology. For these efforts to “develop new enzymes for sugar production from non-edible biomass,” we received the “SANKEI SHIMBUN Award” in the “36th Advanced Technology Award” sponsored by SANKEI SHIMBUN CO., LTD. In addition, at Cellulosic Biomass Technology Co., Ltd. in Thailand, Toray Group established the basic technology of “membrane-based bioprocess” that utilizes this enzyme. We aim to build a total supply chain that produces chemicals from non-edible biomass by around 2030.





In the field of exploration, as a demonstration project by the Ministry of the Environment, we are working on a process demonstration to recover rare metal lithium with high purity at a high yield from used lithium-ion batteries using “nanofiltration membranes (NF membranes),” which have excellent acid resistance and ion-selective separation capabilities. We aim to put this technology into practical use by the fiscal year ending March 31, 2028.

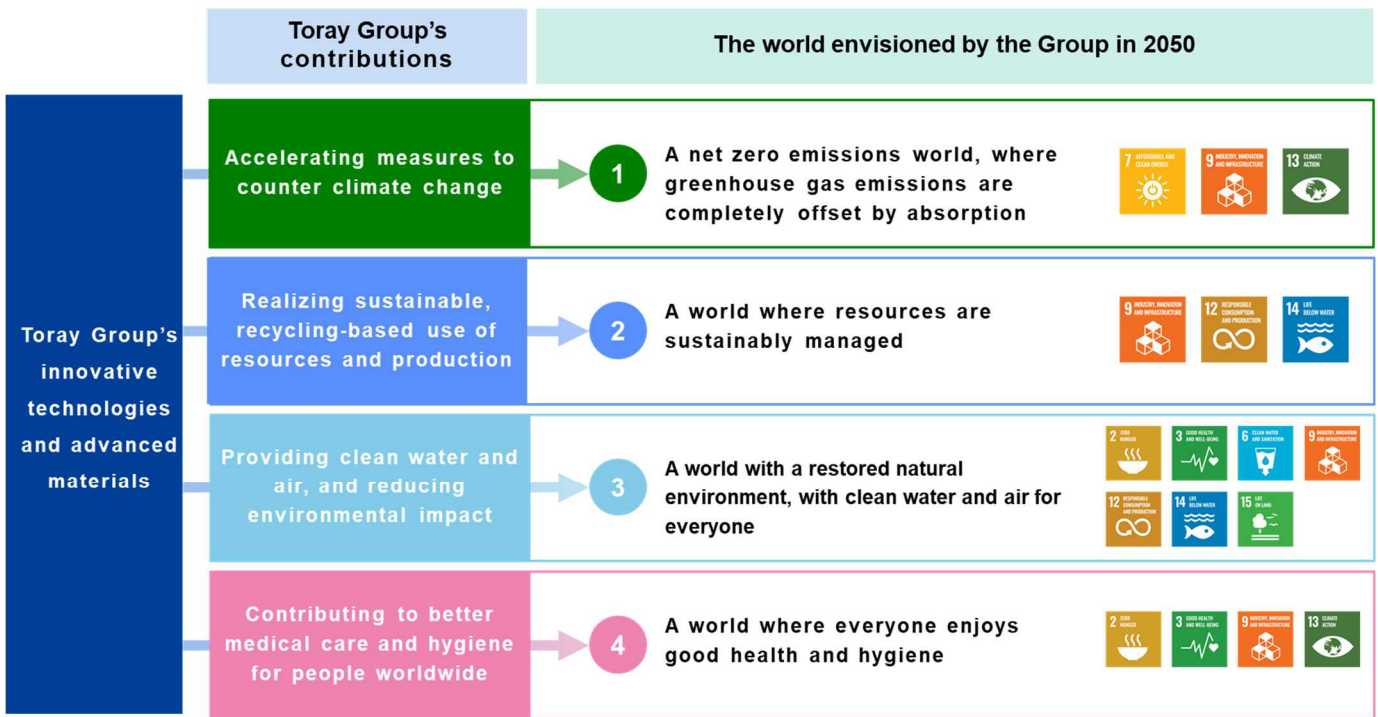
Furthermore, the “Development of Innovative Biomanufacturing Technologies Using CO<sub>2</sub> and H<sub>2</sub> as Feedstocks for Hydrogen-oxidizing Bacteria” project jointly proposed by Sojitz Corporation, Central Research Institute of Electric Power Industry, Green Earth Institute Co., Ltd. (GEI), DIC Corporation, and Daicel Corporation was selected for sponsorship under New Energy and Industrial Technology Development Organization’s (NEDO) “Green Innovation Fund Project” category, “Promotion of Carbon Recycling Using CO<sub>2</sub> from Biomanufacturing Technology as a Direct Raw Material.” This project entails R&D for manufacturing a variety of chemical products and feed raw materials from CO<sub>2</sub> and H<sub>2</sub>. This new biomanufacturing technology will be the world’s first example of a commercialized bioprocess directly using CO<sub>2</sub> for production of chemicals and presents a promising option for realizing a carbon neutral society.

## (2) Issues to be Addressed

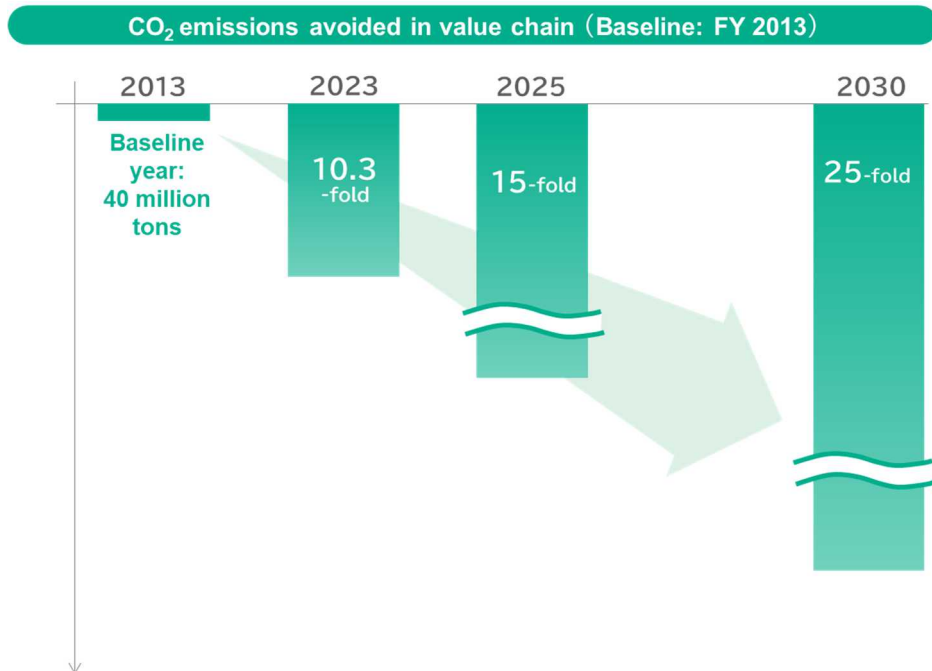
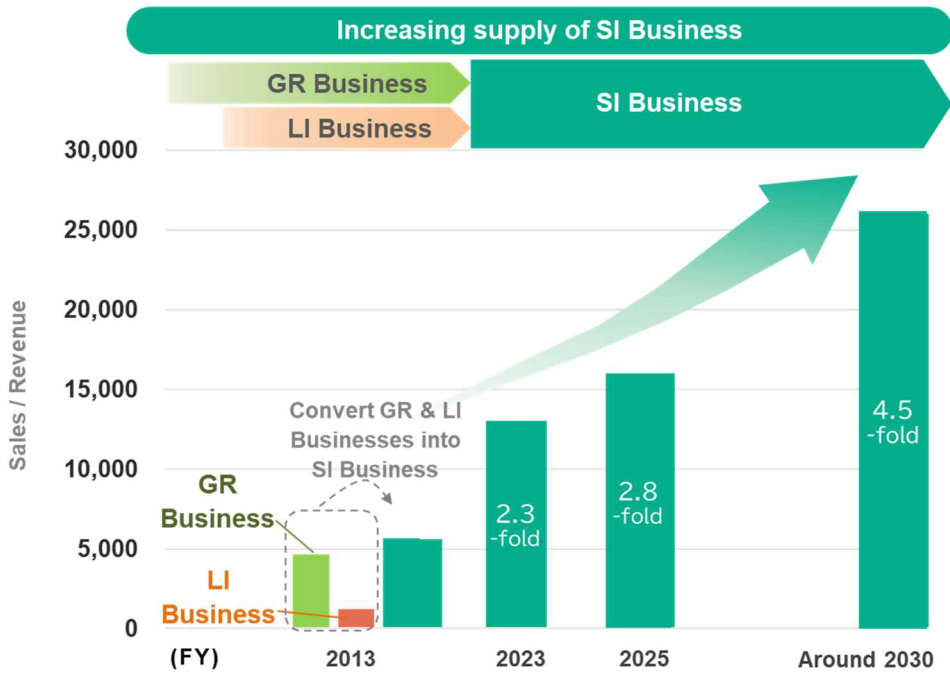
### Toray Group Sustainability Vision

Toray Group makes it its own mission to deliver innovative technologies and advanced materials that provide real solutions to the challenges the world faces with balancing development and sustainability, such as global population growth, aging demographics, climate

change, water scarcity, and resource depletion. In order to address these issues, the Group established Toray Group Sustainability Vision which defines the world envisioned by the Group in 2050, Toray Group's contributions to realize the world, and quantitative targets for FY 2030 (KPI).



Quantitative targets for FY 2030 and progress thereof



**Medium-Term Management Program, Project AP-G 2025**

While the business environment has been rapidly changing, requiring multifaceted risk management, increasing need for sustainability measures and advancement of digital technology represent an increased profit opportunity for Toray Group that provides innovative technologies and advanced materials to help address global issues.

For challenges such as “expanding business and improving profitability” and “improving asset efficiency,” the Medium-Term Management Program, Project AP-G 2025 aims to achieve sound and sustainable growth by promoting five basic strategies, centering on Sustainability Innovation (SI) Business (Note), and Digital Innovation (DI) Business, which sees the advancement of digital technology as a profit opportunity. In addition, the Group will continue to maintain and enhance financial soundness.

Note: Sustainability Innovation (SI) Business: Group of businesses or products that can help realize the Toray Group Sustainability Vision

## Five Basic Strategies of Project AP-G 2025

Seizing Profit Opportunities	Strengthening the Management Foundation
<div style="background-color: #0056b3; color: white; padding: 5px; margin-bottom: 5px;"> <b>Strategy 1. Sustainable growth</b> </div> <p>Focusing management resources on Sustainability Innovation Business and Digital Innovation Business</p> <div style="background-color: #0056b3; color: white; padding: 5px; margin-bottom: 5px;"> <b>Strategy 2. Ultimate value creation</b> </div> <p>Maximizing profitability by making the most of tangible and intangible assets, and by collaborating with external partners</p> <div style="background-color: #0056b3; color: white; padding: 5px; margin-bottom: 5px;"> <b>Strategy 3. Product and operational excellence</b> </div> <p>Promoting cross-organizational cost reduction activities leveraging enhancement of quality strength and organizational strength, which are the sources of competitiveness</p>	<div style="background-color: #0056b3; color: white; padding: 5px; margin-bottom: 5px;"> <b>Strategy 4. Enhancement of people-centric management</b> </div> <p>Preserving and further building upon the legacy of our corporate culture, which prioritizes developing people, while promoting individual career development, and improving job satisfaction</p> <div style="background-color: #0056b3; color: white; padding: 5px; margin-bottom: 5px;"> <b>Strategy 5. Risk management and governance</b> </div> <p>Ensuring sound organizational management by enhancing internal controls and improving management capabilities</p>

## Status of progress towards achieving financial and non-financial targets under Project AP-G 2025

	FY 2022 Actual	FY 2023 Actual	AP-G 2025 FY 2025 Target
<b>Revenue</b>	2,489.3 billion yen	2,464.6 billion yen	2,800.0 billion yen
<b>Core Operating Income</b>	96.0 billion yen	102.6 billion yen	180.0 billion yen
<b>Core Operating Margin</b>	3.9%	4.2%	6%
<b>ROIC (after Tax)</b>	2.7%	2.8%	About 5%
<b>ROE</b>	5.0%	1.3%	About 8%
<b>Free Cash Flow</b>	237.3 billion yen (3-year total)	64.7 billion yen	Positive (3-year total)
<b>D/E Ratio</b>	0.62	0.55	0.7 or lower (guideline)

Assumed exchange rate in AP-G 2025: ¥125 / US

ROIC = Core Operating Income after Tax / Average Invested Capital

	FY 2013 Actual (Baseline) (JGAAP)	FY 2023 Actual (Baseline: FY 2013) (IFRS)	FY 2025 Target (Baseline: FY 2013) (IFRS)
<b>Revenues from Sustainability Innovation Business*1</b>	562.4 billion yen	1,311.5 billion yen (2.3-fold)	1,600.0 billion yen (2.8-fold)
<b>CO<sub>2</sub> emissions avoided in value chain*2</b>	40 million tons	10.3-fold	15.0-fold
<b>Water filtration throughput contribution by Toray's water treatment Membranes*3</b>	27.23 million tons /day	2.7-fold	2.9-fold
<b>Greenhouse gas emissions per unit of revenue in production activities*4*6*7</b>	356 tons /100 million yen	36% reduction	40% reduction
<b>Greenhouse gas emissions of Toray Group in Japan*5*6*7</b>	2.45 million tons	26% reduction	20% reduction
<b>Water usage per unit of revenue in production activities*7</b>	14,693 tons /100 million yen	35% reduction	40% reduction

## Notes:

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 CO<sub>2</sub> emissions reduced throughout the value chain of products in accordance with the chemical sector guidelines of the Japan Chemical Industry Association, the International Council of Chemical Associations (ICCA), and the World Business Council for Sustainable Development (WBCSD).
3. Water treated annually with Toray water treatment membranes. It is calculated by multiplying the amount of freshwater 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 FY 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%) in its comprehensive plan (Cabinet decision on October 22, 2021) based on Japan's Act on Promotion of Global Warming Countermeasures.
6. In accordance with the GHG Protocol, the international calculation standard, we changed the calculation method to one that multiplies the degree of financial control Toray Industries has over subsidiaries.
7. The calculation includes data for companies that joined the Toray Group in FY 2014 or later.

## Future outlook for the Fiscal Year Ending March 31, 2025

The pace of recovery in the global economy is likely to remain slow due to factors such as the high interest rates in the U.S. and Europe dampening consumer spending and capital investment as well as the slow recovery in the Chinese economy. The Japanese economy is expected to show a gradual recovery. However, the prolonged real estate recession in China, the slowdown in consumption in the U.S. and Europe owing to the delay in the start of interest rate cuts, rising tensions in the Middle East, a change in the Bank of Japan’s monetary policy, and foreign exchange fluctuations are among downward risks for the economy in Japan and abroad.

The industry trends surrounding Toray Group are in the midst of major changes, including the increasing need for sustainability measures, changes in behavioral patterns triggered by the COVID-19 pandemic, and technological innovation through AI and other digital technologies and digitalization. In addition, geopolitical risks are increasing, such as the promotion of national economic security and fragmentation of the global economy. It is important to steadily and swiftly seize opportunities to create new value through business activities while performing multifaceted risk management. The Group is committed to contributing to the solution of global social issues by making the most of its strengths such as its innovative technologies, advanced materials, and global business foundation, and achieving sustainable growth by implementing capital investments, research and technology development, and human resource development from a medium- to long-term perspective, while realizing our corporate philosophy “contributing to society through the creation of new value with innovative ideas, technologies and products.”

We hope all stockholders will grant continued understanding and support in the future.

Contributing to society through the creation of new value with innovative ideas, technologies and products.

