

‘TORAY’



**Materials for the
143rd Ordinary
General Meeting
of Stockholders
(Delivered documents)**

For the Fiscal Year Ended March 31, 2024



2024

Toray Industries, Inc.

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

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

1. Review of Operations of Toray Group

(1) Operations and Results for the Period

Included in the “Notice of the 143rd Ordinary General Meeting of Stockholders.”

(2) Issues to be Addressed

Included in the “Notice of the 143rd Ordinary General Meeting of Stockholders.”

(3) Financial Highlights

Toray Group (Consolidated basis)

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

(4) Major Subsidiaries

Name	Stated capital	Toray's stake	Main business
Toray International, Inc.	¥2,040 million	100.00%	Export and domestic sales of Toray Group products
Chori Co., Ltd.	¥6,800 million	51.25%	Purchasing and sales of textile products and chemical products, etc.
Toray Engineering Co., Ltd.	¥1,500 million	100.00%	Plant engineering, manufacturing and sales of FPD production equipment, film production & processing equipment, etc.
Toray Plastics (America), Inc.	US\$238 million	— (100.00%)	Manufacturing and sales of polyester and polypropylene films and polyolefin foam
Toray Composite Materials America, Inc.	US\$114 million	— (100.00%)	Development, manufacturing and sales of carbon fibers and prepreg
Zoltek Companies, Inc.	US\$344 thousand	— (100.00%)	Holding company of Zoltek Group (Development, manufacturing and sales of carbon fibers)
Alcantara S.p.A.	EUR11 million	70.00%	Manufacturing and sales of artificial leather Alcantara®
Thai Toray Synthetics Co., Ltd.	THB3,078 million	70.77% (19.24%)	Manufacturing and sales of nylon fibers, polyester fibers, resin compound products and polypropylene films
Toray Plastics (Malaysia) Sdn. Berhad	US\$73 million	93.85% (6.15%)	Manufacturing and sales of ABS resin; sales of PBT resin, etc.
Toray Sakai Weaving & Dyeing (Nantong) Co., Ltd.	RMB1,442 million	69.43% (15.40%)	Weaving, dyeing and marketing of polyester filament textiles
Toray Advanced Materials Korea Inc.	Won847.2 billion	100.00%	Manufacturing and sales of polyester fibers, non-woven fabrics, PPS resin, polyester films, carbon fibers and water treatment products

Note: Figures in parenthesis under "Toray's stake" indicate Toray's subsidiaries' stake.

(5) Main Businesses

Manufacturing, processing and sales of the following products, among others:

Fibers and Textiles:

Filament yarns, staple fibers, spun yarns, woven and knitted fabrics of nylon, polyester, acrylic and others; nonwoven fabrics; nonwoven material created using ultra-fine fibers in an “Island in the Sea” configuration; apparel products.

Performance Chemicals:

Nylon, ABS, PBT, PPS and other resins and molded products; polyolefin foam; polyester, polyethylene, polypropylene and other films and processed film products; raw materials for synthetic fibers and other plastics; fine chemicals; electronic and information materials; and graphic materials.

Carbon Fiber Composite Materials:

Carbon fibers, carbon fiber composite materials and their molded products.

Environment and Engineering:

Water treatment membranes and related equipment; comprehensive engineering; condominiums; industrial equipment and machinery; IT-related equipment; materials for housing, building and civil engineering applications.

Life Science:

Pharmaceuticals, medical devices, etc.

Other:

Analysis, physical evaluation, research, and other services.

(6) Directory

1) Toray Industries, Inc.

Head Office:

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

Osaka Head Office:

3-3, Nakanoshima 3-chome,
Kita-ku, Osaka 530-8222, Japan

Branches:

Nagoya (Aichi), Hokuriku (Fukui), Kyushu (Fukuoka),
Tohoku (Miyagi) and Chugoku & Shikoku (Hiroshima)

Plants:

Shiga, Seta (Shiga), Ehime, Nagoya (Aichi), Tokai
(Aichi), Aichi, Okazaki (Aichi), Mishima (Shizuoka),
Chiba, Tsuchiura (Ibaraki), Gifu, Ishikawa and
Nasu (Tochigi)

Laboratories:

Fibers and Textiles Research Laboratories
(Shizuoka), Films and Film Products Research
Laboratories (Shiga), Chemicals Research
Laboratories (Aichi), Composite Materials Research
Laboratories (Ehime), Electronic and Imaging
Materials Research Laboratories (Shiga), Global
Environment Research Laboratories (Shiga),
Pharmaceutical Research Laboratories (Kanagawa),
New Frontiers Research Laboratories (Kanagawa),
Advanced Materials Research Laboratories (Shiga)

2) Major Subsidiaries

Toray International, Inc. (Tokyo, Japan)

Chori Co., Ltd. (Osaka, Japan)

Toray Engineering Co., Ltd. (Tokyo, Japan)

Toray Plastics (America), Inc. (U.S.A.)

Toray Composite Materials America, Inc. (U.S.A.)

Zoltek Companies, Inc. (U.S.A.)

Alcantara S.p.A. (Italy)

Thai Toray Synthetics Co., Ltd. (Thailand)

Toray Plastics (Malaysia) Sdn. Berhad (Malaysia)

Toray Sakai Weaving & Dyeing (Nantong) Co., Ltd.
(China)

Toray Advanced Materials Korea Inc. (Republic of
Korea)

(7) Employees

Segment	Number of employees	Increase (decrease) from the end of last fiscal year
Fibers and Textiles	20,568	(173)
Performance Chemicals	12,116	(18)
Carbon Fiber Composite Materials	6,178	(478)
Environment and Engineering	4,738	116
Life Science	1,483	5
Other	2,345	(3)
Corporate	712	9
Total	48,140	(542)

(8) Principal Lenders

	Outstanding loan amount (Millions of yen)
MUFG Bank, Ltd.	173,377
Sumitomo Mitsui Banking Corporation	122,110
Mizuho Bank, Ltd.	69,863
Japan Bank for International Cooperation	50,000
Development Bank of Japan Inc.	35,000

Note 1: Outstanding loan amount includes loans from overseas subsidiaries of the lenders.

Note 2: In addition to the above, we have ¥157,792 million of outstanding syndicated loans.

2. Stock Information

- (1) Total Number of Shares Authorized to be Issued: 4,000,000,000 shares
 (2) Number of Shares of Common Stock in Issue: 1,602,463,977 shares
 (excluding treasury stock of 29,017,426 shares)
 (3) Number of Stockholders at March 31, 2024: 223,892
 (4) Principal Stockholders:

	Number of shares held (Thousands)	Percentage of total shares (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	229,878	14.35
Custody Bank of Japan, Ltd. (Trust Account)	108,813	6.79
Nippon Life Insurance Co.	71,212	4.44
TAIJU LIFE INSURANCE COMPANY LIMITED	35,961	2.24
STATE STREET BANK WEST CLIENT-TREATY 505234	31,695	1.98
National Mutual Insurance Federation of Agricultural Cooperatives	26,593	1.66
Sumitomo Mitsui Banking Corporation	24,022	1.50
Custody Bank of Japan, Ltd. (Trust 4 Account)	23,941	1.49
STATE STREET LONDON CARE OF STATE STREET BANK AND TRUST, BOSTON SSBTC A/C UK LONDON BRANCH CLIENTS-UNITED KINGDOM	23,499	1.47
JPMORGAN CHASE BANK 385781	21,122	1.32

Note: The percentage of total shares is computed after deducting treasury stock (29,017,426 shares).

3. Stock Acquisition Rights

- (1) Outline of Stock Acquisition Rights Granted to Members of the Board of the Company as a Consideration for the Performance of Duties and Held as of the end of the Fiscal Year

	No.1 Stock Acquisition Right	No.2 Stock Acquisition Right	No.3 Stock Acquisition Right
Date of resolution of issuance	July 29, 2011	July 19, 2012	July 26, 2013
Number of Stock Acquisition Rights	42	52	38
Number of persons held	1 member of the Board	1 member of the Board	1 member of the Board
Type and number of shares to be issued upon exercise	Common Stock: 42,000 shares	Common Stock: 52,000 shares	Common Stock: 38,000 shares
Issue price of Stock Acquisition Rights	¥513	¥394	¥546
Exercise price	¥1	¥1	¥1
Exercise period for Stock Acquisition Rights	From August 21, 2011 to August 20, 2041	From August 5, 2012 to August 4, 2042	From August 11, 2013 to August 10, 2043

	No.4 Stock Acquisition Right	No.5 Stock Acquisition Right	No.6 Stock Acquisition Right
Date of resolution of issuance	July 23, 2014	July 28, 2015	July 27, 2016
Number of Stock Acquisition Rights	64	42	67
Number of persons held	3 members of the Board	3 members of the Board	5 members of the Board
Type and number of shares to be issued upon exercise	Common Stock: 64,000 shares	Common Stock: 42,000 shares	Common Stock: 67,000 shares
Issue price of Stock Acquisition Rights	¥605	¥987	¥902
Exercise price	¥1	¥1	¥1
Exercise period for Stock Acquisition Rights	From August 10, 2014 to August 9, 2044	From August 23, 2015 to August 22, 2045	From August 21, 2016 to August 20, 2046

	No.7 Stock Acquisition Right	No.8 Stock Acquisition Right	No.9 Stock Acquisition Right
Date of resolution of issuance	July 24, 2017	July 25, 2018	July 25, 2019
Number of Stock Acquisition Rights	64	73	88
Number of persons held	5 members of the Board	5 members of the Board	5 members of the Board
Type and number of shares to be issued upon exercise	Common Stock: 64,000 shares	Common Stock: 73,000 shares	Common Stock: 88,000 shares
Issue price of Stock Acquisition Rights	¥899	¥710	¥684
Exercise price	¥1	¥1	¥1
Exercise period for Stock Acquisition Rights	From August 20, 2017 to August 19, 2047	From August 19, 2018 to August 18, 2048	From August 18, 2019 to August 17, 2049

	No.10 Stock Acquisition Right	No.11 Stock Acquisition Right	No.12 Stock Acquisition Right
Date of resolution of issuance	July 22, 2020	July 21, 2021	July 21, 2022
Number of Stock Acquisition Rights	205	134	145
Number of persons held	8 members of the Board	8 members of the Board	8 members of the Board
Type and number of shares to be issued upon exercise	Common Stock: 205,000 shares	Common Stock: 134,000 shares	Common Stock: 145,000 shares
Issue price of Stock Acquisition Rights	¥421	¥686	¥685
Exercise price	¥1	¥1	¥1
Exercise period for Stock Acquisition Rights	From August 16, 2020 to August 15, 2050	From August 15, 2021 to August 14, 2051	From August 21, 2022 to August 20, 2052

	No.13 Stock Acquisition Right
Date of resolution of issuance	July 20, 2023
Number of Stock Acquisition Rights	165
Number of persons held	8 members of the Board
Type and number of shares to be issued upon exercise	Common Stock: 165,000 shares
Issue price of Stock Acquisition Rights	¥677
Exercise price	¥1
Exercise period for Stock Acquisition Rights	From August 20, 2023 to August 19, 2053

Note: No stock acquisition rights are granted to outside directors.

(2) Outline of Stock Acquisition Rights Granted to Employees, etc. of the Company as a Consideration for the Performance of Duties during the Fiscal Year

	No.13 Stock Acquisition Right
Date of resolution of issuance	July 20, 2023
Number of Stock Acquisition Rights	396
Number of persons granted	56 in total of vice presidents, executive fellow, and directors of the Company
Type and number of shares to be issued upon exercise	Common Stock: 396,000 shares
Issue price of Stock Acquisition Rights	¥677
Exercise price	¥1
Exercise period for Stock Acquisition Rights	From August 20, 2023 to August 19, 2053

4. Members of the Board and Corporate Auditors

(1) Names and Titles

Akihiro Nikkaku, *Chairman and Representative Member of the Board*

Mitsuo Ohya, *President and Representative Member of the Board*

Satoru Hagiwara, *Executive Vice President and Representative Member of the Board* (Legal & Compliance Division (Security Trade Administration Dept.); Quality Assurance Division; Intellectual Property Division; Technology Center)

Kazuyuki Adachi, *Executive Vice President and Member of the Board* (Manufacturing Division)

Kazuhiko Shuto, *Executive Vice President and Member of the Board* (Marketing and Sales; Corporate Marketing Planning Division; Affiliated Companies Division; Resins & Chemicals Division; Director, Chori Co., Ltd.)

Tetsuya Tsunekawa *, *Senior Vice President and Member of the Board* (Corporate Strategic Planning Division; HS Division)

Masahiko Okamoto, *Senior Vice President and Member of the Board* (Finance & Controller's Division)

Takashi Yoshiyama *, *Corporate Vice President and Member of the Board* (Torayca & Advanced Composites Division; Chairman, Toray Carbon Fibers Europe S.A.)

Kunio Ito, *Outside Director* (Outside Director, Kobayashi Pharmaceutical Co., Ltd.)

Ryoji Noyori, *Outside Director* (Outside Director, TAKASAGO INTERNATIONAL CORPORATION)

Susumu Kaminaga, *Outside Director* (Representative Director, SK Global Advisers Co., Ltd.)

Kazuo Futagawa, *Outside Director* (Outside Director, Kanamic Network Co., LTD)

Yuko Harayama *, *Outside Director*

Hideki Hirabayashi *, *Corporate Auditor*

Yoshiyuki Tanaka, *Corporate Auditor*

Hiroyuki Kumasaka, *Outside Corporate Auditor*

Makiko Takabe *, *Outside Corporate Auditor* (Of Counsel for Nishimura & Asahi (Gaikokuho Kyodo Jigyoo))

Kozo Ogino *, *Outside Corporate Auditor* (Chairperson, SMBC Trust Bank Ltd.)

Note 1: Kunio Ito, Ryoji Noyori, Susumu Kaminaga, Kazuo Futagawa and Yuko Harayama are outside directors in accordance with Article 2, paragraph 15 of the Companies Act.

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: Hiroyuki Kumasaka, Makiko Takabe and Kozo Ogino are outside corporate auditors in accordance with Article 2, paragraph 16 of the Companies Act.

Note 4: The Tokyo Stock Exchange has been notified that Hiroyuki Kumasaka, Makiko Takabe and Kozo Ogino are independent directors/auditors under the regulations of the Exchange.

Note 5: Hiroyuki Kumasaka, Outside Corporate Auditor, is qualified as a certified public accountant, and has considerable knowledge of financing and accounting matters.

Note 6: Kozo Ogino, Outside Corporate Auditor, has been in charge of financing businesses at banks for many years, and has considerable knowledge of financing and accounting matters.

Note 7: Members of the Board and corporate auditors marked with an Asterisk (*) were newly appointed to their respective positions at the 142nd Ordinary General Meeting of Stockholders held on June 27, 2023.

Note 8: The following members of the Board and corporate auditors retired from their respective positions at the close of the 142nd Ordinary General Meeting of Stockholders held on June 27, 2023.

Minoru Yoshinaga, *Senior Vice President and Member of the Board*

Yasuo Suga, *Senior Vice President and Member of the Board*

Toru Fukasawa, *Corporate Auditor*

Toshio Nagai, *Outside Corporate Auditor*

Kazuya Jono, *Outside Corporate Auditor*

Note 9: As of April 1, 2024, the assignments and important offices held concurrently by members of the Board have been changed as follows.

Satoru Hagiwara, *Executive Vice President and Representative Member of the Board* (Legal & Compliance Division (Security Trade Administration Dept.); Intellectual Property Division; Technology Center)

Kazuyuki Adachi, *Executive Vice President and Member of the Board* (Purchasing & Logistics Division; Manufacturing Division)

Kazuhiko Shuto, *Executive Vice President and Member of the Board* (Marketing and Sales; Corporate Marketing Planning Division)

(2) Outline of the Agreement to Limit the Liability of Outside Directors and Outside Corporate Auditors

In accordance with the Articles of Incorporation, the Company enters into an agreement with each of the outside directors and outside corporate auditors with respect to the limitation of liabilities for damages arising from negligence in the performance of their duties. Under these agreements, the damage liability of each outside director or outside corporate auditor shall be limited to the minimum amount stipulated in Article 425, paragraph 1 of the Companies Act if such outside director or outside corporate auditor has performed his/her duties in good faith and without gross negligence.

(3) Directors and officers liability insurance policy

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, with all of members of the Board, Corporate Auditors and executive officers of the Company and its subsidiaries as the insured. The insurance policy covers the loss legally obligated to pay as damage and the defense cost for the claim made against the execution of their duties. However, the above insurance policy does not cover damages arising from the insured's criminal act or other similar act, as a measure not to impair the appropriateness of execution of the insured's duties. The Company and its subsidiaries bear all insurance premiums for the insured.

(4) Remuneration to Members of the Board and Corporate Auditors

1) Policy for determining the details of individual remuneration to members of the Board
Decision-making policy for determining the details of individual remuneration to members of the Board of the Company (the "Decision-making Policy") is as follows.

i) Basic policy

To lead to improvements in the Toray Group's mid- to long-term corporate value and sustainable growth, Toray has established a remuneration system for members of the Board. With respect to the Decision-making Policy for the remuneration system for members of the Board, in addition to matters stipulated by laws and regulations, the decision-making rights on important matters are reserved by the Board of Directors based on the Authority of Top Management. Particulars of the agenda regarding remuneration for members of the Board at the general meeting of stockholders, and the formulation and revision of important internal regulations, as well as individual remuneration to members of the Board, are determined by resolution of the Board of Directors. The remuneration system for members of the Board is continually reviewed by the Governance Committee.

ii) Composition and level of remuneration

Given their roles, remuneration for internal members of the Board consists of basic remuneration which is a fixed amount, as well as a performance-based remuneration, including bonus which takes into account the consolidated business results for each fiscal year, etc., and stock acquisition rights as stock options, which are linked to medium- to long-term business results. Given their roles, remuneration for outside directors consists of basic remuneration only. Remuneration is set at a level that enables the Company to secure superior human resources and further motivate them to improve performance, referring to the results of a survey of other companies' remuneration by an external third-party organization. The Company undertakes reviews of the payment ratios of performance-based remuneration and remuneration, etc. other than performance-based remuneration as appropriate, based on the results of a survey of other companies' remuneration and reviews at the Governance Committee, etc.

iii) Basic remuneration

With respect to basic remuneration the maximum limit of total remuneration is determined at general meetings of stockholders. Particulars of the agenda at the general meeting of stockholders are determined by the Board of Directors following a report from the Governance Committee. Within the scope of the maximum limit, basic remuneration to each member of the Board is determined by the Board of Directors after the Governance Committee makes a report to the Board of Directors. Basic remuneration consists of monthly remuneration of a fixed amount.

iv) Bonuses

The provision and the total amount of bonuses are determined each time at a general meeting of stockholders. Particulars of the agenda at the general meeting of stockholders are determined by the Board of Directors following a report from the Governance Committee with consideration given to the consolidated core operating income for each fiscal year that best represents the results of the Company's global business operations, plus the historical record, etc. The individual bonus for each internal member of the Board is determined by the Board of Directors after the Governance Committee makes a report to the Board of Directors. Bonuses are to be paid at a certain time every year.

v) Stock Acquisition Rights as stock options

The maximum limit of total number of Stock Acquisition Rights as well as the limit of remuneration relating to the granting of the Stock Acquisition Rights as stock options to internal members of the Board is resolved at the general meeting of stockholders. Particulars of the agenda at the general meeting of stockholders are determined by the Board of Directors following a report from the Governance Committee. Within that limit, the total number of Stock Acquisition Rights to be allocated to each internal member of the Board shall be determined at the Board of Directors meeting based on the standards determined by the Board of Directors after the Governance Committee makes a report to the Board of Directors. A basic

remuneration amount paid to each internal member of the Board and an amount of remuneration equal to the paid-in amount of Stock Acquisition Rights to be allocated to each internal member of the Board shall be determined by the Board of Directors meeting after the Governance Committee makes a report to the Board of Directors. Stock Acquisition Rights as stock options are granted at a certain time every year.

vi) Others

At the 130th Ordinary General Meeting of Stockholders, the payment of retirement allowances to members of the Board for termination resulting from the abolition of the retirement allowance program for members of the Board was resolved. It was also resolved that retirement allowances were to be paid to internal members of the Board in office at the close of the said general meeting for the services they rendered up to the close of the said general meeting. The retirement allowance to be paid to each internal member of the Board is determined based on a resolution at a Board of Directors meeting after the 130th Ordinary General Meeting of Stockholders. The retirement allowance is paid at the time of retirement of each internal member of the Board.

The Decision-making Policy was determined with a resolution of the Board of Directors meeting held on February 9, 2021 through deliberations at the Governance Committee and amended by a resolution of the Board of Directors meeting held on March 28, 2022.

Regarding details of remuneration to individual members of the Board, the remuneration system is continuously reviewed by the Governance Committee. Based on the results, the Governance Committee makes a report to the Board of Directors, which makes a resolution. Accordingly, the Board of Directors believes that the said details are in line with the Decision-making Policy.

Given their roles, remuneration for corporate auditors consists of basic remuneration only, which is a fixed amount. Remuneration is set at a level that enables the Company to secure superior human resources, referring to the results of a survey of other companies' remuneration by an external third-party organization. With respect to basic remuneration, the maximum limit of total remuneration is determined at general meetings of stockholders. Basic remuneration to each corporate auditor is determined, within the scope of the maximum limit, through discussion by corporate auditors.

2) Resolution at the general meeting of stockholders on remuneration to members of the Board and corporate auditors

i) Basic remuneration to members of the Board

* Date of resolution: June 23, 2022 (141st Ordinary General Meeting of Stockholders)

* Details of resolution: The amount of remuneration to members of the Board was ¥50 million or less per month (including within ¥7 million for outside directors).

The portion of employee's salary of the employee-director was excluded.

* Number of covered members of the Board: 12 (including four outside directors)

ii) Basic remuneration to corporate auditors

* Date of resolution: June 25, 2019 (138th Ordinary General Meeting of Stockholders)

* Details of resolution: The amount of remuneration to corporate auditors was ¥11 million or less per month.

* Number of covered corporate auditors: 5

iii) Stock Acquisition Rights as stock options to members of the Board

* Date of resolution: June 24, 2011 (130th Ordinary General Meeting of Stockholders)

* Details of resolution: The limit of remuneration relating to the granting of the Stock Acquisition Rights as stock options to members of the Board was determined to be ¥300 million per year and the maximum limit of the total number of Stock

Acquisition Rights was determined to be 1,200 per year.

* Number of covered members of the Board: 28

iv) Payment of retirement allowances to members of the Board and corporate auditors for termination

* Date of resolution: June 24, 2011 (130th

Ordinary General Meeting of Stockholders)

* Details of resolution: The retirement allowances for termination are to be paid to the members of the Board and corporate auditors for the services they rendered up to the close of the said general meeting, resulting from the abolition of the retirement allowance program for members of the Board and corporate auditors. The retirement allowance is paid at the time of retirement of each member of the Board and corporate auditor.

* Number of covered members of the Board: 23

Number of covered corporate auditors: 2

3) Total amount of remuneration to members of the Board and corporate auditors

Category	Total amount of remuneration	Total amount of remuneration by type			Number of covered members of the Board and corporate auditors
		Basic remuneration	Performance-based remuneration	Non-monetary remuneration	
			Bonus	Stock Acquisition Rights as stock options	
Members of the Board	732	552	69	111	15
[including outside directors]	[71]	[71]	[-]	[-]	[5]
Corporate auditors	115	115	-	-	8
[including outside corporate auditors]	[36]	[36]	[-]	[-]	[5]

Note 1: The number of members of the Board and corporate auditors includes two members of the Board and three corporate auditors who retired in the current period.

Note 2: The amount equivalent to ¥4 million of employee's salary of the employee-director is not included in the above amount.

Note 3: The amount of bonuses to members of the Board is scheduled to be resolved at the 143rd Ordinary General Meeting of Stockholders.

The amount of bonuses is calculated with consideration given to the consolidated core operating income for the current period, plus the historical record, etc. Changes in the consolidated core operating income, including that for the current period, are stated in 1. Review of Operations of Toray Group, (3) Financial Highlights.

Note 4: With regard to the Stock Acquisition Rights granted as stock options to members of the Board, changes in the issue prices of Stock Acquisition Rights as stock options, including those for the current period, are stated in 3. Stock Acquisition Rights, (1) Outline of Stock Acquisition Rights Granted to Members of the Board of the Company as a Consideration for the Performance of Duties and Held as of the end of the Fiscal Year.

(5) Outside Directors and Outside Corporate Auditors

1) Offices concurrently held by the outside directors and outside corporate auditors

Kunio Ito, *Outside Director* (Outside Director, Kobayashi Pharmaceutical Co., Ltd.)

Ryoji Noyori, *Outside Director* (Outside Director, TAKASAGO INTERNATIONAL CORPORATION)

Susumu Kaminaga, *Outside Director* (Representative Director, SK Global Advisers Co., Ltd.)

Kazuo Futagawa, *Outside Director* (Outside Director, Kanamic Network Co., LTD)

Makiko Takabe, *Outside Corporate Auditor* (Of Counsel for Nishimura & Asahi (Gaikokuho Kyodo Jigyo))

Kozo Ogino, *Outside Corporate Auditor* (Chairperson, SMBC Trust Bank Ltd.)

Note: There is no special relationship between the Company and corporations, etc. in which outside directors and outside corporate auditors concurrently hold office.

2) Main activities of the outside directors and outside corporate auditors

Kunio Ito, *Outside Director*

Attended all 14 meetings of the Board of Directors held during the period under review. Contributed to these meetings with appropriate comments from his professional perspective based mainly on experience of research and study activities on accounting and business administration. In addition, served as a chairman of the Governance Committee, a voluntary committee, and worked to improve governance by offering comments on matters concerning nomination and remuneration such as basic policy for the selection and dismissal of executive managers and on enhancement of the effectiveness of the Board of Directors.

Ryoji Noyori, *Outside Director*

Attended all 14 meetings of the Board of Directors held during the period under review. Contributed to these meetings with appropriate comments from his academic and technological perspective based mainly on experience of research and study activities on organic synthetic chemistry. In addition, served as a member of the Governance Committee, a voluntary committee, and worked to improve governance by offering comments on matters concerning nomination and remuneration such as basic policy for the selection and dismissal of executive managers and on enhancement of the effectiveness of the Board of Directors.

Susumu Kaminaga, *Outside Director*

Attended 13 out of 14 meetings of the Board of Directors held during the period under review. Contributed to these meetings with appropriate comments based on his rich experience as a corporate executive, as well as international perspective and experience as an outside director of another company. In addition, served as a member of the Governance Committee, a voluntary committee, and worked to improve governance by offering comments on matters concerning nomination and remuneration such as basic policy for the selection and dismissal of executive managers and on enhancement of the effectiveness of the Board of Directors.

Kazuo Futagawa, *Outside Director*

Attended all 14 meetings of the Board of Directors held during the period under review. Contributed to these meetings with appropriate comments based on his rich experience and knowledge and advanced expertise as an administrative officer. In addition, served as a member of the Governance Committee, a voluntary committee, and worked to improve governance by offering comments on matters concerning nomination and remuneration such as basic policy for the selection and dismissal of executive managers and on enhancement of the effectiveness of the Board of Directors.

Yuko Harayama, *Outside Director*

Attended all 10 meetings (Note) of the Board of Directors held during the period under review. Contributed to these meetings with appropriate comments based on her rich experience and advanced expertise as a university professor, as well as her knowledge gained by engaging in science, technology and innovation policies. In addition, served as a member of the Governance Committee, a voluntary committee, and worked to improve governance by offering comments on matters concerning nomination and remuneration such as basic policy for the selection and dismissal of executive managers and on enhancement of the effectiveness of the Board of Directors.

Hiroyuki Kumasaka, *Outside Corporate Auditor*

Attended all 14 meetings of the Board of Directors and all 11 meetings of the Board of Corporate Auditors held during the period under review. Also participated in audits of Toray's plants and Group companies. Contributed to these meetings and audits with appropriate comments based mainly on his professional perspective as a certified public accountant.

Makiko Takabe, *Outside Corporate Auditor*

Attended all 10 meetings (Note) of the Board of Directors and all 7 meetings (Note) of the Board of Corporate Auditors held during the period under review. Also participated in audits of Toray's plants and Group companies. Contributed to these meetings and audits with appropriate comments based mainly on her professional perspective as a lawyer.

Kozo Ogino, *Outside Corporate Auditor*

Attended all 10 meetings (Note) of the Board of Directors and 6 out of 7 meetings (Note) of the Board of Corporate Auditors held during the period under review. Also participated in audits of Toray's plants and Group companies. Contributed to these meetings and audits with appropriate comments based on his professional perspective as an experienced executive. Note: The number of meetings held after their assumption of office in June 2023 is stated.

5. Independent Auditor

(1) Name of Independent Auditor

Ernst & Young ShinNihon LLC

(2) Amounts of Remuneration to Independent Auditor

- 1) Amount of remuneration paid for the fiscal year ended March 31, 2024 was ¥297 million.
- 2) The total amount of remuneration paid or payable to independent auditors by the Company and its consolidated subsidiaries was ¥528 million.

Note 1: Given that the audit engagement contract between the Company and the independent auditors does not differentiate the amount of audit fees payable under the Companies Act from the amount of audit fees payable under the Financial Instruments and Exchange Law, and given that such differentiation is practically impossible, the amount of remunerations shown in 1) above is an aggregate of both amounts.

Note 2: Based on the "Practical Guidelines for Cooperation with Independent Auditors" announced by the Japan Audit & Supervisory Board Members Association, the Board of Corporate Auditors checked the audit hours in auditing plans, changes in audit fees, status of auditing plans versus actual results in previous fiscal years, etc., and examined the appropriateness of the estimated amount of remuneration. As a result, the Board of Corporate Auditors approved the remuneration paid or payable to the independent auditors as set forth in Article 399, paragraph 1 of the Companies Act.

Note 3: Among major subsidiaries of the Company, Chori Co., Ltd., Toray Plastics (America), Inc., Toray Composite Materials America, Inc., Zoltek Companies, Inc., Alcantara S.p.A., Thai Toray Synthetics Co., Ltd, Toray Plastics (Malaysia) Sdn. Berhad, Toray Sakai Weaving & Dyeing (Nantong) Co., Ltd., and Toray Advanced Materials Korea Inc. are audited by certified public accountants or independent auditors other than Toray's independent auditors.

(3) Non-audit Work

The Company commissions to the independent auditor, with compensation, agreed-upon procedures engagements related to the settlement of accounts of the Company's subsidiaries, etc., other than the services stipulated in Article 2, paragraph 1 of the Certified Public Accountants Act of Japan.

(4) Policy for Determining the Dismissal or Non-reappointment of Independent Auditors

If an independent auditor is deemed to fall under any of the items of Article 340, paragraph 1 of the Companies Act, such independent auditor shall be dismissed subject to the unanimous approval of the Board of Corporate Auditors.

In addition to the case mentioned above, if any event that impairs the qualifications or independence of an independent auditor occurs and is therefore expected to make it difficult for such independent auditor to perform appropriate audits, the Board of Corporate Auditors shall determine the content of a proposal for the dismissal or non-reappointment of the independent auditors to be submitted to the General Meeting of Stockholders.

6. Organization and Policies of the Company

System to ensure that the members of the Board perform their duties in compliance with laws and regulations as well as the Articles of Incorporation, and other systems for ensuring appropriate business operations.

Following are the basic policy on the internal control system resolved by the Board of Directors of the Company and the principal activities conducted during the period under review based on the policy (“Overview of Operation”).

[Contents of the Basic Policy]

To realize the Toray Philosophy, the Company shall establish a structure to execute its business legally and effectively by improving its internal control system according to the following basic policy as a structure to enable it to appropriately establish organization, formulate regulations, communicate information, and monitor the execution of operations.

(1) System to ensure that the execution of duties by members of the Board and employees complies with laws and regulations and the Company’s Articles of Incorporation

[Contents of the Basic Policy]

- 1) Toray shall establish the Corporate Ethics and Compliance Committee, as one of the Group-wide committees to promote observance of corporate ethics and legal compliance, and shall take other measures to improve the required internal systems, including the establishment of dedicated organizations.
- 2) Toray shall establish the Ethics & Compliance Code of Conduct as specific provisions to be observed by members of the Board and employees, and shall take other measures to improve the required guidelines, etc. Especially with regard to eliminating relations with antisocial forces, the Company shall act as one to stand firmly against them.

- 3) Toray shall establish an internal reporting system (whistle-blowing system) for the reporting of the discovery of violation of laws, regulations, or the Company’s Articles of Incorporation.
- 4) Toray shall establish regulations on security trade control, one of the most important legal compliance issues, and establish an organization dedicated to security export control.

[Overview of Operations]

- 1) During the period under review, the Company held the Board of Directors meetings fourteen times and the Corporate Ethics and Compliance Committee twice.
- 2) In accordance with the Regulations on Corporate Ethics and Compliance, the Company strove to detect company misconduct in the earlier stage, investigated all instances of company misconduct and scandals, their causes, and the parties responsible, and resolved such cases accordingly while carrying out measures to prevent recurrences.
- 3) As a code of conduct with which each company of Toray Group and all Board members and employees should comply, the Ethics & Compliance Code of Conduct stipulates a specific code of conduct (compliance matters and prohibited matters) regarding compliance for (i) safety and the environment, (ii) quality, (iii) human rights, (iv) fair business activities, (v) intellectual property, and (vi) information management.
- 4) The Company handles all internal whistle-blowing according to the predetermined procedures.
- 5) The Company confirms that counterparties to transactions are not antisocial forces. Also, the Company communicates with such counterparties in a written form as necessary for confirming the fact that they are not antisocial forces, termination of agreements in case of being antisocial forces, etc.
- 6) The Company has established the Security Trade Administration Dept. as a department dedicated to security export control. The Company has also

established the Security Trade Administration Committee as a company-wide committee, held a meeting of the Security Trade Administration Committee during the period under review, and checked the results of activities and deliberated issues for initiatives.

(2) System to ensure the efficient execution of duties by members of the Board and employees
[Contents of the Basic Policy]

- 1) Toray shall establish the Authority of Top Management to stipulate matters with respect to which decision-making authority is reserved by the Board of Directors and matters with respect to which decision-making is delegated to the President, General Managers, etc., from among matters necessary for decision-making.
- 2) Toray shall establish the Executive Committee as deliberative organs for important matters decided by the Board of Directors or the President. The Executive Committee shall deliberate on the general direction of policy or issues related to implementation.

[Overview of Operations]

- 1) During the period under review, the Company made partial amendments to the Authority of Top Management in July 2023.
- 2) During the period under review, the Company held the Executive Committee meetings twenty-three times.

(3) System for preserving and managing information pertaining to the execution of duties by the members of the Board and employees
[Contents of the Basic Policy]

- 1) Toray shall establish regulations for important documents and important information related to management, confidential information and personal information, and appropriately preserve and manage them in accordance with the rules.

[Overview of Operations]

- 1) The Company established the Confidential Information Management Regulations as a set of company-wide regulations, prescribed a

confidential information management standard for each head office, division, department and plant, and periodically provided training sessions and made them thoroughly familiar to all officers and employees of the Company on a regular basis.

- 2) In response to the amendment of the Act on the Protection of Personal Information, the Company made amendments to the Regulations on Personal Information Management in September 2023, and to the Privacy Policy in January 2024, respectively.

(4) Regulations and other systems pertaining to controls over risks of loss
[Contents of the Basic Policy]

- 1) In order to identify potential risks in business activities, strive to mitigate such risks under normal business conditions, and prevent future crises, Toray shall establish the Risk Management Committee as one of the Group-wide committees to promote company-wide risk management, and improve regulations to enable immediate implementation in the event of a major crisis.
- 2) Toray shall establish an internal control system for financial reporting that ensures the reliability of financial reporting.

[Overview of Operations]

- 1) The Company established Risk Management Regulations as company-wide regulations. During the period under review, the Company held the Risk Management Committee, one of the company-wide committees, once.
- 2) In June 2023, the Company prepared and submitted an internal control report to the effect that internal control related to financial reporting was effective.

(5) System for ensuring appropriate business operations within subsidiaries
[Contents of the Basic Policy]

- 1) To establish a system under which subsidiaries report to the Company on matters regarding the execution of duties by members of the Board, etc.

of the subsidiaries, the Company shall provide regulations on the regular reporting of important management information to the Company and regularly hold conferences at which the Company's management receives direct reports on the status of the management of the subsidiaries.

- 2) To establish regulations and other systems pertaining to controls over risks of loss for subsidiaries, the Company shall provide subsidiaries with guidance to help them to establish risk management systems appropriate for their respective business forms and business environments, and shall receive regular reports on the status of their activities.
- 3) To establish a system for ensuring that members of the Board, etc. of subsidiaries effectively execute their duties, the Company shall provide regulations on the scope under which the Company can reserve its authority over the execution of business operations. In addition, the Company shall endeavor to grasp management information in a unified manner and provide assistance and guidance necessary for subsidiaries by determining divisions, etc. with control over its respective subsidiaries.
- 4) To establish a system for ensuring that the execution of duties by members of the Board, etc. and employees of subsidiaries complies with laws and regulations and the Articles of Incorporation, the Company shall thoroughly familiarize its subsidiaries with the Company's Ethics & Compliance Code of Conduct as a code of conduct common for the Toray Group. At the same time, the Company shall request the subsidiaries to establish their own codes of conduct, guidelines, etc. in consideration of the laws and regulations, business practices, business forms, and other factors in their respective countries. In addition, the Company shall direct its subsidiaries to establish systems under which the status of internal whistle-blowing by members of the Board, etc. and employees of the subsidiaries is appropriately reported to the Company.

[Overview of Operations]

- 1) The Company established a Standard for Assistance and Administration for Domestic Group Companies and a Standard for Assistance and Administration for Overseas Group Companies as regulations governing the subsidiaries' reports on important management information. During the period under review, the Company made partial amendments to the two standards. The Company also held a Domestic Group Company Conference once during the period under review as a conference at which the top management directly received reports from subsidiaries on their business conditions. The Company also held the respective regional committees for overseas Group companies, when appropriate.
- 2) The Company established Risk Management Regulations in subsidiaries to promote risk reduction activities at the subsidiaries.
- 3) The Company stipulated the scope under which the Company can reserve its authority over the execution of business operations by subsidiaries (excluding listed subsidiaries) in Guidelines for Reserving Authority over Domestic Group Companies and Standards for the Execution of Business Operations at Overseas Group Companies. The Company concluded the Agreement on Group Management with listed subsidiaries as part of its risk management framework for group business operations.
- 4) With respect to the matters stated in item 2) and 3) of the Overview of Operations in section (1), the Company applies them to its subsidiaries and makes them thoroughly familiar to its subsidiaries, in consideration of the laws, regulations, and business practices of the countries in which the subsidiaries are located. The Company established the Corporate Ethics and Legal Compliance Helpline System, a system for receiving internal whistle-blowing on matters including seriously fraudulent acts from the overall Group.

(6) System for reporting to corporate auditors and systems for ensuring that persons who report to corporate auditors are not treated disadvantageously because of their reporting

[Contents of the Basic Policy]

- 1) Members of the Board, etc. and employees of Toray Group and corporate auditors of subsidiaries shall report matters regarding the execution of duties to corporate auditors in response to requests from the corporate auditors.
- 2) Department in charge of the internal reporting system (whistle-blowing system) shall regularly report the status of internal whistle-blowing in the Toray Group to the corporate auditors.
- 3) Toray shall stipulate regulations to the effect that members of the Board and employees who report to corporate auditors shall not be subjected to any disadvantageous treatment because of the said reporting, and shall provide subsidiaries with guidance to help them stipulate the same regulations.

[Overview of Operations]

- 1) At the meetings with the corporate auditors and the audits by the corporate auditors, the members of the Board, etc. and employees of Toray Group and corporate auditors of subsidiaries reported matters regarding the execution of duties to the corporate auditors and otherwise responded to requests from the corporate auditors.
- 2) The Department in charge of the internal reporting system (whistle-blowing system) appropriately reported the status of internal whistle-blowing to the corporate auditors, and otherwise regularly reported to the corporate auditors.
- 3) Based on the Whistleblower Protection Act, the Company stipulated the prohibition of disadvantageous treatment in the Unified Labor Agreement, Central Labor Agreement, and Work Regulations. In addition, the Company instructs its subsidiaries to formulate similar regulations in consideration of laws and regulations, etc. of

the countries in which the subsidiaries are located.

(7) Items pertaining to the handling of expenses and liabilities arising from the execution of duties by corporate auditors

[Contents of the Basic Policy]

- 1) Toray shall pay expenses, etc. incurred from the execution of duties by corporate auditors.

[Overview of Operations]

- 1) The Company pays expenses, etc. incurred from the execution of duties by corporate auditors.

(8) Items pertaining to employees assisting with corporate auditors' duties, items pertaining to the independence of said employees from members of the Board, and items pertaining to the assurance of effectiveness of instructions from the corporate auditors to said employees

[Contents of the Basic Policy]

- 1) Toray shall assign a full-time employee to provide assistance if and when corporate auditors request assistance. The said employee shall exclusively follow the corporate auditors' commands and instructions, and the Company shall consult with corporate auditors in advance with respect to the personnel arrangements for the said employee.

[Overview of Operations]

- 1) The Company has established a Corporate Auditors Office as a staff organization under the direct control of corporate auditors, to assist corporate auditors in the performance of their duties.

(9) Other systems for ensuring effective implementation of audits by corporate auditors

[Contents of the Basic Policy]

- 1) Corporate auditors shall attend Board of Directors meetings and other important meetings so that they may ascertain important decision-making processes and the execution of operations.

- 2) Corporate auditors shall hold regular meetings with members of the Board and management and conduct regular visiting audits of Toray offices, plants, and subsidiaries.

[Overview of Operations]

- 1) During the period under review, the corporate auditors attended all fourteen meetings of the Board of Directors and all twenty-three meetings of the Executive Committee.
- 2) In accordance with auditing policy and plans formulated by the Board of Corporate Auditors in July 2023, corporate auditors held meetings with members of the Board as well as divisional and departmental general managers during the period under review, and conducted audits of the Company's offices and plants as well as Japanese and overseas subsidiaries.

Consolidated Statement of Financial Position

Toray Industries, Inc. and Subsidiaries
March 31, 2024

Assets	Millions of yen	Liabilities	Millions of yen
Current assets:	¥ 1,522,640	Current liabilities:	¥ 865,734
Cash and cash equivalents	235,887	Trade and other payables	340,256
Trade and other receivables	659,600	Bonds and borrowings	379,847
Inventories	531,959	Lease liabilities	11,005
Other financial assets	12,973	Other financial liabilities	13,988
Other current assets	67,110	Income taxes payable	12,760
Assets held for sale	15,111	Other current liabilities	107,878
Non-current assets:	1,943,878	Non-current liabilities:	754,422
Property, plant and equipment	1,081,115	Bonds and borrowings	530,557
Right-of-use assets	50,486	Lease liabilities	28,275
Goodwill	95,996	Other financial liabilities	4,966
Intangible assets	95,269	Deferred tax liabilities	89,331
Investments accounted for using equity method	228,989	Retirement benefit liability	86,396
Other financial assets	278,254	Other non-current liabilities	14,897
Deferred tax assets	26,144		
Retirement benefit asset	70,975		
Other non-current assets	16,650		
		Total liabilities	1,620,156
		Equity	
		Equity attributable to owners of parent:	1,736,034
		Share capital	147,873
		Capital surplus	120,944
		Retained earnings	1,068,364
		Treasury shares	(19,220)
		Other components of equity	418,073
		Non-controlling interests:	110,328
		Total equity	1,846,362
Total assets	¥ 3,466,518	Total liabilities and equity	¥ 3,466,518

Note: Figures are shown rounded to the nearest ¥1 million.

Consolidated Statement of Profit or Loss

Toray Industries, Inc. and Subsidiaries
April 1, 2023 - March 31, 2024

	Millions of yen
Revenue	¥ 2,464,596
Cost of sales	(2,021,073)
Gross profit	443,523
Selling, general and administrative expenses	(346,344)
Other income	8,985
Other expenses	(48,513)
Operating income	57,651
Finance income	12,149
Finance costs	(19,083)
Share of profit of investments accounted for using equity method	8,850
Profit before tax	59,567
Income tax expense	(29,112)
Profit	30,455
Profit attributable to:	
Owners of parent	21,897
Non-controlling interests	8,558
	¥ 30,455

Note: Figures are shown rounded to the nearest ¥1 million.

Non-consolidated Balance Sheet

Toray Industries, Inc.

March 31, 2024

Assets	Millions of yen	Liabilities	Millions of yen
Current assets:	¥ 353,638	Current liabilities:	¥ 246,943
Cash and time deposits	17,266	Notes payable - trade	3,558
Notes receivable - trade	7,568	Accounts payable - trade	52,634
Accounts receivable - trade	162,648	Long-term borrowings due within one year	10,000
Finished goods	60,740	Commercial paper	15,000
Work in process	24,793	Bonds due within one year	40,000
Raw materials and supplies	27,535	Accounts payable - other	25,791
Prepaid expenses	2,629	Accrued expenses	17,150
Short-term loans receivable	36,604	Income taxes payable	1,712
Accounts receivable - other	16,250	Deposits received	64,755
Other current assets	5,365	Reserve for employees' bonuses	9,158
Allowance for doubtful accounts	(7,761)	Reserve for bonuses of members of the Board	69
		Reserve for product warranties	2,478
		Other current liabilities	4,639
Non-current assets:	1,240,903	Non-current liabilities:	539,783
Property, plant and equipment:	227,171	Bonds	190,000
Buildings	82,994	Long-term borrowings	252,792
Structures	14,707	Deferred tax liabilities	23,117
Machinery and equipment	74,951	Reserve for employees' retirement benefits	63,723
Vehicles	131	Reserve for loss on guarantees	2,771
Tools and furniture	6,970	Reserve for loss on business of subsidiaries and affiliated companies	65
Land	26,494	Reserve for product warranties	1,583
Construction in progress	20,924	Other non-current liabilities	5,732
		Total liabilities	786,726
Intangible assets:	7,096	Net assets	
Software	3,409	Shareholders' equity:	696,183
Other intangible assets	3,687	Share capital	147,873
		Capital surplus:	136,779
Investments and other assets:	1,006,637	Additional paid-in capital	136,727
Investment securities	211,278	Other capital surplus	51
Investment securities in subsidiaries and affiliated companies	640,579	Retained earnings:	430,174
Investment in subsidiaries' and affiliated companies' capital	131,771	Legal reserve	24,234
Prepaid pension cost	18,172	Other retained earnings	405,940
Other	4,837	Reserve for tax purpose reduction entry	10,684
		General reserve	112,000
		Retained earnings brought forward	283,255
		Treasury shares	(18,643)
		Valuation, translation adjustments and other:	109,613
		Net unrealized gains (losses) on securities	109,138
		Net deferred gains (losses) on hedges	476
		Stock acquisition rights	2,019
		Total net assets	807,815
Total assets	¥ 1,594,541	Total liabilities and net assets	¥ 1,594,541

Note: Figures are shown rounded to the nearest ¥1 million.

Non-consolidated Statement of Income

Toray Industries, Inc.

April 1, 2023 - March 31, 2024

	Millions of yen
Net sales	¥ 606,925
Cost of sales	477,323
Gross profit	129,602
Selling, general and administrative expenses	118,910
Operating income	10,692
Non-operating income:	71,916
Interest and dividend income	69,240
Other income	2,676
Non-operating expenses:	4,626
Interest expenses	1,511
Other expenses	3,115
Ordinary income	77,982
Special gains:	20,166
Gain on sales of property, plant and equipment	2
Gain on sales of investment securities	20,151
Other special gains	13
Special losses:	46,513
Loss on sales and disposal of property, plant and equipment	4,958
Loss on impairment of fixed assets	560
Loss on write-down of investment securities	17
Loss on liquidation and devaluation of subsidiaries and affiliated companies	38,394
Provision for product warranties	1,810
Other special losses	775
Income before income taxes	51,635
Income taxes:	
Current	3,548
Deferred	2,723
Net income	¥ 45,363

Note: Figures are shown rounded to the nearest ¥1 million.

(Translation)
Independent Auditor's Report

May 16, 2024

The Board of Directors
Toray Industries, Inc.

Ernst & Young ShinNihon LLC
Tokyo, Japan

Noriaki Kenmochi
Designated Engagement Partner
Certified Public Accountant

Minoru Ito
Designated Engagement Partner
Certified Public Accountant

Makoto Matsumura
Designated Engagement Partner
Certified Public Accountant

Ryohei Shigematsu
Designated Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 444, paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity, and notes to the consolidated financial statements of Toray Industries, Inc. and its consolidated subsidiaries (the "Group") applicable to the fiscal year from April 1, 2023 to March 31, 2024. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position and results of operations of the Group applicable to the fiscal year ended March 31, 2024, in accordance with the accounting standards that allow the omission of some disclosure items required under International Financial Reporting Standards, as stipulated by the provisions of the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Other information comprises the information included in the Group's business report and its supplementary schedules. Management is responsible for preparation and disclosure of the other information. Corporate Auditor and Board of Corporate Auditors are responsible for overseeing the Group's reporting process of the other information. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management, Corporate Auditor and Board of Corporate Auditors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the accounting standards that allow the omission of some disclosure items required under International Financial Reporting Standards, as stipulated by the provisions of the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by the accounting standards that allow the omission of some

disclosure items required under International Financial Reporting Standards, as stipulated by the provisions of the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting, matters related to going concern. Corporate Auditor and Board of Corporate Auditors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- In making those risk assessments, consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with the accounting standards that allow the omission of some disclosure items required under International Financial Reporting Standards, as stipulated by the provisions of the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Corporate Auditor and Board of Corporate Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Corporate Auditor and Board of Corporate Auditors with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

Conflicts of Interest

Our firm and its designated engagement partners have no interest in the Group which should be disclosed in accordance with the Certified Public Accountants Act.

Notice to Readers:

The original consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity and the notes to the consolidated financial statements, applicable to the fiscal year ended March 31, 2024 are written in Japanese.

(Translation)
Independent Auditor's Report

May 16, 2024

The Board of Directors
Toray Industries, Inc.

Ernst & Young ShinNihon LLC
Tokyo, Japan

Noriaki Kenmochi
Designated Engagement Partner
Certified Public Accountant

Minoru Io
Designated Engagement Partner
Certified Public Accountant

Makoto Matsumura
Designated Engagement Partner
Certified Public Accountant

Ryohei Shigematsu
Designated Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 436, paragraph 2, item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules of Toray Industries, Inc. (the "Company") applicable to the 143rd fiscal year from April 1, 2023 to March 31, 2024.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position and results of operations of the Company applicable to the fiscal year ended March 31, 2024, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Other information comprises the information included in the Company's business report and its supplementary schedules. Management is responsible for preparation and disclosure of the other information. Corporate Auditor and Board of Corporate Auditors are responsible for overseeing the Company's reporting process of the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, Corporate Auditor and Board of Corporate Auditors for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

Corporate Auditor and Board of Corporate Auditors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- In making those risk assessments, consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the financial statements is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Corporate Auditor and Board of Corporate Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Corporate Auditor and Board of Corporate Auditors with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

Conflicts of Interest

Our firm and its designated engagement partners have no interest in the Company which should be disclosed in accordance with the Certified Public Accountants Act.

Notice to Readers:

The original financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules, applicable to the fiscal year ended March 31, 2024 are written in Japanese. The related supplementary schedules have been omitted in the accompanying financial statements.

Audit Report of the Board of Corporate Auditors (For Reference Only)

The Board of Corporate Auditors, following its review and deliberation of the reports prepared by each corporate auditor concerning the execution of duties by members of the Board during the 143rd fiscal term from April 1, 2023 to March 31, 2024, has prepared this Audit Report as its unanimous opinion and hereby submits it as follows:

1. Methods and Contents by the Corporate Auditors and the Board of Corporate Auditors

- (1) The Board of Corporate Auditors established the auditing policies and plans, received reports and explanations on the status and results of audits from each corporate auditor, received reports and explanations on the status of the execution of duties from the members of the Board and independent auditors, and requested explanations as necessary.
- (2) In accordance with the auditing standards for corporate auditors determined by the Board of Corporate Auditors and the auditing policies and plans, each corporate auditor made efforts to collect information and established auditing circumstances through communication with members of the Board, the Auditing Department and other employees, and conducted audit in accordance with the following procedures:
 - 1) Each corporate auditor attended the Board of Directors meetings and other important meetings to receive reports regarding execution of duties from members of the Board and employees and requested explanations as necessary. Each corporate auditor also inspected the approved documents and examined the status of operations and conditions of assets regarding the Company's head office and principal offices (plants). In addition, each corporate auditor received from subsidiaries their business reports as necessary through communication and information sharing with their directors and corporate auditors.
 - 2) With respect to the resolutions adopted by the Board of Directors regarding the establishment of a system for ensuring that duties of members of the Board are performed in conformity of laws, ordinances and the Articles of Incorporation of the Company and the establishment of a system necessary to ensure proper business operations of the company group, which consists of the joint stock company and its consolidated subsidiaries, set forth in Paragraphs 1 and 3 of Article 100 of Enforcement Regulations of the Companies Act as described in the business report, as well as the systems (Internal Control System) established in accordance with a resolution of the Board of Directors, each corporate auditor regularly received briefing from members of the Board and the employees on the status of the establishment and operations, requested them to provide explanations as necessary, and expressed his opinions. Regarding internal control over financial reporting, each corporate auditor received reports on the evaluation of the relevant internal control and the status of audits from the members of the Board, etc. and Ernst & Young ShinNihon LLC, and requested explanations as necessary.
 - 3) Further, corporate auditors monitored the independent auditors to verify that the independent auditors maintained independence

and conducted the audit appropriately. Each corporate auditor also received reports on the status of the execution of duties from the independent auditors and requested explanations as necessary. In addition, we were informed of the arrangement of the "System for ensuring that the duties are performed appropriately" (matters stipulated in the items of Article 131 of the Corporate Calculation Regulations) in accordance with "Standards for the Quality Control of Audits" (Business Accounting Council) by the independent auditors and requested explanations as necessary.

In accordance with the procedures mentioned above, we reviewed the business reports and supplementary schedules, the non-consolidated financial statements (the non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets and notes to the non-consolidated financial statements) and the supplementary schedules, and the consolidated financial statements (the consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of changes in equity, and notes to the consolidated financial statements) for the year ended March 31, 2024.

2. Results of Audit

- (1) Results of audit of the business report and others
 - 1) The business report and supplementary schedules are found to present fairly the state of the Company in accordance with laws, ordinances and the Articles of Incorporation.
 - 2) In connection with the performance by members of the Board of their duties, no dishonest act or material fact in contravention of laws, ordinances, or the Articles of Incorporation is found to exist.
 - 3) Resolution of the Board of Directors regarding the internal control system is fair and reasonable. There are no matters requiring additional mention regarding the content of business report described on the internal control and the execution of duties by members of the Board.
- (2) Results of audit of the non-consolidated financial statements and the supplementary schedules
The auditing methods and results of the independent auditors, Ernst & Young ShinNihon LLC, are fair and reasonable.
- (3) Results of audit of the consolidated financial statements
The auditing methods and results of the independent auditor, Ernst & Young ShinNihon LLC, are fair and reasonable.

May 16, 2024

Board of Corporate Auditors
Toray Industries, Inc.

Hideki Hirabayashi, Corporate Auditor
Yoshiyuki Tanaka, Corporate Auditor
Hiroyuki Kumasaka, Outside Corporate Auditor
Makiko Takabe, Outside Corporate Auditor
Kozo Ogino, Outside Corporate Auditor