CSR Guidelines & Activity Reports

Communication

Social Initiatives

Disclose corporate information in an active, fair and straightforward manner, and encourage dialogue and cooperation with stakeholders including employees, stockholders, investors, business partners, consumers, local communities, non-profit organizations (NPOs), government and administrative agencies, media, and other parties.



Basic Approach

Toray Group communicates with diverse stakeholders throughout its business activities in accordance with its Basic Policies to Promote Dialogue with Stakeholders. The senior management team regularly receives reports on communication activities and provides advice. Looking to strengthen its efforts, in April 2018 Toray Industries, Inc. established an organization to oversee all communications and pursue integrated internal and external communications.

Basic Policies to Promote Dialogue with Stakeholders Adopted September 2005

1. Toray Group will promote dialogue and collaboration with all stakeholders, including customers, stockholders and investors, business partners, employees, government, local communities, NPOs, citizens, the global community and the media.
2. Each company in Toray Group, through dialogue and collaboration with stakeholders, will take steps to carry out reforms designed to increase the satisfaction level of everyone.
3. All Toray Group employees, in their respective workplaces, shall identify and strive to solve issues affecting stakeholder satisfaction as part of their CSR activities.

Structure

The General Administration & Communications Division oversees all communications and works with divisions and departments of Toray Industries and Group companies in and outside Japan to devise the best methods for collecting and disseminating information.
Opinions obtained from stakeholder communication processes are used to provide feedback to the related divisions and departments. They are encouraged to act on the feedback received in order to maintain good relationships with stakeholders.

CSR Road Map Targets and Results

Promote dialogue and collaboration with stakeholders in accordance with the Basic Policies to Promote Dialogue with Stakeholders
Reflect results of dialogue and collaboration with each stakeholder group in management activities in a timely and appropriate manner

01

■**KPI**
Number of corporate website page views (per month)

■**Reporting scope**
Toray Group

■**Target in fiscal 2018**
1.5 million page views

Result in fiscal 2018

1.56
million page views

02

■**KPI**
Group companies that have their own websites (%)

■**Reporting scope**
Toray Group

■**Target in fiscal 2018**
Japan: 80%
Outside Japan: 100%

Result in fiscal 2018

Japan:
100%
Outside Japan:
100%

03

■**KPI**
Number of news releases

■**Reporting scope**
Toray Group

■**Target in fiscal 2018**
200

Result in fiscal 2018

180

04

■KPI
Number of responses to investor inquiries

■Reporting scope
Toray Group

Result in fiscal 2018

560

05

■KPI
Number of meetings with employees or labor unions

■Reporting scope
Toray Group

Result in fiscal 2018

14

Looking to the Future

With the diversification of social issues in recent years, careful dialogue with stakeholders has become increasingly important. Toray Group treats requests from stakeholders as opportunities for growth. By contributing to society through its businesses and other efforts, the Group will continue to promote social progress and help to resolve global issues, thereby serving as a corporate group of high value to all stakeholders.

CSR Guidelines & Activity Reports - Communication

Communication via Corporate Websites

Social Initiatives

Number of corporate website page views (per month)

■Reporting scope
Toray Group

■Target in fiscal 2018
1.5 million page views

Result in fiscal 2018

1.56

million page views

Group companies that have their own websites (%)

■Reporting scope
Toray Group

■Target in fiscal 2018
Japan: 80%
Outside Japan: 100%

Result in fiscal 2018

Japan:

100%

Outside Japan:

100%

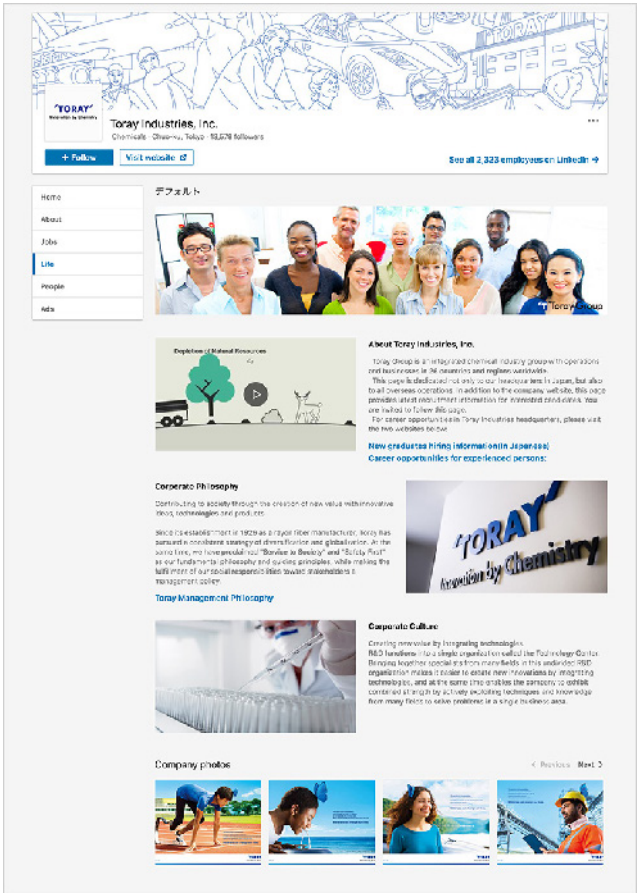
On Toray Group website, information is provided to a wide range of stakeholders to give them an accurate perspective on Toray, with information in menu categories such as “About Us,” “Our Businesses,” “Research and Development,” “Sustainability,” “Investor Relations” and “Career.”

In fiscal 2018, Toray posted new content about its Sustainability Vision on its website, introducing the Company’s fundamental corporate principle of contributing to society, sustained since its founding in 1926, describing the world as envisioned by Toray Group in 2050 and conveying quantitative targets for 2030.

In addition, in order to provide more stakeholders with information, Toray regularly provides information on its official social media site (on LinkedIn) and encourages users to visit from related sites.



Sustainability Vision



Toray's official social media site (on LinkedIn)

CSR Guidelines & Activity Reports - Communication

Communication with Customers

Social Initiatives

Customer Satisfaction Survey

True to its “customer first” commitments, Toray Group conducts customer satisfaction surveys every three years. The survey results are shared within the Company at the Board of Directors meeting and via the in-house newsletter to facilitate business improvement at worksites and motivate employees. From executives and managers to general staff, every employee works to achieve even higher quality customer service, by engaging in an iterative cycle of understanding and improving issues.

Showrooms

Toray has set up showrooms in its offices and plants as a space for communication with customers, including in Tokyo (at the head office), at the Shiga Plant, and at the Toray Human Resources Development Center in Mishima.These showrooms feature accessible displays of Toray’s business and product applications. The goal is to deepen understanding of Toray Group’s commitment to leverage its innovative technologies and advanced materials to help address a host of issues.

CSR Guidelines & Activity Reports - Communication

Communication with Stockholders and Investors

Social Initiatives

In accordance with its Information Disclosure Policy, Toray Industries, Inc. makes sure to disclose information required under laws and regulations in an accurate, timely and appropriate manner, as well as a broad range of additional information beyond these requirements. The Company's Investor Relations Department was established to liaise with stockholders and investors, aiming to create as many communication opportunities as possible.

Number of responses to investor inquiries

■Reporting scope
Toray Group

Result in fiscal 2018

560

Holding Investor Relations Events to Meet Directly with Stockholders and Investors

Toray Industries conducts same-day briefing sessions for institutional investors and securities analysts to coincide with the release of quarterly and annual earnings results, and fields interview requests from the media. The table below summarizes the main investor relations activities that were conducted in fiscal 2018. Feedback received at investor briefing sessions and through communication with investors and stockholders is regularly reported to the Board of Directors , helping to guide management and business activities. The Company holds briefings on its business for stockholders and strives to deepen understanding of Toray Group.

Activities	Attendees from Toray Industries, Inc.	Number of events	Number of participants / frequency
Briefings on business results announcements	President, vice president responsible for investor relations, and vice president responsible for finance and accounting	4 times / year	515
Meetings and conference calls with investors and analysts	Vice president responsible for investor relations, General Manager of the Investor Relations Department	As required	560

External Evaluation of Information Disclosure to Investors

In the "Investor Relations" section of its corporate website, Toray Industries provides information about its financial results and management policies and strategies for stockholders and investors. In an effort to disclose information fairly, the Company promptly posts financial data and presentation materials, including English translations, used in its briefings for institutional investors. In fiscal 2018, the Company’s publications were evaluated externally by a number of organizations, as shown below.

Organization details	Evaluations
Daiwa Investor Relations Co., Ltd.	Award for outstanding website in 2018
Nikko Investor Relations Co., Ltd.	Most outstanding site in overall completeness (top in textile and apparel sector), in a ranking of listed company websites in 2018
GOMEZ	Silver Prize (top in textile sector) in IR Site Ranking 2018

Evaluations from the Perspective of Socially Responsible Investment

Toray Industries was included in the following SRI indices as of August 31, 2019.

- DJSI Asia Pacific
- FTSE 4Good Index/FTSE Blossom Japan Index
- MSCI ESG Indexes
- Ethibel Pioneer & Excellence Registers

Convenient General Stockholders Meetings

For the convenience of its stockholders, Toray Industries avoids holding its general meeting of stockholders on a date when many other companies in Japan hold their meetings. The Company's annual general meeting of stockholders on June 26, 2018 was attended by 441 stockholders. Toray Industries sends out notices of its general meetings of stockholders as early as possible to give sufficient time for stockholders to review the agenda. In addition, the Company translates the notices of its general meetings of stockholders into English and posts them on its website and has set up a system allowing stockholders to vote electronically.

CSR Guidelines & Activity Reports - Communication

Communication with Business Partners

Social Initiatives

Toray Group holds policy briefings and carries out CSR procurement surveys for business partners to foster mutual understanding and closer collaboration.

Related Information

› Facilitating CSR Initiatives Throughout the Supply Chain

CSR Guidelines & Activity Reports - Communication

Communication with Employees

Social Initiatives

Communication via In-house Newsletters and Intranet

Toray Group employs various forms of media such as printed in-house newsletters, intranet, and company-wide bulletin boards to provide information on the Group's management policies and issues, as well as to promote dynamic communication that will strengthen the Toray brand and foster a sense of belonging among Group employees. Messages from the company president appear in all of these media. The printed in-house newsletter is published in three languages (Japanese, English, and Chinese) to keep employees informed about management and business topics as well as corporate projects. In January 2017, the Group launched an intranet called TORAYNAVI Lite in Japanese and English for group companies in and outside Japan to share timely information on a global basis.

Circulation of Toray Group's publications

Japanese edition of People in-house newsletter:
Around 15,000 copies per issue (published six times per year)
English edition of People in-house newsletter:
Around 3,000 copies per issue (published four times per year)
Chinese edition of People in-house newsletter:
Around 6,000 copies per issue (published four times per year)
Toray Management newsletter for managers:
About 6,000 copies per issue (published four times per year)



Employee Attitude Survey

Toray Industries, Inc. conducts an employee attitude survey, in the same time frame as the customer satisfaction survey, to gauge the level of employee engagement, implementation of the medium-term management program, motivation level of employees, and workplace conditions. The survey results are used to identify gaps that may exist between employee attitudes and customer assessments from customer satisfaction surveys, and analyze the level of communication between managers and staff. The results of the employee attitude survey are circulated within the company as feedback and are utilized to make improvements.
In addition, in fiscal 2018, a similar survey was launched in five languages (English, Chinese, Indonesian, Thai, and Korean) for employees of group companies outside Japan.

Meetings with Employees and Labor Unions

Number of meetings with employees or labor unions

■Reporting scope
Toray Group

Result in fiscal 2018

14

CSR Guidelines & Activity Reports - Communication

Communication with the Media

Social Initiatives

Number of news releases

■Reporting scope
Toray Group

■Target in fiscal 2018
200

Result in fiscal 2018

180

Toray Industries, Inc. recognizes that public relations and corporate communication activities have a role in fulfilling responsibilities for information disclosure as well as influencing public opinion. Accordingly, the Company's Corporate Communications Department actively engages with a wide range of media organizations, linking the Company with the public. Based on Toray's Information Disclosure Principles, the department provides fair and impartial information, even if it may cast the Company in a bad light, in a timely and appropriate manner. In fiscal 2018, Toray Group issued 180 press releases and carried out 295 interviews in response to media requests.

Related Information

› Toray's Information Disclosure Principles

CSR Guidelines & Activity Reports - Communication

Communication with Local Communities

Social Initiatives

Number of meetings with communities

■Reporting scope
Toray Group

Result in fiscal 2018

70

Toray Group creates a variety of opportunities for communication with nearby residents. Some examples of these activities include regular community meetings with local residents, participation in events sponsored by local governments, and inviting local residents to summer festivals held on plant premises. The Group also collaborates with non-profits, such as the Mt. Fuji National Trust and the Arakawa Clean Aid Forum, on community programs.



Participation in a local boat race (Toray Composite Materials America, Inc.)



Company orientation and plant tour for local elementary school students (Toray Textiles, Inc.)



Company orientation and plant tour for local students (P.T. Indonesia Toray Synthetics)



Summer festival at Ishikawa Plant with a crowd of about 1,000, including employees, their families, and local residents (Toray Industries, Inc.)



Community meeting with local government leaders at Ishikawa Plant (Toray Industries, Inc.)



Company orientation and plant tour for local elementary school students (Ogaki Fuso Spinning Co., Ltd.)



Summer festival at Shiga Plant with a crowd of about 2,500, including employees, their families, and local residents (Toray Industries, Inc.)



Joint disaster training with local residents at Seta Plant (Toray Industries, Inc.)

CSR Guidelines & Activity Reports

Social Contribution Activities

Social Initiatives

Proactively participate in local communities and the larger society in order to contribute to development in a way befitting a good corporate citizen.



Basic Approach

As the foundation of its business activities, Toray Group works to build ties with local communities and contribute to society through its core businesses. Embracing a corporate philosophy of contributing to society as the ultimate objective of its corporate activities, Toray Industries, Inc. has worked to foster social development since its founding. The Group's Corporate Missions were set out in 1995 and include "For society: To establish ties and develop mutual trust as a responsible corporate citizen." Social contribution activities were included in Toray Group's CSR Guidelines established in 2004, and these activities have been a part of the Group's CSR activities ever since.

Under the Sixth CSR Road Map, the Group is focused on social issues addressed by the United Nations Sustainable Development Goals (SDGs)[1] and the Green Innovation and Life Innovation businesses under the medium-term management program, Project AP-G 2019. The Group has set targets in several priority areas, namely science and technology promotion, environment and communities, and health and welfare. Toray Group will maintain its scale of social contribution activities over the long term and focus particularly on providing educational support to train the human resources needed to achieve a sustainable society. The Group's goal is to provide a total of 100,000 people with educational support, including science and environmental education addressing the topics of water and climate change, between fiscal 2014 and fiscal 2020. The educational materials incorporate hollow membranes and carbon fiber developed by Toray Group, in keeping with its corporate philosophy of contributing to society through its business.

1 The Sustainable Development Goals (SDGs) were adopted in September 2015 at the UN Sustainable Development Summit attended by more than 150 Heads of State. These 17 goals and 169 targets are worldwide objectives to be reached by 2030.

Related Policies

Toray Group Social Initiative Policies Adopted May 2005

1. Based on its Corporate Philosophy of "Contributing to society through the creation of new value with innovative ideas, technologies, and products," we will contribute to sustainable development of local and global society as a good corporate citizen, while continuously supporting social initiatives among employees.
2. We will pursue original programs dedicated to the improvement of social welfare in local communities, international exchange through traditional culture, sports promotion, and especially the advancement of science.
3. Using company awards and other measures, we will create a culture that encourages employees to participate in society in constructive ways such as engaging in voluntary activities with an eye to local needs.
4. We will examine all marketing and advertising activities from the perspective of social contribution before finalizing them.
5. We will contribute funds amounting to about 1% of our consolidated ordinary income to social initiatives.

Priority Areas for Social Contribution



Social Contribution and the Sustainable Development Goals

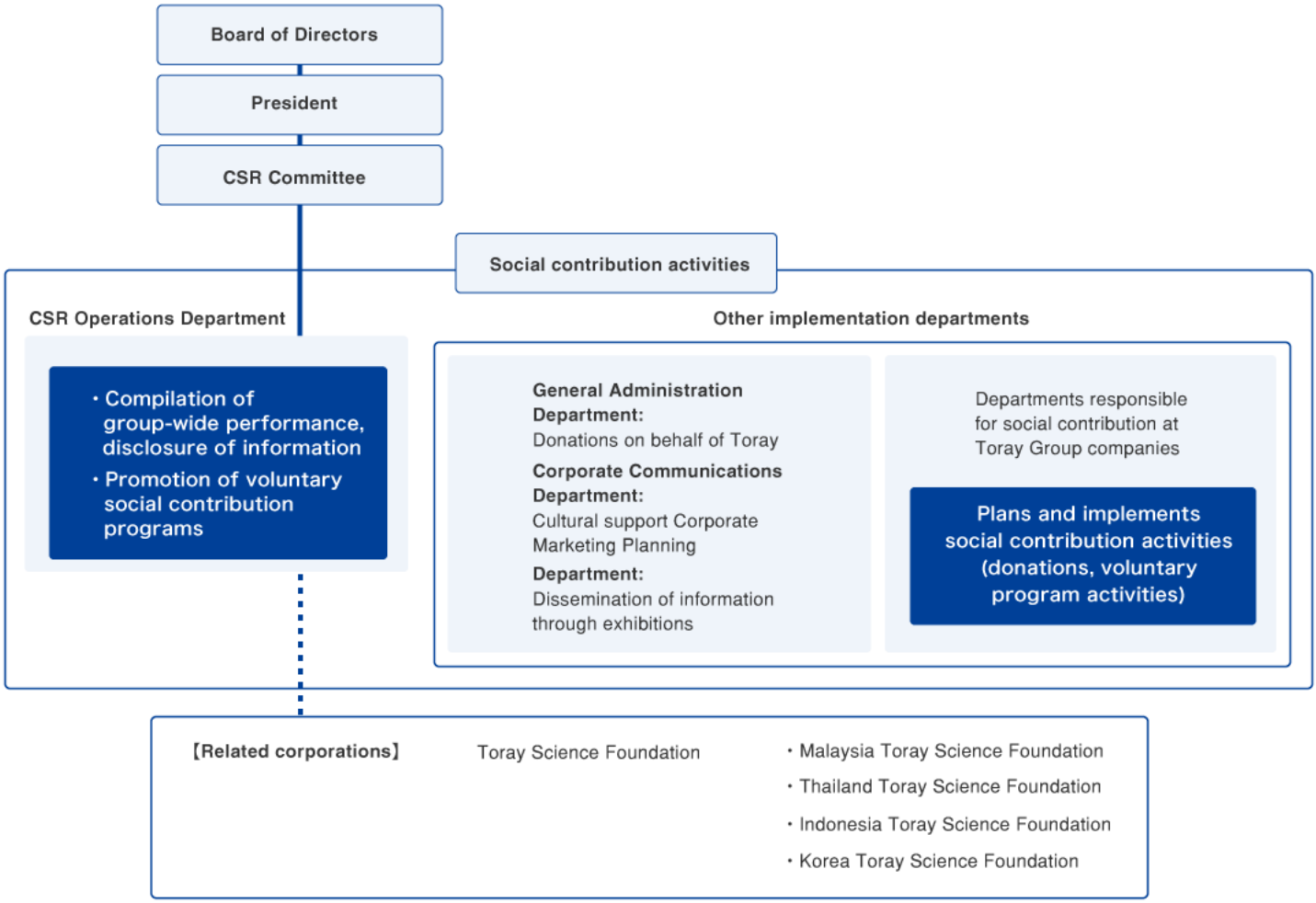
Toray Industries has from the beginning engaged in corporate activities with the ultimate purpose of contributing to society, viewing itself as a public entity. The Company considers the growth of its business as an indication that it has earned the recognition and support of society as a corporation that is endeavoring to practice its philosophy of contributing to society.
In 1955, Toray Industries established the company principle that “Toyo Rayon contributes to communities” as an explicit statement of its founding principles. From around that time, everyone at Toray Industries, from management to employees, began pursuing diverse initiatives to realize the philosophy of contributing to society. These activities ranged from making donations to various organizations and institutions, providing humanitarian assistance and financial aid to disaster-stricken areas, and inviting students to visit Toray’s manufacturing sites and providing them with informational materials.
In 1986, Toray Industries established the corporate philosophy of “Contributing to society through the creation of new value with innovative ideas, technologies and products,” which carries on the core concept of the previous company principle. Toray Group pursues this corporate philosophy by emphasizing the social contributions of its businesses in making business decisions. The Group considers every aspect of its corporate conduct and the conduct of its employees through the lens of contributing to society. It is for this reason that Toray Group’s core businesses naturally align with the United Nations

Sustainable Development Goals (SDGs), whose themes include resolving global environmental issues and contributing to health and longevity. While the SDGs are relatively new on the scene, Toray Group has from the beginning been working to resolve the global social issues they address as it strives to live up to its corporate philosophy.

Structure

Since April 2012, Toray Industries has positioned the CSR Operations Department as a specialized department focusing on social contribution activities. The department is responsible for planning and promoting its own voluntary programs implemented independently, as well as aggregating CSR performance across Toray Group. Policy related to CSR activities and major CSR initiatives are discussed by the CSR Committee. Policy is communicated to Toray Group sites in and outside Japan through “CSR line activities” designed to resolve CSR issues in specific workplaces, as well as meetings attended by representatives from each country where the Group operates outside Japan, in order to promote activities that are suitable for the particular circumstances of each country and company.

Social Contribution Activities Operational Structure



CSR Road Map Targets and Results

Pursue ongoing social initiatives throughout the Toray Group in the priority areas of "science and technology promotion," "environment and communities," and "health and welfare."

01

■**KPI**
Social contribution expenditure (% compared with fiscal 2012-2017 average)

■**Reporting scope**
Toray Group

■**Target in fiscal 2018**
100% or more

Result in fiscal 2018

124%

02

■**KPI**
Number of persons reached through educational initiatives in these key fields

■**Reporting scope**
Toray Group

■**Target in fiscal 2018**
15,000 or more

Result in fiscal 2018

15,759persons

Looking to the Future

Moving forward, Toray Group will continue to fully implement its founding pledge to contribute to society in its activities and businesses. At the same time, the Group will act as a good corporate citizen and pursue initiatives to build trust with communities and contribute to their advancement. In particular, the Group will continue to focus its efforts on initiatives in the priority areas of science and technology promotion, environment and communities, and health and welfare, while supporting education to foster people who can help build a sustainable world.

CSR Guidelines & Activity Reports - Social Contribution Activities

Fiscal 2018 Results

Social Initiatives

Social contribution expenditure (% compared with fiscal 2012-2017 average)

■Reporting scope
Toray Group

■Target in fiscal 2018
100% or more

Result in fiscal 2018

124%

Number of persons reached through educational initiatives in these key fields

■Reporting scope
Toray Group

■Target in fiscal 2018
15,000 or more

Result in fiscal 2018

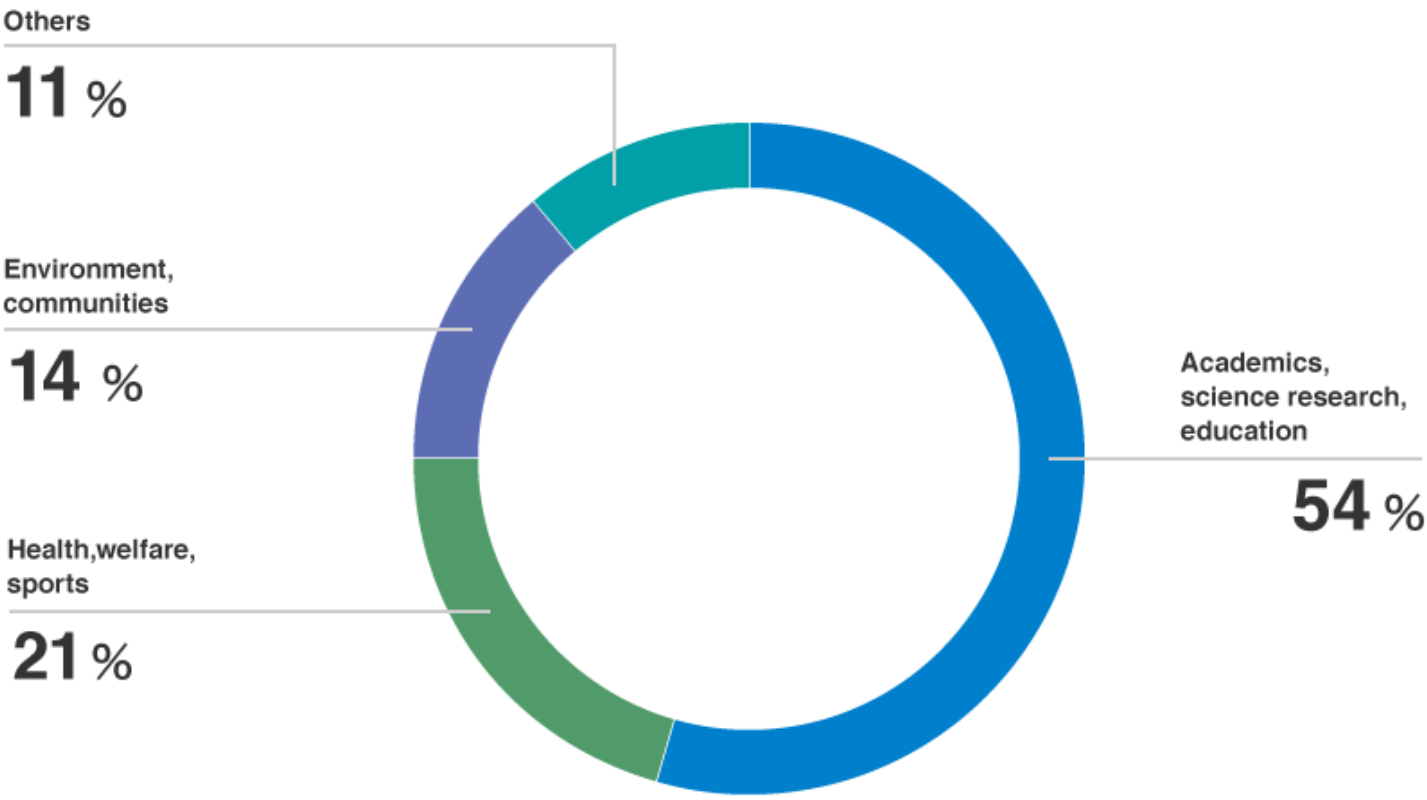
15,759 persons

As stated in the Toray Group Social Initiative Policies established in 2005, the Group has pledged to invest about one percent of its consolidated ordinary income in social contribution activities.
In fiscal 2018 the Group invested some 1.7 billion yen on a consolidated basis (1.3% of consolidated ordinary income) and some 1.1 billion yen on a non-consolidated basis (1.6% of non-consolidated ordinary income), to achieve the one percent target. The main beneficiaries were the Toray Science Foundation in Japan, the Toray science foundations in Malaysia, Thailand, Indonesia, and the Republic of Korea, and sponsorship of the Shanghai International Marathon.
In fiscal 2018, Toray Industries Inc., on behalf of Toray Group, donated approximately 220 million yen to Toray Science Foundation. Toray Group companies outside Japan donated approximately 220 million yen to Toray science foundations around the world.

Related Information

› Toray Science Foundations around the World

Breakdown of Expenditure in Fiscal 2018



Science and Technology Promotion

Priority Areas

Social Initiatives

In its long-term corporate vision, Toray Group has outlined a corporate philosophy of “contributing to society through the creation of new value with innovative ideas, technologies and products,” which the Group delivers on by practicing innovation. In order to continuously deliver innovation, the Group must secure and develop talented human resources. From the long-term perspective, the Group fosters human development by providing research grants and supports science education through Toray Science Foundation and Toray science foundations outside Japan, to raise interest in science.

Related Information

› Toray Science Foundations around the World

Supporting Science in the Classroom

Since 2007, Toray Group has been sending employees to teach in science classes at elementary and junior high schools in local communities. As part of an effort to familiarize children with science, the Group has developed a science workshop program utilizing its products as educational materials. The Group currently implements four programs and provides teacher with free educational materials for science experiments, which are used in teacher development courses at universities. In recent years, the Group has also been cooperating with teacher training efforts by providing opportunities for teachers to learn about advanced materials and technologies.

Toray Group Workshops / Teaching Material Supply Programs

Topic	Program name	Target	No. of hours
Science experiment	Thinking about water filtration and the global environment	Fifth-year elementary school students	2 hours
	Learning about particles in water	First-year junior high school students	1 hour
Environmental education	Water treatment membrane and global environmental issues	Six-year elementary school students	1 hour
	Advanced materials and global environmental issues : Materials can change our lives	Third-year junior high school students	1 hour

Note: In science experiment programs, Toray Group supplies schools with lab materials, as well.

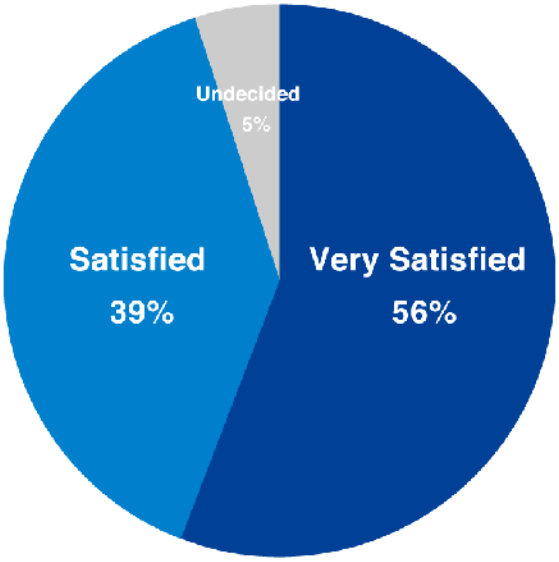
The educational materials are available in three languages: Japanese, English, and Thai. Toray Composite Materials America, Inc. (CMA) and Thai Toray Synthetics Co., Ltd. (TTS) launched their own science class programs in 2012 and 2015, respectively, adjusting the content to their needs. The programs are having a positive impact on communities and helping to build positive relations. From 2012 through 2018, more than 1,700 students have participated in CMA's programs, which are increasingly in demand as they gain further recognition among local schools.

"Before I joined CMA at the end of 2017, I was very impressed to hear from my son that CMA conducted a science workshop at his junior high school. I hope we will continue to implement these activities." – Joyce Moore (at left in photo), Human Resources Department



"We believe that having employees from various departments interact with children in the classroom and having students learn about CMA's technological innovations are extremely valuable for Toray Group. Our employees enjoy it, and I am very proud of these activities myself." – Kazumi Kawamura, Manager, General Affairs Department (at right in photo)

Satisfaction with Science Classes (Questionnaire Results)



School Teachers Satisfied with Science Classes



Experience of Toray Group Instructors

School Teachers Satisfied with Science Classes	**95%**

In fiscal 2018, Toray Group sent employees to teach science classes at a total of 16 schools in and outside Japan (for a total of 45 schools when combined with the Group's environmental classes). Toray Group also supplied lab equipment and teaching materials to schools across Japan and cooperated on teacher training in Tokyo. The driving forces behind the continuation of initiatives to support education are the satisfaction gained by the employees involved and the motivation they get from it.

Related Information

› Environmental Education Program for Elementary and Junior High School Students



Conducting a science class (Thai Toray Synthetics Co., Ltd.)



Teacher training in Tokyo conducted with cooperation (Toray Industries, Inc.)

Collaborating on Science Events

In response to requests from local communities, Toray Group participates in and collaborates on a variety of activities designed to increase interest in science, technology, and manufacturing.

Summer Riko-challe[1] 2018 Science Event Sponsored by Toray Industries



High school girls get firsthand research experience (Toray Research Center, Inc., Global Environment Research Laboratories, Toray Industries, Inc.).

1 Riko-challe is an initiative established by the Gender Equality Bureau division of the Japanese Cabinet Office to provide support for junior high and high school girls who are interested in science and engineering, designed to help them envision their future and choose career paths in those fields.

Related Information

› Toray Summer Riko-challe 2019 Research Workshop Course (Japanese site)

Initiatives in Mexico



"Special Class by Daddies" held at the Japanese School of Guadalajara, Jalisco State, Mexico (Zoltek de México, S.A. de C.V., Toray Advanced Textile Mexico, S.A. de C.V., Toray Resin Mexico, S.A. de C.V.)

Initiatives in the United States



Employees participate in these science events for local children (Toray Composite Materials America, Inc.)

Workshops at the Science Museum

Since 2012, Toray Industries, Inc. has conducted workshops at the Science Museum located in Kitanomaru Park in Tokyo, every day that the museum is open. In fiscal 2018, more than 6,000 people ranging from young children to adults attended the two workshops, which examined filtration and the importance of water, and the amazing properties of fibers.

Sponsoring the Japan Biology Olympiad

Since 2007, Toray Industries has supported Japanese senior high school students to attend the International Biology Olympiad through arrangements made by the Japan Science Foundation. Four Japanese students attended the 29th Olympiad, held in Iran in July 2018, winning two silver and two bronze medals.



Four students from Japan (photo courtesy of Organization of Japan Biology Olympiad Committee)

Held Aozora Science School

In 2015, Toray Industries started the Aozora Science School[2] to foster youth interest in science through exposure to nature. The programming changes every year to provide campers with a fun menu of activities that combine nature and science. The campers conducted an experiment to filter impurities from lake water, learned biomimetics by observing nature in the forest, and played volleyball by applying scientific principles.

2 Aozora Science School is a hands-on educational camp designed by Toray Industries, supervised by Leave a Nest Co., Ltd. and provided by JTB Corporation.



Campers made their own customized rockets

Related Information

- Aozora Science School official website (Japanese site)
- Aozora Science School Facebook page (Japanese site)