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Company name: Toray Industries, Inc.
Name of Representative: Mitsuo Ohya, President
(Securities code: 3402)
Inquiries: Toshiki Matsumura, General Manager, Corporate PR Dept.
(Telephone: +81-3-3245-5178)

Notice regarding the Revision of the Amounts of Remuneration for Members of the Board and Corporate Auditors and the Introduction of a Restricted Stock Remuneration Plan for Members of the Board (Excluding Outside Directors)

At a meeting of its Board of Directors held today, Toray Industries, Inc. (the "Company") resolved to review its remuneration system for members of the Board and corporate auditors for the improvement in the Toray Group's mid- to long-term corporate value and sustainable growth and revise the amounts of remuneration for the Company's members of the Board and corporate auditors. It also resolved to introduce a restricted stock remuneration plan to replace the current system of stock acquisition rights as stock options that was introduced for the Company's members of the Board. Following these resolutions, the Company hereby announces that it has decided to put forward the relevant proposals to the 144th Ordinary General Meeting of Stockholders scheduled for June 26, 2025 (the "General Meeting") as follows.

1. Revision of Amounts of Remuneration for Members of the Board and Corporate Auditors

(1) Revision of the amount of remuneration for members of the Board

The amount of remuneration for the Company's members of the Board was approved to be within ¥50 million per month (including within ¥7 million for outside directors; this amount does not include the portion of employee's salary of employee-directors) at the 141st Ordinary General Meeting of Stockholders held on June 23, 2022. In addition, the total amount of bonuses to be paid to members of the Board, excluding outside directors, has been approved at the Ordinary General Meeting of Stockholders every year. Additionally, separately from the amount of remuneration described above, the limit of the remuneration relating to the granting of stock acquisition rights as stock compensation-type stock options to members of the Board, was approved at ¥300 million per year at the 130th Ordinary General Meeting of Stockholders held on June 24, 2011.

At the General Meeting, the Company will request stockholders' approval to revise the amount of remuneration to an appropriate level in light of changes in the economic situation and business environment and to increase the proportion of the performance-linked bonuses in total remuneration so that such bonuses will act as a greater incentive for the improvement of performance. It will also seek approval to change the provisions for remuneration from a monthly amount to an annual amount and to revise the amount of remuneration for members of the Board, including bonuses, to within ¥900 million per year (including within ¥108 million for outside directors; this amount does not include the portion of employee's salary of employee-directors).

(2) Revision of the amount of remuneration for corporate auditors

The amount of remuneration for the Company's corporate auditors was approved to be within ¥11 million per month at the 138th Ordinary General Meeting of Stockholders held on June 25, 2019.

At the General Meeting, the Company will request stockholders' approval to change the provisions for the amount of remuneration for corporate auditors from a monthly amount to an annual amount and to revise the amount of remuneration for corporate auditors to within ¥170 million per year, in light of changes in the economic situation and business environment and the revision of the amount of remuneration for members of the Board described in (1) above.

2. Introduction of a Restricted Stock Remuneration Plan

The objective of introduction of the restricted stock remuneration plan (the "Plan"), its terms and conditions, and an overview thereof are as follows.

(1) Objective of introduction of the Plan

The objectives of the Plan are to provide members of the Board of the Company (excluding outside directors; hereinafter, "Eligible Members of the Board") with an incentive to strive for the sustainable improvement in the Company's corporate value, and to promote further sharing of value with stockholders.

In the Plan, unlike the system of stock acquisition rights as stock options, Eligible Members of the Board will, through direct ownership of shares, enjoy the benefits of fluctuations in share price, etc. alongside stockholders, while at the same time, bearing the risks of such changes. For this reason, they will be able to further align their long-term interests with those of stockholders, and it will also be possible for the Eligible Members of the Board to demonstrate their true abilities to a maximum extent for the mid- to long-term improvement in the Company's corporate value.

(2) Terms and conditions for introduction of the Plan

With the introduction of the Plan, as Eligible Members of the Board will be provided as remuneration either (i) shares of the Company's common stock or (ii) monetary claims as assets subscribed in kind for the acquisition of shares of the Company's common stock, the provision of such remuneration shall be subject to the approval of stockholders at the General Meeting.

At the General Meeting, the Company plans to request the stockholders' approval to introduce the Plan in place of the current system of stock acquisition rights as stock options and to set an amount of remuneration for Eligible Members of the Board pertaining to the Plan separate from the amount of remuneration for members of the Board described in 1.(1) above.

If the Plan is approved, the aforementioned system of stock acquisition rights as stock options will be abolished, with the exception of those already provided, and the Company will no longer issue any new stock acquisition rights as stock compensation-type stock options to Eligible Members of the Board.

(3) Overview of the Plan

The remuneration to be provided to Eligible Members of the Board under the Plan will be either (i) shares of the Company's common stock or (ii) monetary claims as assets subscribed in kind for the acquisition of shares of the Company's common stock, and the Eligible Members of the Board will receive the issuance or disposal of the shares of the Company's common stock, in accordance with a resolution of the Company's Board of Directors. The total value of shares of the Company's common stock or monetary claims provided to Eligible Members of the Board under the Plan will be within ¥300 million per year, and the total number of shares of the Company's common stock that the Company will newly issue or dispose of will be within 1,200,000 share per year (provided, however, that, if a stock split of the Company's common stock [including the gratis allotment of shares of the Company's common stock] or a consolidation of stock is conducted with an effective date on or after the date of the resolution of the General Meeting, such total number of shares shall be adjusted on or after such effective date within a reasonable range according to the ratio of split or consolidation).

If, as remuneration under the Plan, the Company provides shares of the Company's common stock to Eligible Members of the Board without providing monetary claims, such shares shall be issued or disposed of as remuneration for Eligible Members of the Board, and there will be no need for the paying-in of monetary claims as assets subscribed in kind in exchange for the shares. The value per share of the Company's common stock to be provided to the Eligible Members of the Board will be calculated as the value per share of the Company's common stock to be issued or disposed of based on the closing price of the Company's common

stock at the Tokyo Stock Exchange on its business day preceding the day when the resolution on the issuance or disposal of the shares of the Company's common stock is made by the Company's Board of Directors (or, if there is no closing of trading of the stock on that day, the closing price on the day when such trading is closed immediately before).

On the other hand, if, as remuneration under the Plan, the Company provides monetary claims as assets subscribed in kind for the acquisition of shares of the Company's common stock, the Eligible Members of the Board shall tender all monetary claims provided under the Plan as assets subscribed in kind based on a resolution of the Company's Board of Directors, and receive the issuance or disposal of the shares of the Company's common stock. In such cases, the amount to be paid in per share will be determined by the Board of Directors within a range that is not particularly advantageous to the Eligible Members of the Board who will receive such shares of common stock, based on the closing price of the Company's common stock at the Tokyo Stock Exchange on its business day preceding the day when the resolution on the issuance or disposal of the shares of the Company's common stock is made by the Company's Board of Directors (or, if there is no closing of trading of the stock on that day, the closing price on the day when such trading is closed immediately before).

Further, the specific timing of such provisions and the allocations to Eligible Members of the Board will be determined by the Board of Directors after receipt of a report from the Governance Committee.

In addition, the issuance or disposal of shares of the Company's common stock based on the Plan (the "Shares") and the provision of monetary claims as assets subscribed in kind for same shall be subject to the conclusion of a restricted stock allotment agreement between the Company and the Eligible Members of the Board, the contents of which shall include (1) that it shall be prohibited to transfer the Shares to a third party, pawn, or otherwise dispose of the Shares for a certain period (the "Transfer Restriction Period"), and (2) that the Company may acquire the Shares without compensation if certain circumstances arise. To ensure that the Shares cannot be transferred to a third party, pawned, or be otherwise disposed of during the Transfer Restriction Period, the Company plans to have the Shares managed in special accounts to be opened by the Eligible Members of the Board at Nomura Securities Co., Ltd.

If the proposal concerning the Plan is approved and passed as originally proposed at the General Meeting, the Company plans to introduce a similar restricted stock remuneration plan for its vice presidents who are not concurrently serving as members of the Board, fellows, and directors.