



July 22, 2025

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Notice regarding the Disposal of Treasury Shares as Restricted Stock Remuneration

At a meeting of its Board of Directors held on July 22, 2025 (the “Allotment Resolution Date”), Toray Industries, Inc. (the “Company”) resolved to dispose of treasury shares as restricted stock remuneration (the “Treasury Stock Disposal” or “disposal”) as follows.

1. Overview of disposal

(1) Date of disposal	August 18, 2025
(2) Class and number of shares for disposal	304,950 shares of the Company’s common stock
(3) Disposal price	973.9 yen per share
(4) Total disposal value	296,990,805 yen
(5) Planned recipients of disposal, number thereof, and number of shares to be disposed thereto	Six Members of the Board of the Company (excluding outside directors), 88,918 shares Eighteen Vice presidents of the Company who are not concurrently serving as members of the Board, 151,401 shares Ten Fellows of the Company, 28,366 shares Thirteen Directors of the Company, 36,265 shares
(6) Other	The Company has submitted an Extraordinary Report concerning the Treasury Stock Disposal pursuant to the Financial Instruments and Exchange Act.

2. Objective and reasons for disposal

At a meeting of its Board of Directors held on May 14, 2025, the Company resolved to introduce a restricted stock remuneration plan (the “Plan”) as a new remuneration system for members of the Board of the Company (excluding outside directors; hereinafter, “Eligible Members of the Board”) with the objective of providing Eligible Members of the Board with an incentive to strive for the sustainable improvement in the Company’s corporate value, and promoting further sharing of value with stockholders. In addition, at the 144th Ordinary General Meeting of Stockholders held on June 26, 2025, approval was received, among other matters, for the remuneration to be provided to Eligible Members of the Board under the Plan to 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, for the total value of shares of the Company’s common stock or monetary claims provided to Eligible Members of the Board under the Plan to be within 300 million yen per year and the total number of shares of the Company’s common stock that the Company will newly issue or dispose of to Eligible Members of the Board to be within 1,200,000 shares per year, and for the period of restriction on transfer of the restricted stock to be within three to thirty years as determined in advance by the Board of Directors of the Company.

An overview of the Plan is as follows.

Overview of the Plan

The Plan is one in which the Company will issue or dispose of shares of the Company's common stock to the Eligible Members of the Board either by a method whereby the Company issues or disposes of shares of the Company's common stock as remuneration without the need for the payment of funds or monetary claims as assets subscribed in kind ("Gratis Delivery") or by a method whereby the Company provides monetary claims as remuneration, and the Eligible Members of the Board tender all such monetary claims as assets subscribed in kind and receive the issuance or disposal of the shares of the Company's common stock ("Delivery in Kind"). For such issuance or disposal, the Company and the Eligible Members of the Board shall conclude a restricted stock allotment agreement, the contents of which shall include (i) that the Eligible Members of the Board shall be prohibited from transferring the shares of the Company's common stock to a third party, pawning, or otherwise disposing of them for a certain period, and (ii) that the Company may acquire such shares without compensation if certain circumstances arise.

If the allotment of shares to the Eligible Members of the Board is by Gratis Delivery, in the issuance or disposal of the shares of the Company's common stock, there will be no need for the payment by the Eligible Members of the Board of monetary claims as assets subscribed in kind in exchange for those shares. The value per share of the Company's common stock 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 of each resolution of 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).

If the allotment of shares to the Eligible Members of the Board is by Delivery in Kind, the Eligible Members of the Board will tender all monetary claims provided under the Plan as assets subscribed in kind and receive the issuance or disposal of the shares of the Company's common stock. 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 of each resolution of 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).

The Company has also introduced a restricted stock remuneration plan similar to the Plan for its vice presidents who are not concurrently serving as members of the Board, fellows, and directors (together with the Eligible Members of the Board, the "Eligible Officers").

On this occasion, upon receipt of a report from the Governance Committee, and taking into consideration the objective of the Plan, the Company's business conditions, the scope of duties of each of the Eligible Officers, and various circumstances, the Company has decided to grant a total of 296,990,805 yen in monetary claims (the "Monetary Claims") and 304,950 shares of common stock with the objective of further raising the motivation of the Eligible Officers. In addition, to realize the objective of the Plan, namely, to promote further sharing of value with stockholders, over the medium to long term, the transfer restriction period on this occasion has been set at 30 years.

For the Treasury Stock Disposal, under the Plan, 47 Eligible Officers, who are the intended recipients of the allotment, will tender all of the Monetary Claims to the Company and receive the allotment of the shares of the Company's common stock (the "Allotted Shares"). An overview of the restricted stock allotment agreement (the "Allotment Agreement") to be concluded between the Company and the Eligible Officers for the Treasury Stock Disposal is provided in 3. below.

3. Overview of Allotment Agreement

(1) Transfer restriction period

From August 18, 2025 to August 17, 2055

(2) Conditions for lifting of transfer restrictions

The transfer restrictions will be lifted for all Allotted Shares upon the expiration of the transfer restriction period, on the condition that the Eligible Officers continuously hold one of the positions of Member of the Board, vice president who is not concurrently serving as a member of the Board, fellow, or director during that transfer restriction period.

(3) Treatment in the event that an Eligible Officer vacates his or her position due to expiration of term of office, retirement, or other legitimate reason

(i) Timing of lifting of transfer restrictions

In the event that an Eligible Officer vacates all positions of Member of the Board, vice president who is not concurrently serving as a member of the Board, fellow, or director due to expiration of term of office, retirement, or other legitimate reason (including vacation of position due to death), the transfer restrictions will be lifted immediately after the Eligible Officer's vacation of their position.

(ii) Number of shares subject to lifting of transfer restrictions

The number of shares obtained by dividing the number of months from the month of the Allotment Resolution Date (however, if the Eligible Officer is a vice president who is not concurrently serving as a member of the Board, fellow, or director, this shall be read as the date of commencement of the fiscal year of the Allotment Resolution Date) until the month of the Eligible Officer's vacation of position by 12 (if the resulting number is greater than 1, it shall be deemed as 1), then multiplying that number by the number of Allotted Shares at the time of the vacation of post provided for in (i) (however, any fraction less than one share resulting from the calculation will be rounded down).

(4) Acquisition by the Company without compensation

Immediately after the expiration of the transfer restriction period or at the time of lifting of the transfer restriction period pursuant to (3) above, the Company shall rightfully acquire without compensation the Allotted Shares for which transfer restrictions have not been lifted.

(5) Treatment in the event of organizational restructuring

In the event of a merger agreement under which the Company becomes the absorbed entity, a share exchange agreement or a share transfer plan whereby the Company becomes a wholly owned subsidiary, or other matters related to reorganization are approved at the general meeting of stockholders of the Company (or by the Board of Directors where such organizational restructuring does not require approval of the general meeting of stockholders of the Company) during the transfer restriction period, the Company shall, by resolution of the Board of Directors, lift restrictions on transfer immediately prior to the business day preceding the effective date of the reorganization with respect to the number of shares obtained by dividing the number of months from the month of the Allotment Resolution Date (however, if the Eligible Officer is a vice president who is not concurrently serving as a member of the Board, fellow, or director, this shall be read as the date of commencement of the fiscal year of the Allotment Resolution Date) until the month of such approval by 12 (if the resulting number is greater than 1, it shall be deemed as 1), then multiplying that number by the number of Allotted Shares held at that time (however, any fraction less than one share resulting from the calculation will be rounded down). In addition, the Company shall rightfully acquire without compensation all of the Allotted Shares for which transfer restrictions have not been lifted on the business day preceding the effective date of the reorganization.

(6) Management of shares

To ensure that the Allotted Shares cannot be transferred to a third party, pawned, or be otherwise disposed of during the transfer restriction period, they will be managed in special accounts to be opened by the Eligible Officers at Nomura Securities Co., Ltd. To ensure the effectiveness of the transfer restrictions, etc. on the Allotted Shares, the Company has concluded an agreement with Nomura Securities Co., Ltd. in relation to the management of the Allotted Shares held by each of the Eligible Officers. The Eligible Officers shall give their consent to the details of the management of such accounts.

4. Basis for calculation of pay-in amount and their specific details

The Treasury Stock Disposal for the intended recipients of the allotment shall be conducted as monetary claims as assets subscribed in kind provided as restricted stock remuneration for the Company's 145th fiscal year under the Plan. The disposal price has been set at 973.9 yen, which is the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on July 18, 2025 (the business day preceding the resolution of the Board of Directors), in order to eliminate arbitrariness of price. This is the market share price immediately prior to the resolution of the Board of Directors, and the Company believes that it is a reasonable and not particularly advantageous price.