

April 28th, 2020

To Whom It May Concern,

Strategic Capital, Inc.

Tsuyoshi Maruki, President & CEO

Re: Shareholder Proposal to TORAY INDUSTRIES INC.

Strategic Capital, Inc. (hereinafter referred to as "Strategic Capital") is under a discretionary investment contract with INTERTRUST TRUSTEES (CAYMAN) LIMITED SOLELY IN ITS CAPACITY AS TRUSTEE OF JAPAN-UP (hereinafter referred to as the "Fund") and the Fund and Strategic Capital hold over 300 units of voting right of Toray Industries, Inc. (hereinafter referred to as "Toray" or the "Company" as the context requires) over 6 months.

The Fund and Strategic Capital are pleased to announce that, on April 24th, 2020, we notified Toray of our execution of the shareholders' right to make a proposal at the annual shareholder meeting held in the coming June and confirmed that, on April 27th, 2020, Toray certainly received the documents of the proposal.

We would like to explain the context of our proposal as following;

1. Overview of our proposal and
2. The detailed translation of our proposal.

1. Overview of our proposal

- ◆ Disclose how Chori will contribute to increase the value of Toray group
As CHORI CO., LTD. (hereinafter referred to as "Chori") is a subsidiary of Toray, Toray's directors bear the responsibility to its shareholders for supervising Chori and increasing the value of Chori shares as one of its assets. We propose that Toray discloses how the value of the Toray's entire business group will increase by maintaining Chori as Toray's listed subsidiary.

2. The detailed translation of our proposal

- ◆ Revision of the provisions of articles with regard to management of subsidiaries
Add the following Chapter and Article to the current Articles of Incorporation.

CHAPTER VII. MANAGEMENT OF SUBSIDIARIES

(Management of Subsidiaries)

Article 39. Regarding the listed subsidiaries for which the Company is the parent, the Company's Board of Directors shall, from the perspective of increasing corporate value and capital efficiency for the entire business group, discuss on the following points, to determine whether it is optimal policy to maintain the subsidiaries of the Company and disclose the results of said discussion in the Corporate Governance Report submitted to the Tokyo Stock Exchange by the Company.

- (1) Whether there is rationale reason for maintaining the listed subsidiary (such as alignment with the strategy regarding the business portfolio of the entire group and whether the benefits of maintaining a listed subsidiary exceed the associated constraints and costs etc.)
- (2) Whether effective governance of the listed subsidiary is being ensured (such as whether independent outside directors are being elected or dismissed based on proper evaluation of qualifications)

Contact Information

Dan Kato

81-3-6433-5267