



Ideas & Chemistry

February 3, 2014

Toyobo to Acquire Airbag Yarn Manufacturer Jointly with Indorama, of Thailand

On January 31, 2014, Toyobo reached agreement to make a joint investment with Indorama Ventures Public Co. Ltd., of Thailand (Headquarters: Bangkok; CEO: Alope Lohia) to acquire PHP Fibers GmbH, of Germany (Headquarters: Wuppertal; Managing Director: Jochen Boos).

1. Background

- (a) Since the 1990s, along with the increase in the number of automobiles manufactured and the number of airbags installed on cars, Toyobo has moved ahead with initiatives to expand its automotive airbag fabrics business. At present, Toyobo has manufacturing bases for these fabrics in Japan, Thailand, China, and the United States and supplies automotive airbag fabrics (including yarn for airbag fabrics) made of nylon 66 mainly to Japanese parts manufacturers.
- (b) In addition to having the global No. 2 market share in nylon 66 yarn for airbags, PHP-Fibers is a Germany-based leading manufacturer of PA 66 industrial yarn for tire and MRG applications and of PET industrial yarn. The relationship between Toyobo and PHP began with a technology alliance for uncoated airbag fabrics in 1993. Since that time, two companies have maintained cooperative relationships, and such cooperation extended from technical to business fields year by year.
- (c) Indorama, the joint investor with Toyobo in PHP, is one of the world's leading producer in the polyester value chain and has developed polyester and PET resin businesses throughout the world. Toyobo and Indorama have technology alliances in the polyester textile and other fields.
- (d) Looking ahead, the demand for airbags is forecast to increase worldwide, especially in the emerging countries. Toyobo is aiming to expand its specialty businesses, including materials for airbags, globally, and thus strengthen its integrated supply systems of airbag materials overseas, from yarn through fabric. Indorama has the objective of expanding its High Value Added (HVA) product portfolio with the addition of high performance automotive and industrial products and, therefore, shares a common interest with Toyobo. For these reasons, Toyobo and Indorama reached agreement to acquire PHP jointly.

2. Future Outlook

Toyobo and PHP Fibers together will be the world's leading supplier of PA 66 yarns for the airbag application and for specialized airbag fabrics with a truly global footprint having production locations in Japan, Thailand, China, Europe and USA and with excellent relations to all airbag manufacturers world-wide. In addition this acquisition will enable Toyobo to expand the scope of business beyond Japanese automotive parts industry also to a new customer base in Europe and the United States, responding proactively to the continuous globalization of automobile manufacturers. In addition, Toyobo will endeavor to deepen its global collaboration with Indorama in fields other than airbags.

3. Supplementary Information

Outline of Toyobo

Company name: Toyobo Co., Ltd.

Headquarters: 2-8, Dojimahama 2-chome, Kita-ku, Osaka, Osaka Prefecture, Japan

Representative: Ryuzo Sakamoto

Lines of business: Manufacturing, processing, and sale of films and functional polymers, industrial materials, life science, textiles, and other products. Design, production, and sale of industrial plants and equipment. Sale of various types of technology and information

Outline of PHP

Company name: PHP Fibers GmbH

Headquarters: Kasinotr. 19-21, 42103 Wuppertal, Germany

Representative: Mr. Jochen Boos (Managing Director)

Lines of business: Manufacturing and sale of polyamide industrial filament yarn for use in airbags and tire cords. Manufacturing and sale of polyamide resins. Manufacturing and sale of polyester industrial filament yarn for MRG articles and broad and narrow woven fabrics.

Outline of Indorama

Company name: Indorama Ventures Public Co., Ltd.

Headquarters: Sukhumvit Soi 19, Bangkok 10110, Thailand

Representative: Mr. Alope Lohia (CEO)

Lines of business: Manufacturing and sale of PTA, PET, Polyester fibers and yarns and Ethylene Oxide/Glycols,

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