

December 28, 2016

## **Toyobo to invest ¥10 billion in airbag business**

### **Built new fabric-production company in Thailand**

Toyobo Co., Ltd. will scale up its production of fabrics and yarn for automobile airbags by investing ¥10 billion in plants and equipment globally from fiscal 2017 to 2020.

As the first step, Toyobo will separate the fabric production plant for airbags from the existing fabric plant in Thailand and establish a manufacturing JV company with a local conglomerate.

The company plans to double its production capacity by in-house production.

The investment is aimed at enhancing the company's international presence by solidifying its supply of nylon filaments and fabrics for airbags in the global market.

### **Global leader in production of nylon yarn for airbags**

The company entered the airbag market after acquiring technologies for making uncoated fabrics for airbags from then Akzo NV in 1993. It has subsequently increased its market presence with uncoated fabrics, which have higher productivity and are less costly than conventional coated fabrics. For years, Toyobo has been the principal supplier of filaments and fabrics for airbags to Japanese automobile makers.

To cope with airbag makers' demands, the company has established four fabric production bases around the globe: Japan, Thailand—hub of the Southeast Asian automobile market—(2001), China (2011) and North America (2012).

In 2014, Toyobo and Thailand-based firm Indorama Ventures Public Co. jointly acquired PHP Fibers GmbH, a German yarn manufacturer. This purchase enabled Toyobo to supply 40 percent (in terms of volume) of the global market's nylon filaments for airbags, establishing a regime to supply filaments and fabrics to not only Japanese car makers, but manufacturers around the world, too.

As momentum gathers for a realignment of airbag makers, major manufacturers are making more requests of Toyobo and have higher expectations of the Group. The airbag market is projected to grow at an annual rate of 6 percent: To meet this increase in demand, from 2017, Toyobo is considering setting up a new production base for airbag fabrics globally.

### **About new fabric-production company**

Toyobo will build a new JV company of the fabric production for airbags in Thailand. The company plans to double its production capacity by in-house production.

Company name: TOYOBO SAHA SAFETY WEAVE CO.,LTD.

Addresses: 49 Mu 3 Poochaosamingprai Rd., Samrongtai, Pharapradaeng,  
Samutprakarn 10130 Thailand

Capital: ¥3 billion (1 billion THB)

75% owned by Toyobo Co., Ltd. 25% owned by Saha group

Founded: January 2017 (Operating: March 2017)

### **The forecast**

By investing ¥10 billion in plants and equipment , Toyobo will enforce the position of the only maker in the world capable of supplying nylon yarns and fabrics in Asia and North America.

Toyobo hopes to meet clients' expectations as a company capable of supplying these products to both domestic and international manufacturers.

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