

## **Realignment and Strengthening of Polyester-Related Businesses**

### **Suspension of Resin Production for PET Bottles and Withdrawal from the Polyester Raw Material Business**

At the end of March 2015, Toyobo Co., Ltd. (Toyobo), will suspend the resin production for PET bottles. Along with this, an associated company, Mizushima Aroma Co., Ltd. (Mizushima Aroma), will cease production of purified terephthalic acid (PTA), also at the end of March 2015, and Toyobo will withdraw from the polyester raw material business. As a result of this realignment, Toyobo will work to strengthen its base for polyester-related businesses.

#### **1. Resin Production for PET Bottles**

Toyobo began the resin production for PET bottles in 1982 in its Iwakuni Plant. Toyobo purchased PTA, which is the raw material for the PET resin, from Mizushima Aroma, and, by establishing a production system that was fully integrated from raw materials to resins, achieved stable operation in this business.

In recent years, however, as a result of the growing number of competing products from overseas for manufacturing PET bottles and other factors, conditions in this business have grown more and more difficult. For this reason, Toyobo has made the judgment that it will be difficult for this business to recover in the years ahead, and has decided to suspend the resin production for PET bottles at the end of March 2015.

#### **2. The Polyester Raw Material (PTA) Business**

Mizushima Aroma was established in 1970 as a joint venture for the production of PTA by Toyobo and Mitsubishi Gas Chemical Company, Inc. In the conduct of its textiles, films plastics, and other businesses, Toyobo procured PTA from Mizushima Aroma. However, in recent years, a major imbalance has emerged between supply and demand in this business because of the excessive expansion of PTA production facilities overseas, principally in

China, and the relative competitiveness of Mizushima Aroma has declined.

For this reason, along with the suspension of the resin production for PET bottles, Mizushima Aroma will cease manufacturing and Toyobo will withdraw from the PTA business. Procedures have begun to liquidate this company.

### **3. Future Development of the Polyester-Related Businesses**

Toyobo's polyester-related businesses include films and functional plastics. These businesses will continue production and sales as previously. In addition, Toyobo has arranged for the procurement of stable supplies of PTA.

Toyobo is currently estimating the effects on consolidated performance of withdrawing from the previously mentioned business.

### **4. Outline of Mizushima Aroma Co., Ltd.**

- Establishment: 1970
- Paid-in capital: ¥2.0 billion
- Shareholder composition: Toyobo: 50%, Mitsubishi Gas Chemical Company, Inc.: 50%
- Location: 2-3, Mizushima-nakadoori 1-chome, Kurashiki, Okayama Prefecture
- Representative: Yoshihiro Yamane
- Business description: Production and distribution of crude terephthalic acid and purified terephthalic acid
- Lines of business: Production and sales of raw material and purified terephthalic acid
- Production capacity: 260,000 tons a year

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