

November 11, 2021

## **Notice regarding price increase of airbag yarns and fabrics**

Toyobo Co., Ltd. is announcing the price increase of yarns and fabrics for automobile airbags as follows.

### **1. Background**

The demand for Nylon 66, a main material for yarns and fabrics for automobile airbags, is on the rise as materials for industrial fibers and automobile parts. But since many plants that manufacture Nylon 66 resin and its raw materials had shut down due to severe winter weather in North America in February 2021, Nylon 66 has been considerably in short supply. In addition, the raw material price of Nylon 66 has soared to the highest price range due to hikes in current crude oil and natural gas prices.

Also, the production of silicon metal, a raw material for silicone elastomers that is used as a coating agent for airbags, has greatly dropped in volume due to power shortages associated with drought in China, a main producer of the material. Its demand, on the other hand, is increasing greatly for use in also semiconductors and solar panels, causing its price to soar to the record-high range. This situation resulted in the tight supply and the historically higher price of silicone elastomers.

Furthermore, the cost of manufacturing yarns and fabrics is rising due to sharp rises in crude oil and natural gas prices. And labor costs are soaring due to the economic recovery from COVID-19, mainly in the United States and China. In addition, the cost of distribution, mainly container transportation, is greatly rising.

Toyobo has made thoroughly cost reduction efforts under these circumstances, but the rapidly soaring costs of these raw materials and production are far beyond what a single company can deal with through its own efforts. Toyobo thus determined that, under the current pricing structure, it would be difficult to stably supply products to customers, make necessary investments to deal with demand increases in the future and develop eco-friendly products, which are increasingly sought after by society. It will therefore make price increase to ensure the stability of its production, sales and product development regimes.

### **2. Products subject to price increase and their ranges**

Yarns and fabrics for automobile airbags: 15%–20% increase from the current prices  
(15%–30% for Chinese market)

### **3. Timing of the price increase**

Products to be shipped on December 1, 2021, and beyond

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