

October 26, 2020

Toyobo to establish joint venture with Indorama Ventures to build new plant for automobile airbag yarns

Toyobo Co., Ltd. has agreed to set up a joint venture firm to produce yarns for automobile airbags with Bangkok-based Indorama Polyester Industries PCL (IPI), which is under the umbrella of the world's largest polyethylene terephthalate (PET) producer, Indorama Ventures PCL (SET ticker: IVL). The joint company plans to build a new plant on the IPI factory site in Rayong Province, Thailand, and start operations in 1st Quarter of 2022.

The airbag market is expected to continue growing at three-four percent annually thanks to an increase in the number of airbags installed per vehicle and growth in the proportion of vehicles equipped with airbags in emerging economies. In 2014, Toyobo and IVL jointly acquired PHP Fibers GmbH (PHP), a German airbag yarn maker that held the second-largest share in the world at that time. Since then the relationship has grown stronger with many joint activities carried out between Toyobo and PHP.

Toyobo has long maintained a partnership with IVL, which is committed to expanding its mobility-related business. Given that Toyobo and the IVL group are capable of effectively using their resources in Thailand, they agreed to establish the joint venture company to produce PA66 airbag yarns and ramp up efforts to expand their airbag business. The JV will be integral part of the Indorama Mobility Group.

IVL, with its presence in Thailand, is undertaking the manufacturing for the proposed JV, with 100% offtake by Toyobo for its weaving plant.

Toyobo will diligently meet global clients' needs as the sole manufacturer capable of producing and supplying airbag materials ranging from yarn to fabrics at our five operations hubs in Japan, Thailand, China, the United States and Europe.

Summary of the new joint company for producing airbag yarns

Name: Toyobo Indorama Advanced Fibers Co., Ltd. (TIAF)

Address: Same as IPI headquarters in Bangkok, Thailand

Representative: Ashok Mathur (IPI) and Hidekazu Takahashi (Toyobo)

Stakes: Toyobo, 50 percent; IPI, 50 percent

Establishment date: Scheduled for November 2020

The TIAF factory

Address: Inside IPI factory in Rayong Province, Thailand



Ideas & Chemistry



Site area: 12875 square meters

Total floor area: 22,833 square meters

Structure/number of floors: Steel framed/5 floors (7 floors in certain sections)

Start of operation: Scheduled for 1st Quarter of 2022

Product to be manufactured: Yarns for airbags

Production capacity: Maximum output of 11,000 tons p.a.

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