

Functional Textiles and Trading

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Bringing a touch of comfort to everyday life through textile technology



Business overview and market environment

The functional textiles and trading business comprises airbags, functional textiles, apparel fabrics, and trading company functions (TOYOBO STC CO., LTD.). The airbag segment employs more than 500 people in Thailand, China, and the United States, while the textile segment has more than 3,000 employees across Southeast Asia and Central America. The trading company functions are globally represented with bases in Thailand, China, and India. In fiscal 2024, the textile segment (TOYOBO TEXTILE CO., LTD.) benefited from the post-COVID market revitalization, resulting in strong domestic and international sales growth, leading to increased revenue and profit. The business also achieved profitability for the first time in four years, driven by the withdrawal from unprofitable operations and the streamlining of domestic factories.

The airbag business, however, faced significant challenges. Despite an increase in airbag fabric sales due to the recovery in automobile production, it remained unprofitable, hindered by the delayed improvement in the profit structure following a fire at a yarn factory. In addition, the rapid surge in demand led to increased production costs, resulting in the tough financial performance.

Business features and strengths

The textile business features a product lineup that is both human- and eco-friendly, supported by polymerization and modification technologies developed as a synthetic fiber manufacturer. The growing demand for environmentally friendly materials presents an opportunity to expand sales. However, there are significant concerns, such as rising costs due to the surge in raw material and fuel prices, the accelerated closure

of domestic sewing partner factories, and labor shortages in factories.

In the airbag business, the nylon filament technology developed over many years has been transferred to Toyobo Indorama Advanced Fibers Co., Ltd. (TIAF), a joint venture with Indorama Polyester Industries PCL, which began commercial production of airbag yarn in October 2022.

Business strategies and initiatives in the 2025 Medium-Term Management Plan (MTP)

Under its vision of bringing a touch of comfort to everyday life through textile technology, we are committed to developing and commercializing specialized technologies that enhance everyday living. To achieve an optimal business portfolio and secure appropriate profitability across each business sector, we prioritize initiatives such as withdrawing from unprofitable businesses and products, optimizing production scale and the workforce, and passing on cost increases through price adjustments. The following initiatives are being undertaken by the respective business segments.

Airbags	<ul style="list-style-type: none"> ● Maintaining a strong market share in non-coated fabrics, contributing to environmental protection ● Developing bio-based polyester fabrics to help reduce greenhouse gas (GHG) emissions ● Preparing for increased demand by improving profitability through base price adjustments and reducing manufacturing costs by consolidating product lines, aiming for an early return to profitability ● Accelerating the ramp-up of operations at the new yarn factory in Thailand (TIAF) 	 <small>TIAF factory</small>
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Functional textiles	<ul style="list-style-type: none"> ● Consolidating domestic factory operations into the Shogawa Plant starting in April 2024 ● Expanding production at TOYOBO TEXTILE (MALAYSIA) SDN.BHD. (TTM)
Apparel textiles	<ul style="list-style-type: none"> ● Consolidating domestic factories and integrating operations with overseas bases led to TOYOBO TEXTILE CO., LTD., achieving profitability and revenue recovery in fiscal 2024 ● Enhancing technical capabilities while strategically selecting and focusing on key business areas to ensure stable management of the textile business
Acrylic fibers	<ul style="list-style-type: none"> ● Japan Exlan Co., Ltd., differentiates its high-value-added products focused on functional materials using proprietary technologies ● Streamlining production processes through OEM production of acrylic staple fibers ● Implementing sales strategies and sales expansion plans, including collaborations with external partners, with the goal of achieving profitability
Trading	TOYOBO STC CO., LTD., focuses on expanding new commercial channels within Toyobo group and increasing the range of products featuring proprietary technologies

Initiatives to achieve prosperity

People	Enhancing employee well-being and ensuring favorable treatment of foreign technical interns, etc.
Planet	Developing waterproof sheets that do not use adhesives, contributing to the prevention of health hazards and the reduction of environmental impact
Prosperity	<p>TOYOBO TEXTILE CO., LTD., focuses on upcycling apparel to create a market for high-quality and attractive recycled products domestically</p> <div style="text-align: right;">  <small>Upcycled apparel products</small> </div>