Establishment of a spunbond manufacturing company in Thailand

Asahi Kasei Fibers will establish a subsidiary in Thailand for the manufacture and sale of spunbond nonwovens.   The disposable diaper market in Asia is forecasted to continue to grow at a high rate, and the new subsidiary will enable Asahi Kasei Fibers to significantly expand business in the Asian market for materials for disposable diapers and other hygienic products, with a new 20,000 ton/year Eltas™ spunbond plant scheduled to begin production in September 2012.

Since launching its spunbond business in 1973, Asahi Kasei Fibers has developed a wide range of applications for its Eltas™ spunbond brand.   These include hygienic products such as disposable diapers, automotive and other industrial applications, and general consumer products. With production sites in Moriyama, Shiga, and in Nobeoka, Miyazaki, Asahi Kasei Fibers has mainly focused on developing business in Japan.

As China, ASEAN, and other Asian markets sustain their remarkable economic development, overseas demand for hygiene materials, particularly for disposable diapers, is forecasted to continue to increase significantly, and Japanese diaper manufacturers are expanding production in Asia.   The new subsidiary and plant in Thailand announced today will serve as a strong overseas production and sales base for Asahi Kasei Fibers to meet growing demand in Asia.

As the market for disposable diapers in Asia continues to grow, Asahi Kasei Fibers will study the addition of further capacity in Thailand.   The timing of subsequent expansions will be determined appropriately in line with market growth.

Profile of the new company and its new plant

Company name:	Asahi Kasei Spunbond (Thailand) Co., Ltd.
Location:	Saha Industrial Estate, Si Racha, Chonburi, Thailand
Investment:	≈ ¥5.0 billion
Investment ratio:	Asahi Kasei Fibers Corp. – 90%, Saha Group* – 10%
Product:	Polypropylene spunbond nonwoven fabric
Capacity:	20,000 tons/year (Phase 1)
Groundbreaking:	August 2011
Scheduled start-up:	September 2012

* One of Thailand's largest industrial conglomerates. Saha Industrial Estate is owned by the Saha Group.