

Asahi Kasei

Asahi Kasei Corporation, 1-1-2 Yurakucho, Chiyoda-ku, Tokyo 100-8440, Japan. Tel: +81-3-3507-2060. Fax: +81-3-3507-2495. <http://www.asahi-kasei.co.jp>

Asahi Kasei Fibers Corporation, 2-6 Dojimahama 1-chome, Kita-ku, Osaka, Japan.

Asahi Kasei is a Japanese conglomerate comprising seven core operating segments: Chemicals, Homes, Pharma, Fibers, Electronic Materials & Devices, Construction Materials and Life & Living. For the year ended 31 March 2005, the group increased sales by 10% to ¥1378 billion, while net income more than doubled to ¥57 billion.

Asahi Kasei Fibers is a wholly owned subsidiary of Asahi Kasei and the core operating company for the fibres operations of the group. Its three core businesses are elastane (spandex), cuprammonium rayon (cupro) and nonwovens.

Nonwovens plants are located in Moriyama and Nobeoka, Japan, using spunbond and meltblown processes. Major nonwovens markets include coverstock, wipes, gauze, packings and blood filters.

Asahi Kasei Fibers' main products include Roica elastic polyurethane filament (elastane), Eltas spunbond, Lamous artificial suede, Bemliese nonwoven cupro cellulosic filament, Bemberg nonwoven cupro cellulosic filament fibre, Leona nylon 66 filament, polyester filament and Solotex polytrimethylene terephthalate (PTT) fibre.

Bemliese nonwovens are used in medical gauzes, face-masks, antiseptic cloths, wet cloths, maternity pads and towels. Made from continuous cellulose filament spunbond, Bemliese are promoted as having low release of lint and particles, outstanding absorbency, hygienic properties, resistance to oil, solvents and chemicals, and eco-efficiency. Total annual product sales are valued at about ¥4 billion.

For the year ended 31 March 2005, the Fibers operating segment of Asahi Kasei increased sales by ¥2.7 billion to ¥104 billion (8% of total group revenue), while operating profit increased by ¥4.5 billion to ¥5.4 billion (5% of total group operating profit).

According to the company, shipments of Roica elastic polyurethane filament increased with expanded production capacity, but intensified competition brought lower sales prices and operating profit decreased. Operating costs for Bemberg cupro filament, which is used principally in linings, were reduced and operating profit was similar to the previous year. Sales of Leona nylon 66 filament increased following the full recovery of operation at a reconstructed plant, but operating profit decreased due to high feedstock costs.

The Leona nylon 66 filament business was transferred to Asahi Kasei Chemicals in April 2005, enabling fully integrated management of nylon 66

operations from intermediates to polymer, compounds and filament.

In nonwovens, the company said sales of Eltas spunbond fabric increased markedly in diaper applications in fiscal 2005. Its global worldwide nonwovens sales are reported to be around US\$176 million.

During the year, Asahi Kasei announced its withdrawal from the spunlace market. Although the company was producing 500 tonnes of spunlaced nonwovens a year, production of its core product, Shaleria acrylic microfibre-based nonwovens, was terminated due to the inaccessibility of raw materials.

Shaleria represented half of Asahi Kasei's total spunlaced output while other spunlaced products included nylon-based nonwovens for nickel-cadmium battery electrode separators. The company tried unsuccessfully to increase its spunlace output through other products but was ultimately forced to withdraw from this production sector altogether.

In other technology segments, Asahi Kasei has production capacities of 13 000 tonnes of spunbond-meltblown-meltblown-spunbond (SMMS), 12 000 tonnes of polypropylene spunbond, 6000 tonnes of polyester spunbond, 4000 tonnes of nylon spunbond, 4500 tonnes of cupro spunbond (Bemliese) and 200 tonnes of meltblown materials.

In the spunbond sector, the company reports steady business conditions and an expansion of 1000 tonnes a year for its spunbond line for Bemliese nonwovens. By June 2005, the system had an annual capacity of 4500 tonnes.

In the SMMS segment, baby diaper demand has reportedly increased further and the company's plant is in full operation. Asahi Kasei expects its production of polypropylene spunbonded nonwovens to increase by 1000–2000 tonnes a year through equipment improvements. The company is also working on the development of a new polyester spunbond product. Meanwhile, in the nylon spunbond segment, a slight decrease in sales was noted in 2004.

In April 2005, Asahi Kasei launched its FNB project to develop polymers and new nonwovens processing technologies, which the company hopes will play a key role in the industry in the next decade. In future, Asahi Kasei plans to strengthen its competitive edge through the development of unique nonwoven processes and products.

In November 2005, Asahi Kasei Fibers reached agreement for the purchase of the Dorlastan elastane business of Lanxess of Germany, including production facilities in Dormagen, Germany, and Bushy Park, South Carolina, USA.

Comment: Asahi Kasei's fibres and textiles operations, once Japan's largest rayon maker, ceased viscose production in 2001 but still makes polyamide. The acquisition of the Dorlastan production facilities in Europe and the USA will complement the Asian production sites and complete the globalization of Asahi Kasei Fibers' Roica elastane operations.

Asahi Kasei: Selected financial data, 2001-2005ⁱ

(¥ billion)	2001	2002	2003	2004	2005
Net sales	1269.4	1195.4	1193.6	1253.5	1377.7
Operating profit	96.0	45.7	61.6	60.9	115.8
Net income (loss)	25.2	5.2	(66.8)	27.7	56.5

¹ fiscal year ended 30 March

Source: Asahi Kasei

Asahi Kasei Fibers: Selected financial data, 2003-2005ⁱ

(¥ billion)	2003 ⁱⁱ	2004	2005
Net sales	110.6	101.5	104.3
Operating profit	1.3	0.9	5.4

¹ fiscal year ended 30 March

ⁱⁱ Fibers and Textiles sector renamed Fibers segment

Source: Asahi Kasei