

# Highlights of the Year

Japan Vilene participated in the following exhibitions in 2004:

- **International Photocatalyst Techno Fair 2004**  
Date: July 6-8, 2004  
Location: Tokyo Big Site, Tokyo



- **Enviro-Shiga 2004**  
Date: October 20-22, 2004  
Location: Nagahama Dome, Shiga



- **Green Cross Exhibition 2004**  
Date: October 27-29, 2004  
Location: Intex Osaka, Osaka



## Japan Vilene's Recycling System

Under Japan Vilene's recycling system, recovered filters are first pulverized by an intermediate processor and then reused by a number of manufacturers. For example, they are used in the furnace materials recycling system of JFE Steel Corporation, the Pressurized Two-Stage Gasification System of Ube Industries and Ebara Corporation, refuse paper and plastic fuel (RPF) boilers of Nippon Paper Industries and the Oji Paper Company, and as fuel for cement furnaces at DC Company. Japan Vilene plans to expand the scope of its recycling applications in the future.

## Ecoalpha Series: Environmentally Friendly Air Filters

In January 2005, Japan Vilene released its new Ecoalpha Series of environmentally friendly air filters. These were developed using Life Cycle Assessment (LCA) techniques for evaluating the environmental burden of a product throughout its entire lifespan. The new series incorporates the Company's proprietary continuous density-gradient nonwoven filter media. Each filter has the capacity to reduce CO<sub>2</sub> emissions by approximately 100kg annually—more than existing filters of the same class.

Ecoalpha Series filters are highly efficient, long-lasting, and consume around 24% less power than existing products. They can also be recycled thanks to Japan Vilene's recycling system for used filters. This enables a reduction in use of restricted chemical substances (halogen-free, formalin-free, and low-VOC substances). In addition, these filters are compact and lighter than other products.

*Ecoalpha*



VILO TOPIA VZDH, part of the Ecoalpha Series of environmentally friendly air filters

## Twenty Years in the North American Car Floor Mat Business

In 2004, the California plant of VIAM Manufacturing, Inc., a subsidiary that makes car floor mats for the North American market, commemorated its 20th anniversary of operations. In July 2004, VIAM opened a new facility adjoining its Tennessee plant, which has been in operation for five years.

Japan Vilene commenced car floor mat production in North America when it established VIAM in California in 1983. Today, VIAM has 300 employees and generates annual sales of around US\$62.64 million. Its California and Tennessee plants have a combined monthly production capacity of 400,000 units. VIAM's customers include most automobile manufacturers in the United States, including Japanese companies and the Big Three U.S. automakers. We intend to expand our business in North America by developing and selling new floor mats and other automotive products.



Japan Vilene President Tanaka pays courtesy visit to the governor of Tennessee.



California plant of VIAM Manufacturing, Inc.

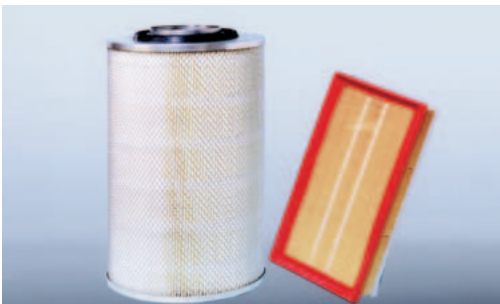
## Automobile Filter Operation Launched in China

In April 2004, Japan Vilene and its global partner, Freudenberg, established a new company in Changchun, China, to manufacture filters for automotive applications. The new company, Freudenberg & Japan Vilene Filter (Changchun) Co., Ltd., is capitalized at US\$8.0 million (total investment of US\$20.0 million). Freudenberg & Vilene Nonwovens (Suzhou) Co., Ltd., a joint venture company of Japan Vilene and Freudenberg, provided 75% of the new company's capital, with the remaining 25% coming from Changchun Auto-Filter Co., Ltd.

The new company began production at its new plant in the Changchun Economic and Technology Development Zone in January 2005. It manufactures a range of automotive filters, including engine air filters and cabin air filters, which are sold to automobile companies in northeast and northwest China. Sales in its first year in operation are forecast at around ¥1.3 billion.



Head office and factory of Freudenberg & Vilene Filter (Changchun) Co., Ltd.



Automotive air filters

## Car Floor Mat Subsidiary Established in China

In September 2004, Japan Vilene established Tianjin VIAM Automotive Products Co., Ltd., in Tianjin, China. Capitalized at US\$2.7 million, the new wholly owned subsidiary will develop, manufacture, sell, and provide after-sales services for car floor mats and a range of interior and exterior automotive products.

In March 2005, it commenced production at its plant in the Xiqing Economic Development Area in Tianjin City. Sales in its initial year of operation are estimated at around ¥400 million. The Japan Vilene Group has been involved in the car floor mat business for 31 years in Japan and 20 years in North America. The objective behind the establishment of this new company in China is to develop its business in the local market. With established production bases in Japan, North America, and China, the Group will meet the needs of automakers worldwide.



Head office and factory of Tianjin VIAM Automotive Products Co., Ltd.



Local staff of Tianjin VIAM Automotive Products

## Corporate Social Responsibility

Japan Vilene promotes a variety of social contribution initiatives through its Social Contribution Task Force. We have also set up corporate social responsibility (CSR) subcommittees in all Group businesses, which undertake activities in close liaison with their respective local communities. Examples include provision of financial support for foster children through the auspices of the Japan Foster Plan Organization and the donation of daily necessities to various welfare organizations. Other ongoing efforts include assistance in opening welfare facilities to the community, participating in community cleanups and blood donation drives, and providing aid for the reconstruction of areas affected by disaster. The Group has its own guidelines for providing products related to disaster relief. To date, we have donated masks and other nonwoven products for cleanup activities related to volcanic explosions and oil spills. During the SARS epidemic, we supplied masks to medical staff working in China and other affected regions.



Disaster relief masks

## Main CSR activities in year under review

- July 2004  
Provided masks for relief workers in flood-damaged areas of Niigata and Fukui prefectures
- January 2005  
Provided donations for Sumatra earthquake and Indian Ocean tsunami disaster relief workers
- Monthly  
Made donations to Japan Foster Plan Organization
- Semiannually  
Donated wheelchairs and nursing care gloves



Wheelchair

Disaster relief gloves