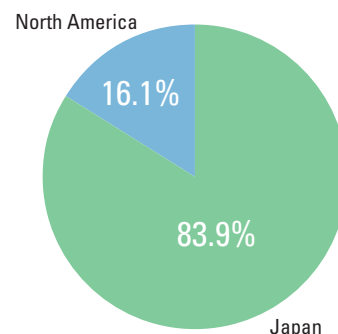


Performance by Region

Since its establishment in 1960, the Japan Vilene Group has maintained its position as Japan's number one manufacturer of nonwoven materials. In Japan, the Group is engaged in the six aforementioned businesses. Its domestic nonwovens business is handled by six manufacturing and processing companies, one sales company, and two after-sales service companies. Overseas, we make car floor mats in North America and China.

Sales Breakdown by Region

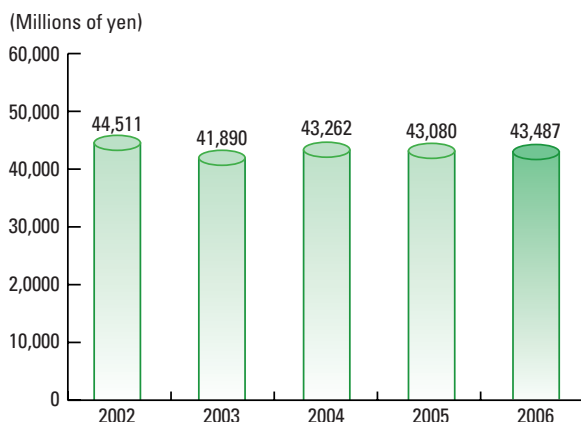


Note: Regional sales figures do not include sales between regions.

Japan

In the year under review, Japan Vilene reported increased domestic sales of medical and consumer materials, automotive materials, and electrical materials. This growth reflected moderate, yet steady recovery in the Japanese economy on the back of increased capital investment and improved corporate earnings, supported by favorable exports. Sales of industrial materials and air filters declined slightly due to intensifying competition and falling product prices, while sales of apparel materials were down due to the ongoing trend towards overseas procurement. Consequently, domestic sales for the period increased 0.9%, to ¥43,487 million. Operating income grew 4.0%, to ¥2,324 million, owing to reductions in manufacturing costs and wage costs.

Sales in Japan



Note: 1)Regional sales figures do not include sales between regions.
2)Figures between 2002 and 2004 have been reclassified according to 2005 accounting standards.

North America

Sales in North America jumped 33.3%, to ¥8,376 million. This was attributable to several factors, including healthy U.S. sales by Japanese automakers adopting car floor mats made and sold by VIAM Manufacturing Inc. Other factors include firm orders for mats used in new models and a concerted endeavor to boost sales of items with added functions. Operating income surged 61.7%, to ¥844 million, owing to increased sales and lower manufacturing costs stemming from improvements in manufacturing processes.

Sales in North America

