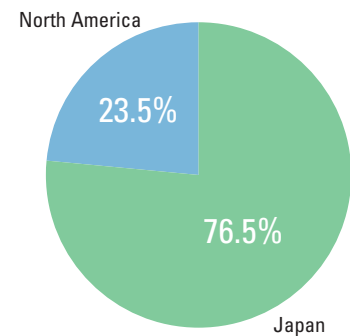


Performance by Region

Since its establishment in 1960, the Japan Vilene Group has maintained its position as the No. 1 domestic manufacturer of nonwoven materials. In Japan, the Group is engaged in the five aforementioned businesses. Its domestic nonwovens business is handled by seven 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.

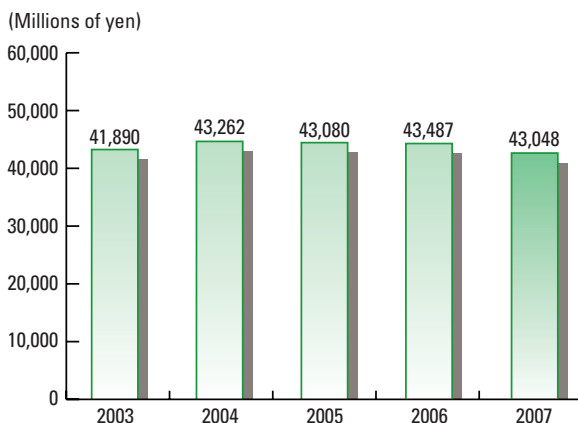
Japan

In the year under review, Japan Vilene reported increased domestic sales of automotive materials and air filters. This rise reflected steady growth in the Japanese economy supported by improved corporate earnings and the healthy state of the automobile manufacturing industry, which has an impact on many related sectors. However, sales of industrial and electrical materials and medical and consumer materials declined due to intensifying competition and falling product prices. Sales of apparel materials continued to fall amid the ongoing trend towards overseas procurement. Consequently, domestic sales for the year edged down 1.0% to ¥43,048 million. Operating income grew 1.4% to ¥2,376 million, owing to reductions in manufacturing and wage costs.

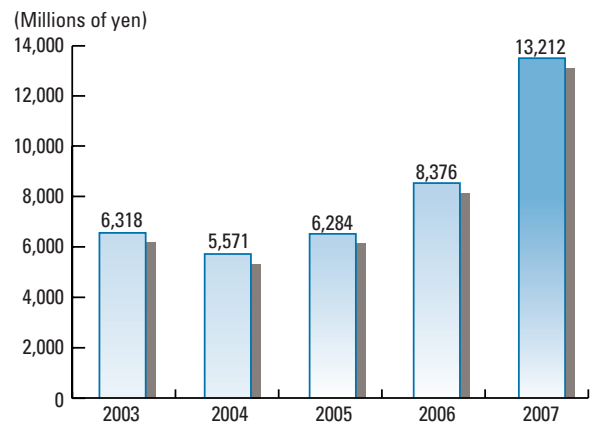
North America

Sales in North America jumped 57.7% to ¥13,212 million. This was attributable to several factors, including strong car 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 concerted efforts to boost sales of items with added functions. Operating income surged 70.3% to ¥1,437 million, owing to increased sales and lower manufacturing costs stemming from improvements in manufacturing processes.

Sales in Japan



Sales in North America



Note: 1) Regional sales figures do not include sales between regions.
2) Figures for 2003 and 2004 have been reclassified according to 2005 accounting standards.