

Highlights of the Year

New Company in Thailand to Boost ASEAN Sales

In January 2008, we established a joint venture with the Freudenberg Group in Thailand to fabricate and market air filters. The head office and plant of the new company, Freudenberg & Vilene

Filter (Thailand) Co., Ltd., are located in Amata Nakorn Industrial Estate in the suburbs of Bangkok, a hub of activity for Japanese manufacturers and other companies. With an initial investment

of ¥272 million, the new enterprise should bolster our ASEAN regional air-filter operations.

Outline of the New Company

Company Name: Freudenberg & Vilene Filter (Thailand) Co., Ltd.

Location: Amata Nakorn Industrial Estate Phase 4 700/427 Moo 7, Tambol Don Hua Roh, Amphur Muang, Chonburi 20000, Thailand

Capital Stock: 40 million Baht (approximately ¥160 million)

Participation: Japan Vilene 50%, Freudenberg 50%

Business: Fabrication and sales of filters for automobiles, gas turbines and other industrial applications in ASEAN countries



Photo: Freudenberg & Vilene Filter (Thailand) Co., Ltd.

Ceremony to Mark Completion of Construction at VIAM (TN) Second Plant



Photo: The governor of Tennessee congratulating Chairman Tanaka of Japan Vilene



Photo: VIAM (TN) Second Plant

VIAM (TN) Ltd., a wholly owned subsidiary of Japan Vilene that manufactures and sells car floor mats in the United States, has boosted its production capacity.

The company completed its second plant, and on May 17, 2007, held a ceremony to celebrate the completion of the construction work. The ceremony was attended by 130 people, including Phil Bredesen, the governor of Tennessee; representatives of Japanese automakers and financial institutions; local representatives from Coffee County; and guests from the city of Manchester.

The completed second plant represents a full extension of the existing company's second building, allowing for future additions of equipment, and is the same size as the first plant. Eventually, the second plant will become the main plant, instrumental in achieving the Mid-Term Plan's goals. To further boost production capacity, the company has already acquired an adjacent factory to serve as its third plant.

Japan Industrial Safety and Health Association Chairman's Prize

Japan Vilene was awarded the Chairman's Prize at the 66th National Industrial Safety and Health Convention in Kobe in November 2007, hosted by the Japan Industrial Safety and Health Association (JISHA).

This prestigious award is presented to companies that have promoted and improved work environments and safety as well as occupational health. The award also recognizes the

publicizing of these achievements across a broad range of regions and industries. Japan Vilene was one of two companies selected for this award, the other being Matsushita Electric Works, Ltd.



Photo: The Chairman's Prize



Photo: Shigeo Morioka, head of the Tokyo Plant, accepting the Chairman's Prize

Natural Gas Cogeneration System at Oyama Chemical

Oyama Chemical Co., Ltd., a wholly owned subsidiary of Japan Vilene, based in Oyama City, Tochigi Prefecture, produces recycled polyethylene terephthalate (PET) fiber materials. On October 31, 2007, the company held an event to mark the activation of its natural gas cogeneration system.

This system serves as a source of energy, with improved efficiency compared with conventional oil-fired systems and a 45% reduction in CO₂ emissions, which is equivalent to 3,000 tons per year. The system should significantly ease the environmental burden and cut energy costs.



Photo: Natural gas cogeneration system at Oyama Chemical

CSR Activities

- Donations to Plan Japan to support children in underdeveloped countries.
- Donations to the Ishikawa Prefecture Community Fund as relief for the Noto Hanto Earthquake
- Donations to the Niigata Prefecture Community Fund as relief for the Mid-Niigata Prefecture Earthquake in 2004
- Donations to support the activities of the Japan Science Foundation
- Supply of masks to the Japan Federation of Economic Organizations (Keidanren) for recovery work following the Mid-Niigata Prefecture Earthquake in 2004
- Donations to support the activities of the Japan Juvenile Writers' Association
- Donations of money and products to support the activities of the Osaka Home Help Association
- Blood donations to the Shiga Red Cross Blood Center and the Ibaraki Red Cross Blood Center
- Donations of products to support the activities of the Ibaraki Prefecture Social Welfare Council

Exhibition Report 2007

INTERPHEX JAPAN 2007

Asia's largest exhibition featuring pharmaceutical, cosmetic and detergent R&D and manufacturing technology
 Period: June 20–22, 2007
 Venue: Tokyo Big Sight, Japan
 Japan Vilene's Medical Consumer Materials Department participated in a medical manufacturing equipment and technologies forum, under the theme of "The intrinsic unlimited possibilities of nonwovens." Exhibits included various industrial dust masks, folded masks, pleated masks and high-performance wipes.



INCHEM TOKYO 2007

Advanced materials show
 Period: November 6–9, 2007
 Venue: Tokyo Big Sight, Japan
 The Company displayed nano-fibers, liquid filters, organic HEPA filters, and other environment-related products at this specialist exhibition of advanced materials for engineers.



SEMICON Japan 2007

Semiconductor equipment and materials exhibition
 Period: December 5–7, 2007
 Venue: Makuhari Messe, Japan
 Japan Vilene focused on its Air-Filters Department, exhibiting chemical filters, fan filter units, and organic HEPA and ULPA filters at the world's largest showcase for semiconductor equipment and materials.



FC EXPO 2008

International "Hydrogen & Fuel Cell Expo 2008"
 Period: February 27–29, 2008
 Venue: Tokyo Big Sight, Japan
 This exposition featured items related to the R&D and manufacture of fuel cells. The Company exhibited porous materials for use as gas-diffusing layers, as well as other products such as substrates for ion-conductive membranes, silica nano-fibers and filters for fuel cells.

