

Performance by Region

Since 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 five businesses. Its domestic nonwovens business is handled by six manufacturing and processing companies, one sales company, and two after-sales service companies. Overseas, the Company makes car floor mats in North America and China.

Japan

During the year under review, Japan Vilene reported increased domestic sales of automotive materials and medical and consumer materials. These rises were primarily attributable to deployment of new products and sales to new customers. Although sales of industrial and electrical materials in Japan maintained the previous fiscal year's levels, sales of air filters declined as a result of severe price competition. Apparel materials again suffered from trends toward offshore procurement, bringing continued sales contractions. As a result, domestic sales for the year only achieved growth of 1.2%, compared with the previous fiscal year, to ¥43,547 million. However, rising raw material prices and increases in depreciation costs arising from amendments to Japan's corporate tax code pushed operating income down 24.9%, to ¥1,783 million.

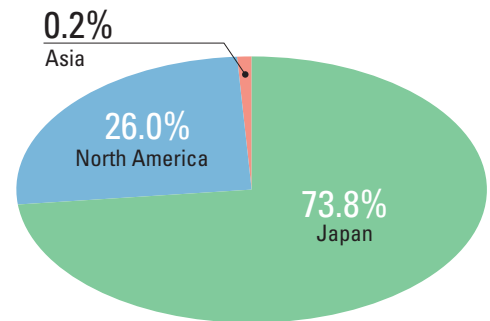
North America

North American sales expanded 16.1%, to ¥15,338 million, during the year. Increased adoption of VIAM Manufacturing Inc.'s car floor mats by Japanese automobile manufacturers and robust sales of models utilizing these products were primarily responsible for this gain. Operating income climbed 41.8%, to ¥2,036 million.

Asia

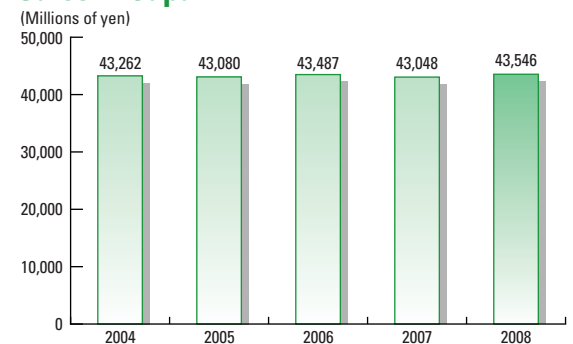
Sales of car floor mats manufactured by Tianjin VIAM Automotive Products Co., Ltd., grew steadily, leading to a 150.1% leap in sales for this market, to ¥135 million. Operating income was ¥51 million, representing profitable results in the third year from the start of full-blown production.

Sales Breakdown by Region

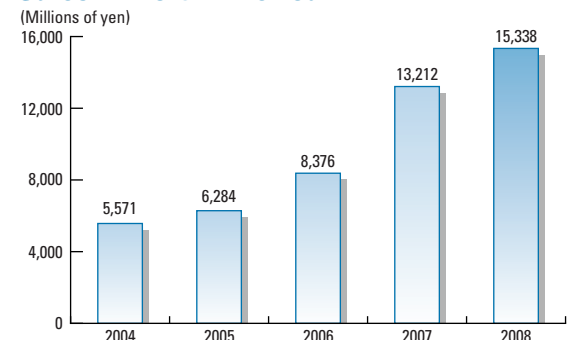


Note: Regional sales figures do not include sales between regions.

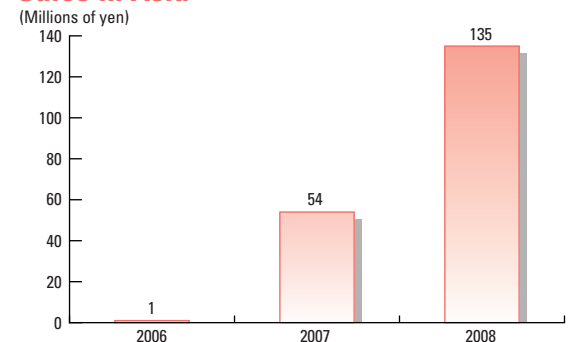
Sales in Japan



Sales in North America



Sales in Asia



Notes: 1. Regional sales figures do not include sales between regions.
 2. Figures for 2004 have been reclassified according to 2005 accounting standards.
 3. Figures for the fiscal years ended March 31, 2004, 2005 and 2006, have been replaced with figures from the Notice of Revisions to the February 2008 Annual Securities Report.