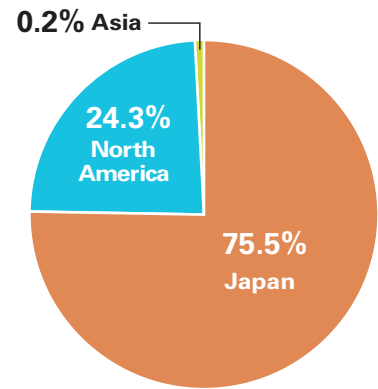


Performance by Region

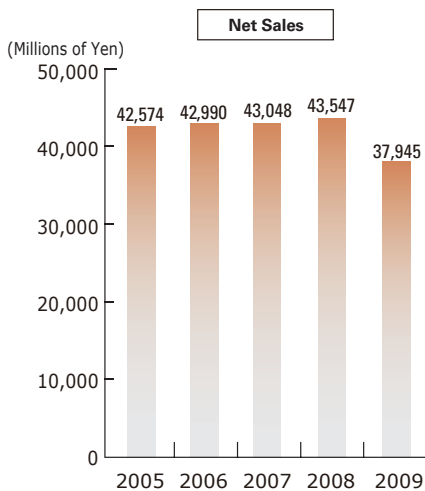
Since 1960, the Japan Vilene Group has maintained its position as the No.1 domestic manufacturer of nonwoven materials. In its nonwoven materials operations, the Group has five manufacturing and processing companies, one sales company and one after-sales service company to run the four businesses described earlier. Overseas, the Group operates an automobile floor mat business in North America and China.



Net Sales Breakdown by Region

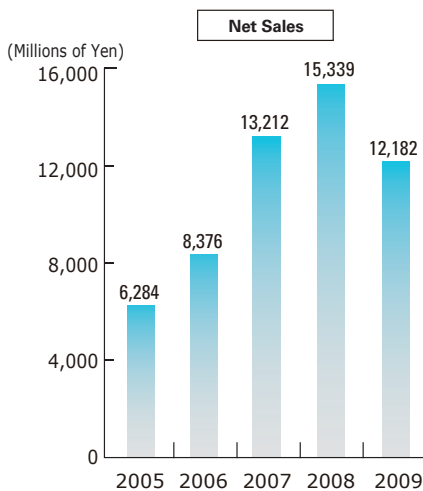
Japan

In Japan, all of the Apparel and Medical Materials, Industrial and Electrical Materials, Automotive Materials, and Air Filters segments experienced weaker sales, chiefly influenced by the sharp downturn in the market conditions. As a result, net sales decreased 12.9% from the previous year, to ¥37,945 million, while operating income fell 97.5%, to ¥44 million.



North America

In North America, net sales declined 20.6% year on year, to ¥12,182 million, and operating income fell 38.8%, to ¥1,245 million, reflecting the appreciation of the yen and a fall in sales of automobile floor mats linked with a sharp drop in new car sales.



Asia

In Asia, total sales (sales to customers and intersegment sales) of automobile floor mats rose steadily, primarily thanks to the acquisition of new business. However, net sales decreased 17.0% from the previous year to ¥113 million, and operating income fell 0.6% to ¥51 million, attributable mainly to a rise in prices of raw materials.

