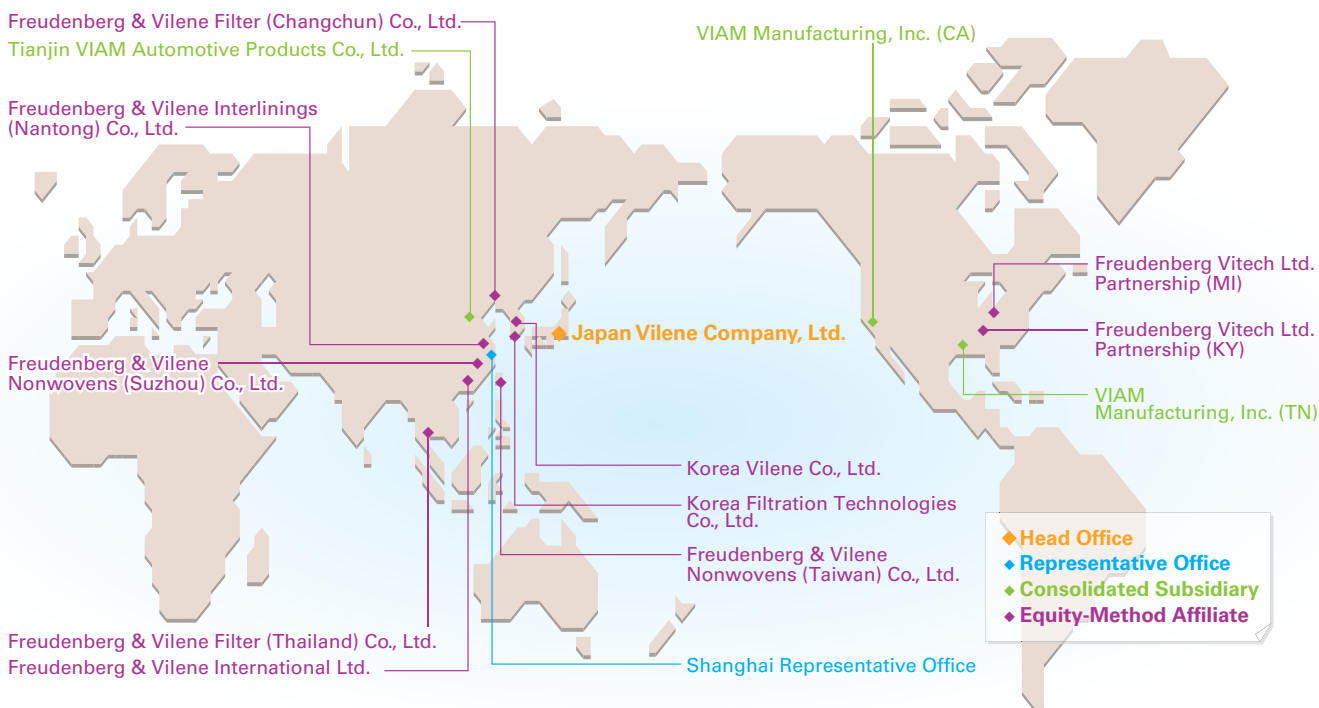


# Overseas Network

Japan Vilene is the leading nonwoven fabrics company in Japan. Overseas, we operate nonwoven fabrics businesses mainly in East Asia, in an alliance with the Freudenberg Group. We also operate an automobile floor mat business independently.



## Asia

Cooperating with the Freudenberg Group, Japan Vilene operates a sales company in Hong Kong and production bases in Taiwan, China, and South Korea. Our business in Asia is largely concentrated on the apparel materials segment, although we plan to expand other activities in the future. Initiatives during the year included the establishment of Freudenberg & Vilene Filter (Thailand) Co., Ltd. in partnership with the Freudenberg Group in January 2008, to manufacture and market air filters for automobiles, gas turbines, and other industrial applications in ASEAN countries.

In 2004, we established Tianjin VIAM Automotive Products Co., Ltd., a wholly owned subsidiary in China that manufactures and sells car floor mats. The new subsidiary has given us a foothold for our production operations, and we now plan to expand the scale of these operations to improve profitability. In our domestic operations, we established Japan VIAM Co., Ltd. in 2006. With the founding of Japan VIAM, we now have a network of production bases in the United States, China and Japan for our car floor mat business.

In April 2009, we signed an agreement with Hikotomi Industrial Co., Ltd. for the transfer of its business to Japan VIAM Co., Ltd., which will assist us in bolstering the automobile floor mat business and consolidating production bases in Japan.

## North America

Japan Vilene carried out its U.S. car floor mat business through VIAM Manufacturing Inc., a wholly owned subsidiary with two production bases in California and Tennessee. In January 2008, three companies which run the two car floor mat plants, were merged into VIAM Manufacturing Incorporated, and the combined entity's head office moved from California to Tennessee. We will continue to expand our operations by supplying products to the Big Three U.S. automakers in addition to Japanese car manufacturers.

In the United States, we have also established Freudenberg Vitech Ltd. Partnership (FVLP), a joint venture with the Freudenberg Group, to operate the automotive headliner business using nonwoven fabrics. Supplying automakers with products from production and sales bases in Kentucky and Michigan, we aim to expand our share in the U.S. market.