

ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT.

This is a translation of Japanese-language document and is provided for convenience only. In all cases, the Japanese-language original shall take precedence.



Fiscal Year ended March 31, 2006 **Summary of Nonconsolidated Financial Statements for the Year Ended March 31, 2006** May 17, 2006

Name of Listed Company: ZEON CORPORATION  
 Ticker Code: 4205  
 Listed Stock Exchange: Tokyo Stock Exchange and Osaka Securities Exchange  
 Location of Head Office (Prefecture): Metropolis of Tokyo

(URL: <http://www.zeon.co.jp/>)

Representative: President & CEO  
 Contact: Director and General Manager, Finance & Accounting Department  
 Name: Naozumi Furukawa  
 Name: Tadayuki Minami

Date of the Board of Directors Meeting held for Closing of Accounts: May 17, 2006  
 Scheduled dividend day: June 30, 2006  
 TEL: +81-3-3216-1412  
 Interim Dividend System: Applied

Date of the Ordinary General Meeting of Shareholders: June 29, 2006

Unit (*tangen*) Stock System: Adopted (Unit (*tangen*) stock of shares: 1,000 shares)

1. Nonconsolidated Performance for the Year Ended March 31, 2006 (April 1, 2005, through March 31, 2006)

(1) Nonconsolidated operating results

Note: All figures less than one million yen in the tables below are truncated.

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2006	152,589	14.2	16,580	48.5	18,043	50.8
Year ended March 31, 2005	133,621	9.3	11,165	(10.8)	11,966	(3.3)

	Net income		Net income per share	Fully diluted net income per share
	Millions of yen	%	Yen	Yen
Year ended March 31, 2006	10,493	81.8	43.43	—
Year ended March 31, 2005	5,771	191.0	23.73	—

	Return on shareholders' equity (ROE)	Ordinary income to total assets	Ordinary income to net sales
	%	%	%
Year ended March 31, 2006	13.7	9.4	11.8
Year ended March 31, 2005	8.5	7.1	9.0

- Notes: 1. Average number of shares outstanding during the year  
 Year ended March 31, 2006 239,577,391 shares  
 Year ended March 31, 2005 241,126,214 shares
2. Change in accounting method: No
3. The percentage figures for net sales, operating income, ordinary income and net income indicate respective year-over-year changes from the previous fiscal year.

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## (2) Dividends

	Annual dividend per share		Total amount of dividends (annually)	Payout ratio	Ratio of dividends to shareholders' equity
	Interim	Year-end			
Year Ended March 31, 2006	¥ 9.00	¥ 3.00	Millions of yen 2,148	% 20.7	% 2.6
Year Ended March 31, 2005	7.00	3.00	1,683	29.5	2.4

(Note) Breakdown of the year-end dividend for fiscal year ended March 2006:

Common dividend 5 yen

55th foundation anniversary commemorative dividend 1 yen

## (3) Nonconsolidated financial position

	Total assets	Shareholders' equity	Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Year ended March 31, 2006	208,034	83,765	40.3	351.53
Year ended March 31, 2005	175,597	69,382	39.5	288.83

Notes: 1. Number of shares outstanding at the end of the year:

238,034,549 shares at March 31, 2006

240,044,279 shares at March 31, 2005

2. Number of treasury stock of shares at the end of the year

4,041,007 shares at March 31, 2006

2,031,277 shares at March 31, 2005

## 2. Projected Nonconsolidated Performance for the Year Ending March 31, 2007 (April 1, 2006, through March 31, 2007)

	Net sales	Ordinary income	Net income	Annual dividend per share		
				Interim	Year-end	
	Millions of yen	Millions of yen	Millions of yen	¥	¥	¥
Interim period ending September 30, 2006	78,000	7,800	4,900	4.00	—	—
Year ending March 31, 2007 (full year)	166,000	16,000	10,000	—	5.00	9.00

(Reference) Forecast net income per share (full year): ¥42.01

Note: These projected performance figures are based on information available to ZEON's management at the time this report was prepared and are subject to potential risks and uncertainty. Accordingly, the users should be aware that actual results may differ significantly from any expressed future performance herein due to various factors. See page 5 of the "**Consolidated Financial Flash Report**" for further information on forecasts.

### Disclaimer Regarding Forward – Looking Statements

These materials are intended to provide information only, and are not to solicit actions of any kind. Business results forecasts are based on management's assumptions in light of information currently available. Actual sales and income may differ significantly from these forecasts.

The Company shall not take any responsibility regarding the accuracy or completeness of any forecasts pertaining to business results forecasts contained herein.

The user acknowledge that he/she agrees to exercise his/her own judgment in using these materials. The Company shall bear no responsibility for any loss arising from investment decisions relying fully on these materials.