

Settlement Agreement Of Class Action Concerning NBR (acrylonitrile butadiene rubber)

September 7, 2005

The Company and its wholly owned U.S. subsidiary, ZEON Chemicals L.P. ("ZCLP", located in Kentucky, U.S.), have been sued with other corporate groups for damages (class action) by direct purchasers of NBR (acrylonitrile butadiene rubber) alleging price fixing regarding NBR in the U.S.

On September 6th (Japan time: September 7th), ZCLP has entered into a settlement agreement with the class plaintiffs' lead counsel to settle the class action by paying 16 million US dollars to the plaintiffs. The settlement agreement, if approved by the Federal District Court, resolves all claims of the direct purchasers (except opt-outs) against the Company and its affiliates for activities related to the NBR business in the U.S.

The decision to enter into the settlement agreement is believed to be the best course of action, in view of the time and costs which would be associated with trial.

The fund and costs for the aforementioned settlement will be posted as a loss in ZEON Corporation's consolidated financial statements for the first half of the fiscal year ending March 31, 2006.



For further information

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