

June 1, 2007

Mitsubishi Chemical Holdings Corporation

Notice: Judgment in Damages Action against Verbatim Corporation

Mitsubishi Chemical Holdings Corporation (Head office: Minato-ku, Tokyo; President: Yoshimitsu Kobayashi; "MCHC") announces today that Verbatim Corporation ("VERBATIM"), a consolidated subsidiary of MCHC, informed us of a judgment in a disputed case as follows which was entered by a lower court in Manaus (Amazonia, Brazil).

1. History and Outline

(1) Parties

Plaintiff: DPC-Empreendimentos Industriais Ltda. (DPC)

Defendant: VERBATIM

(2) History

In 1981, VERBATIM entered into a joint venture for the manufacture of floppy disks with the Brazilian company DPC. Due to management differences, in 1991, VERBATIM terminated the joint venture, and all ancillary agreements, including a Trademark License Agreement, pursuant to which VERBATIM licensed to the joint venture the right to use the VERBATIM trademark in connection with the manufacture and sale of floppy disks in Brazil. After the termination of the joint venture, VERBATIM began importing VERBATIM branded product into Brazil.

In 1996, DPC sued VERBATIM for trademark infringement. Last week, a court in Manaus ordered VERBATIM to pay DPC damages for trademark infringement.

(3) The Order

The order entered by the Manaus court on May 29, 2007 (local time) ordered VERBATIM to pay damages to DPC. Although the order does not specify the amount to be paid, VERBATIM's Brazilian counsel advise that the order refers to an earlier pleading filed by DPC demanding damages in the amount of 377 million Reais. (Approximately 23.5 billion yen)

2. Further Action

VERBATIM firmly believes that the Joint Venture Agreement and Trademark License Agreement were properly terminated, and that there is no basis for DPC's claim that VERBATIM engaged in trademark infringement. VERBATIM is appealing the order through a number of channels, and is seeking a stay pending appeal. MCHC agrees with and supports VERBATIM position.

【Verbatim Corporation】

1. Name: Verbatim Corporation
(Acquired from Eastman Kodak Company by Mitsubishi Kasei America, Inc. in May 1990.)
2. Location of head office: 1200 W.T. Harris Boulevard, Charlotte, North Carolina 28262, USA
3. President: Randal Queen
4. Capital: US \$50
5. Sales amount: US \$186,503,000 (January-December 2006)
6. Employee number: 66 employees
7. Investment ratio: Mitsubishi Kagaku Media Co., Ltd. 100%
8. Main business: Selling business for recording media products

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