Registered No 2343599

Zeon Chemicals Europe Limited

Report and Financial Statements

31 December 2011

Director
S Komiyama

Secretary
Secretarial Appointments Limited

Auditors
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16 Churchill Way
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Director's report

The director presents his report and financial statements for the year ended 31 December 2011

Results and dividends

The profit for the year after taxation amounted to £2,111,000 (2010 – profit of £1,929,000) The director does not recommend a final dividend (2010 – £nil)

Principal activities and review of the business

The company's principal activities during the year continued to be the manufacture and sale of synthetic rubber The company's key financial performance indicators during the year were as follows

	2011	*2010*	*Change*
	£000	*£000*	*%*
Turnover	49,347	38,520	28%
Total operating profit before interest and tax	2,348	1,483	58%
Profit after tax	2,111	1,929	9%
Shareholders funds	18,087	18,480	(2%)
Current assets as % of current liabilities	363%	346%	5%

Company turnover increased by 28% (2010 – increased by 40%) The company continues to expand the sales of new speciality rubber products

The operating profit before exceptional items for 2011 compares to an operating profit in 2010, an increase of 58% (2010 – increase of 22%) This improvement was largely led by the advance in sales of the speciality products

Shareholders' funds decreased by 1% (2010 – increase 27%)

Future developments

The company aims to continue to promote the emphasis on the recently introduced speciality rubber products and to continue to grow that area of the business

Principal risks and uncertainties

The principal areas of financial risk to which the company is exposed continue to be in the areas of foreign exchange rate fluctuation and credit

Foreign exchange risk is primarily managed by the means of purchasing as well as selling in the same foreign currency The result is an offset rather a complete elimination of exchange rate risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation Company policies are aimed at minimising such losses, and require that payment terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures Reference is made to a credit reference agency report before granting credit to new customers and to monitor existing customers This procedure helps to mitigate this risk Credit arrangements are reviewed by the directors, as a matter of procedure, to help reduce this risk Details of the company's debtors are shown in note 12 to the financial statements

Director's report

Going concern

The company's business activities, financial risk management objectives and policies are described above

The directors consider the company is well placed, as regards available resources to manage its business risks successfully, and to prosper

After making enquiries, including profit and cash-flow forecasts, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in the preparation of the annual report and financial statements

Fixed assets

The changes in fixed assets during the year are summarised in note 9 to the financial statements

Directors

The directors who served the company during the year were as follows

Y Kuroda (resigned 1 April 2011)
S Komiyama

Directors' qualifying third party indemnity provision

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006 Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report

Disabled employees

The company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job Opportunities are available to disabled employees for training, career development and promotion

Where existing employees become disabled, it is the company's policy to provide continuing employment wherever practicable in the same or alternative position and to provide appropriate training to achieve this aim

Employee involvement

The company operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2004 During the year, the policy of providing employees with information about the company is achieved by means of a monthly newsletter

Regular communications meetings are also held and all employees are invited and encouraged to attend

Director's report

Creditor payment policy and practice

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with

At 31 December 2011, the company had an average of 43 days outstanding in trade creditors (2010 – 50 days)

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of the company's auditor, the director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

On behalf of the Board

S. Komiyama

S Komiyama
Director

Date
25-07-2012

Statement of director's responsibilities

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the director must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The director is responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006 He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Independent auditors' report

to the members of Zeon Chemicals Europe Limited

We have audited the financial statements of Zeon Chemicals Europe Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 21 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of director and auditor

As explained more fully in the Director's Responsibilities Statement set out on page 5, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the director, and the overall presentation of the financial statements In addition we read all the financial and non-financial information in the Director's report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Independent auditors' report

to the members of Zeon Chemicals Europe Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Ernst & Young LLP

Ken Griffin (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Bristol

Date 27 July 2012

Profit and loss account

for the year ended 31 December 2011

	Notes	2011 £000	2010 £000
Turnover	2	49,347	38,520
Cost of sales		(44,160)	(34,890)
Gross profit		5,187	3,630
Distribution costs		(985)	(830)
Administration expenses		(1,854)	(1,317)
Operating profit	3	2,348	1,483
Interest receivable and similar income	6	2	2
Interest payable and similar charges	7	(57)	(35)
Net finance expense on pension scheme obligations	18	142	(66)
Profit on ordinary activities before taxation		2,435	1,384
Tax	8	(324)	545
Profit for the financial year	16	2,111	1,929

All amounts relate to continuing activities

Statement of total recognised gains and losses

for the year ended 31 December 2011

	2011 £000	2010 £000
Profit for the year	2,111	1,929
Actuarial (loss)/gain relating to pension scheme obligations (note 18)	(3,338)	2,669
Deferred tax relating to actuarial loss (note 8(c))	834	(720)
Total recognised (losses)/gains relating to the year	(393)	3,878

Balance sheet

at 31 December 2011

	Notes	2011 £000	2010 £000
Fixed assets			
Tangible assets	9	7,331	7,413
Investments	10	16	16
		7,347	7,429
Current assets			
Stocks	11	8,740	7,274
Debtors	12	8,597	6,234
Cash at bank and in hand		1,415	2,161
		18,752	15,669
Creditors amounts falling due within one year	13	(5,171)	(4,534)
Net current assets		13,581	11,135
Total assets less current liabilities		20,928	18,564
Pension liabilities	18	(2,841)	(84)
Net assets		18,087	18,480
Capital and reserves			
Called up share capital	14	23,300	23,300
Profit and loss account	15	(5,213)	(4,820)
Shareholders' funds	16	18,087	18,480

S Komiyama

S Komiyama

Director

Date 25-07-2012

Notes to the financial statements

at 31 December 2011

1 Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

Statement of cash flows

The company has taken advantage of the exemption available under FRS 1 not to prepare a statement of cash flows

Tangible fixed assets

Depreciation is provided on all tangible fixed assets, other than freehold land and capital work in progress Depreciation rates are calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows

Leasehold land and buildings	–	over the lease term
Plant and machinery	–	over 3 to 20 years

The carrying value of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable

Stocks

Stocks are stated at the lower of cost and net realisable value as follows

Cost incurred in bringing each product to its present location and condition

Raw materials and goods for re-sale	purchase cost on a first-in, first-out basis
Work in progress and finished goods	cost of direct materials and labour plus attributable overheads based on the normal level of activity

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal

Research and development

Research and development expenditure is written off as incurred

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold

Notes to the financial statements

at 31 December 2011

1 Accounting policies (continued)

Deferred taxation (continued)

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date All differences are taken to the profit and loss account

Operating leases

Rentals paid under operating leases are charged to income on a straight line basis over the lease term

Pensions

Zeon Chemicals Europe Limited operates a defined benefit pension scheme Contributions are made by the company and the employees to a separately administered fund

In accordance with FRS 17 'Retirement Benefits', the service cost of the pension provision relating to the period, together with the cost of any benefits relating to past service, is charged to the profit and loss account A charge equal to the increase in the present value of the scheme liabilities (because the benefits are closer to settlement) and a credit equivalent to the company's long–term expected return on assets (based on the market value of the scheme assets at the start of the period), are included in the profit and loss account under "net finance charge on pension scheme obligations"

The difference between the market value of the assets of the scheme and the present value of the accrued pension liabilities is shown as an asset or liability on the balance sheet net of deferred tax Any difference between the expected return on assets and that actually achieved is recognised in the statement of total recognised gains and losses along with differences arising from experience or assumption changes

2. Turnover

Turnover comprises the invoice value of goods and services supplied by the company stated net of value added tax, and is attributable to the continuing activity of the manufacture and sale of synthetic rubber

The geographical split of turnover can be analysed as follows

	2011	*2010*
	£000	*£000*
United Kingdom	16,745	13,448
Other European countries	21,100	18,513
Rest of the world	11,502	6,559
	49,347	38,520

Notes to the financial statements

at 31 December 2011

3. Operating profit

This is stated after charging/(crediting)

		2011 £000	2010 £000
Auditors' remuneration	– audit services	47	54
	– non-audit services	2	12
Depreciation of owned assets		1,226	1,304
Operating lease rentals	– plant hire	53	69
Foreign exchange (gain)/loss		(226)	99

4. Director's remuneration

	2011 £000	2010 £000
Remuneration	149	117

5. Staff costs

	2011 £000	2010 £000
Wages and salaries	3,275	2,988
Social security costs	332	250
Other pension costs	191	165
	3,798	3,403

The average weekly number of employees during the year was made up as follows

	2011 No	2010 No
Office management	12	14
Production	71	68
Technical service	5	5
	88	87

6. Interest receivable and similar income

	2011 £000	2010 £000
Bank interest receivable	2	2

Notes to the financial statements

at 31 December 2011

7. Interest payable and similar charges

	2011 £000	2010 £000
Group interest payable	–	2
Suppliers	57	33
	57	35

8. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2011 £000	2010 £000
Current tax		
UK corporation tax on the Profit for the year	264	–
Total current tax (note 8(b))	264	–
Deferred tax		
Pension scheme deficit (note 8(c))	(82)	155
Recognition of deferred tax assets (note 8(c))	142	(700)
	60	(545)
Tax on profit on ordinary activities	324	(545)

(b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 26 5% (2010 – 28%) The differences are explained below

	2011 £000	2010 £000
Profit on ordinary activities before tax	2,435	1,384
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26 5% (2010 – 28%)	645	388
Effects of		
Disallowed expenses and non-taxable income	16	5
Depreciation in excess of capital allowances	(240)	(288)
Other timing differences	89	(127)
Losses brought forward utilised in the year	(246)	22
Current tax for the year (note 8(a))	264	–

Notes to the financial statements

at 31 December 2011

8 Tax (continued)

(c) Deferred taxation

The company has a deferred tax asset relating to its pension scheme deficit, which is shown net in the balance sheet (note 18) The movements in this deferred tax are as follows

	2011	*2010*
	£000	*£000*
At beginning of year	31	907
Amounts credited/(charged) to the profit and loss account (note 8a)	82	(156)
Amounts credited/(charged) to the statement of total recognised gains and losses	834	(720)
At end of year	947	31

	£000
At 1 January 2011	1,000
Amounts charged to the profit and loss account	(142)
At 31 December 2011 (note 12)	858

The deferred tax asset at the end of the year relates to

	2011	*2010*
	£000	*£000*
Accelerated capital allowances	858	-
Tax losses	–	1,000
	858	1,000

(d) Factors that may affect future tax charges

In Budget 2011 on 23 March 2011, the Chancellor of the Exchequer announced a reduction in the UK rate of corporation tax to 26% This reduced rate applied from 1 April 2011 and was enacted using secondary legislation, called the Provisional Collection of Taxes Act A further 1% rate reduction to 25% was also announced and it was intended that this would be effective from 1 April 2012 However, in his budget of 21 March 2012, the Chancellor of the Exchequer announced a number of further changes to the UK Corporation Tax rate These included a reduction in the UK corporation tax rate from 25% to 24% effective from 1 April 2012 (and substantively enacted as of 26 March 2012 and dealt with by Resolution under the Provisional Collection of Taxes Act) The UK government intends to further reduce the UK corporate income tax rate, to 22%, in annual increments of 1% per annum which will be enacted in successive Finance Bills Consequently, the company will only recognise the impact of the rate change which is substantively enacted at that time in its financial statements

Notes to the financial statements

at 31 December 2011

9. Tangible fixed assets

	Short leasehold	*Plant and machinery*	*Capital work in progress*	*Total*
	£000	*£000*	*£000*	*£000*
Cost				
At 1 January 2011	3,695	27,575	364	31,634
Additions	–	9	1,135	1,144
Transfers	59	977	(1,036)	–
At 31 December 2011	3,754	28,562	463	32,778
Depreciation				
At 1 January 2011	2,268	21,953	–	24,221
Provided during the year	142	1,084	–	1,226
At 31 December 2011	2,410	23,037	–	25,447
Net book value				
At 31 December 2011	1,344	5,525	463	7,331
At 1 January 2011	1,427	5,622	364	7,413

10. Investments

	2011	*2010*
	£000	*£000*
Other investments – unlisted	16	16

11. Stocks

	2011	*2010*
	£000	*£000*
Raw materials	2,389	1,986
Work in progress	191	161
Finished goods	6,160	5,127
	8,740	7,274

12. Debtors

	2011	*2010*
	£000	*£000*
Trade debtors	3,185	3,401
Amounts owed by group undertakings	4,235	1,543
Prepayments and accrued income	319	290
Deferred tax asset (note 8(c))	858	1,000
	8,597	6,234

Notes to the financial statements

at 31 December 2011

13. Creditors: amounts falling due within one year

	2011 £000	2010 £000
Trade creditors	4,214	3,377
Amounts owed to group undertakings	–	479
Other taxes and social security costs	108	91
Corporation tax	211	–
Accruals and other creditors	638	587
	5,171	4,534

14. Issued share capital

Allotted, called up and fully paid	*No*	*2011 £000*	*No*	*2010 £000*
Ordinary shares of £1 each	23,300,000	23,300	23,300,000	23,300

15. Movements on reserves

	Profit and loss account £000
At 1 January 2011	(4,820)
decrease in shareholders' funds (note 16)	(393)
At 31 December 2011	(5,213)

16. Reconciliation of shareholders' funds

	2011 £000	2010 £000
Profit for the financial year	2,111	1,929
Other recognised gains and losses relating to the year	(2,504)	1,949
Net (decrease)/increase in shareholders' funds	(393)	3,878
At 1 January 2011	18,480	14,602
At 31 December 2011	18,087	18,480

17. Capital commitments

The company had capital commitments contracted for but not provided for in the financial statements of £68,000 at 31 December 2011 (2010 – £85,000)

Notes to the financial statements

at 31 December 2011

18. Pensions

The company operates a defined benefit scheme In May 2010 a decision was made to close the defined benefit scheme to future accruals with effect from 1 October 2010 The scheme has been replaced with a defined contribution scheme

The valuation for FRS 17 disclosures has been based on the most recent actuarial valuation as at 31 December 2010 Scheme assets are stated at their market value at the respective balance sheet dates

The major assumptions used by the actuary were

	2011	*2010*
	%	*%*
Rate of increase in pensions in payment	2 9	3 2
Rate of increase in deferred pensions	3 0	3 5
Discount rate for scheme liabilities	4 9	5 5
Inflation assumption	3 0	3 4
Rate of salary increases	not applicable	not applicable
Post retirement mortality (non pensioners)	PA92 year of birth long cohort +1 age rating	PA92 year of birth long cohort +1 age rating
Post retirement mortality males	87 81	87 74
Post retirement mortality females	90 93	90 86
Pre retirement mortality (currently age 40) males	88 87	88 83
Pre retirement mortality (currently age 40) females	91 89	91 85

The assets in the scheme and the expected rate of return were

	Long-term rate of return expected at 2011	*Value at 2011*	*Long-term rate of return expected at 2010*	*Value at 2010*
	%	*£000*	*%*	*£000*
Global Absolute Return Strategy	6 5	11,216	–	–
Diversified Growth Fund	6 5	7,948	–	–
Equities	7 0	–	7 0	15,508
Property	4 6	–	4 6	4,180
Cash	2 0	174	2 0	912
Fair value of assets		19,338		20,600
Present value of scheme liabilities		(23,126)		(20,715)
Deficit in scheme		(3,788)		(115)
Related deferred tax asset		947		31
Net pension liability		(2,841)		(84)

Notes to the financial statements

at 31 December 2011

18 Pensions (continued)

Further contributions of £447,750 per annum are being made in order to eliminate the deficiency in the scheme The total contributions to be paid by the company to the defined benefit plan in the next year are estimated to be £459,000

Analysis of the amount charged to operating profit

	2011	*2010*
	£000	*£000*
Current service cost	–	120
Past service cost	925	–
Total operating charge	925	120

Analysis of the amount charged to other finance costs

	2011	*2010*
	£000	*£000*
Expected return on pension scheme assets	1,283	1,195
Interest on pension scheme liabilities	(1,141)	(1,261)
Net return	142	(66)

Analysis of the amount recognised in statement of total recognised gains and losses (STRGL)

	2011	*2010*
	£000	*£000*
Actual return on scheme assets	(856)	2,576
Less expected return on scheme assets	(1,283)	(1,195)
	(2,139)	1,381
Experience gains arising on the scheme liabilities	–	1,694
Changes in assumptions underlying the present value of the scheme liabilities	(1,199)	(406)
	(3,338)	2,669

The cumulative amount of actuarial gains and losses recognised since 1 January 2002 in the STRGL is a net loss of £7,107,000 (2010 – loss of £3,769,000)

Notes to the financial statements

at 31 December 2011

18. Pension commitments (continued)

Changes in the present value of the defined benefit obligations are analysed as follows

	2011	*2010*
	£000	*£000*
As at 1 January	20,715	22,125
Current service cost	–	120
Past service cost	925	–
Member contributions	–	130
Interest cost	1,141	1,261
Benefits paid	(854)	(1,633)
Actuarial loss/(gain)	1,199	(1,288)
Obligations in scheme at end of year	23,126	20,715

Changes in the present fair value of plan assets are analysed as follows

	2011	*2010*
	£000	*£000*
As at 1 January	20,600	18,887
Expected return on plan assets	1,283	1,195
Employer contributions	448	640
Member contributions	–	130
Benefits paid	(854)	(1,633)
Actuarial (loss)/gain	(2,139)	1,381
Assets in scheme at end of year	19,338	20,600

	2011	*2010*	*2009*	*2008*	*2007*
	£000	*£000*	*£000*	*£000*	*£000*
Fair value of scheme assets	19,338	20,600	18,887	15,883	19,457
Present value of defined benefit obligation	(23,126)	(20,715)	(22,125)	(18,170)	(19,439)
(Deficit)/surplus in the scheme	(3,788)	(115)	(3,238)	(2,287)	18
Experience adjustments arising on plan liabilities	–	1,694	–	(316)	285
Experience adjustments arising on plan assets	(2,139)	1,381	2,068	(4,966)	(134)

Notes to the financial statements

at 31 December 2011

19. Other financial commitments

	2011	*2010*
	£000	*£000*
Operating leases which expire		
Within one year	2	6
In two to five years	52	63
	54	69

20. Related party transactions

The company has taken advantage of the exemption within FRS 8 which allows related party transactions with other group companies not to be disclosed on the basis that greater than 100% of the company's voting rights are held within the group and that group financial statements are publicly available

21. Ultimate parent undertaking and controlling party

The directors regard Zeon Corporation a company incorporated in Japan, as being the ultimate parent undertaking and controlling party

Group financial statements are prepared by Zeon Corporation, copies of which can be obtained from 2-6-1 Shin Maranouchi, 6-2 Maranouchi, Chiyoda-ku, Tokyo 100-8246, Japan