Toyota Material Handling Commercial Finance AB

Corporate Identity Number 556032-5002

Annual Report

2017-04-01 – 2018-03-31

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Administration Report

The Board of Directors and Managing Director hereby present the annual report for the financial year 1 April 2017 to 31 March 2018.

Operations
Toyota Material Handling Commercial Finance AB (TMHCF) is an authorised credit market company under the supervision of the Swedish Financial Supervisory Authority.

TMHCF's operations involve financing and co-ordination of financing services and associated operations. The Company manages the financing provided to the Group's sales companies in Europe, regarding the material handling equipment offered to customers under a Rental Concept (leasing). In addition the company offers financing solutions to retail customers in France, Germany and Italy through its branches. The Company has its registered offices in Mjölby.

Ownership Structure
TMHCF is a wholly-owned subsidiary to Toyota Material Handling Europe AB (556491-9537) (henceforth TMHE AB), with its registered offices in Mjölby, and is part of a Group for which the ultimate Parent Company is the Japanese company, Toyota Industries Corporation (TICO), with its registered offices in Japan.

Significant Events During the Year
TMHCF's leasing portfolio has increased, in real terms, during the year. This is due to the fact that TMHCF has, through long-term agreements with stable financiers, been able to continue to offer attractive financing solutions.

The Branch operations in France, Germany and Italy have continued to expand their business and about 2 845 units have been financed with customers during the fiscal year.

Results
Operating profit in TMHCF amounted to TSEK 94 967 (70 955). The increase is mainly related to an increased leasing portfolio following a continued growing truck market in Europe. Net interest income amounted to TSEK 144 902 and has increased, compared to the previous year, by TSEK 21 851, primarily attributable to increased leasing income and to financing costs being maintained at a low level. A significant portion of the increased net interest income relates to the increased lending volume.

Leasing operations

The company's leasing- and lending operations of material handling equipment amounts to 12 657 169 TSEK (10 704 536) and has consequently increased with 1 952 633 TSEK. The operations are in the balance sheet presented as ”Lending to the public” for the part referring to sub-leasing and lending operations, and the part referring to leasing of equipment owned by the company. The company is over time performing a planned gradual transfer from sub-leasing operations to leasing of equipment owned by the company.

Credit Losses
The Company's customers' capacity to pay remains favorable. There have been a few credit losses during the year.

Guarantees Provided in favor of other Group Companies and Credit Institutions
TMHCF had previous year provided guarantees in favor of other Group companies towards Credit institutions in an amount of TSEK 49 442. Guarantees have expired as the leasing contracts in the UK and Germany have been terminated.

Financing and Liquid Assets
TMHCF's borrowing activities have been executed via external credit institutions and the TMHE Group's interbank. This borrowing totals as per 31 March 2018 TSEK 11 662 605 and has increased by TSEK 1 860 706, 18.9 % during the year.

As per 31 March 2018, liquid assets amounted to TSEK 278 723. All liquid assets are placed on accounts in credit institutions and cash pool accounts of the TMHE Group. In addition to these liquid assets, the company has TSEK 100 000 placed in treasury bills.

Five-year summary[1)]

Amounts in TSEK	2017/18	2016/17	2018/16	2014/15	2013/14
Operating income[2)]	264 623	247 768	275 541	216 117	176 725
Operating profit	94 967	70 995	81 162	80 630	70 108
Balance sheet total	13 662 095	11 472 998	10 000 226	9 081 730	7 577 482
Equity/assets ratio, %	13.4	13.9	13.9	13.2	14.4
Return on assets,%	1.57	1.71	2.05	2.31	2.68
Core capital ratio, %	17.94	18.50	17.59	14.60	16.89

1) A reclassification during the year has been applied retroactively. The comparison year has been recalculated but not earlier years.
2) The change of accounting principle affects "Operating income" and that means 2013/14, 2014/15 and 2015/16 has not been recalculated.

Capital Cover
The Company has a very favorable capital adequacy situation. The core capital ratio amounted to 17.94 % (18.50 %) as per 31 March 2018. On the balance sheet date, the equity/assets ratio was 13.4 % (13.9 %).

Employees
During the year, the number of permanent employees was 35 (32), with 19 women and 16 men. As per 31 March 2018, the total number of employees was 35.

Future prospects and significant events after the End of the Financial Year
A cooperation agreement with an external partner, in order to expand the Sales Finance offer in a number of European markets, was signed during the year. This cooperation is expected to start in the coming fiscal year with the purpose to support truck sales, mainly towards independent dealers, for the Group on European markets where the Company has no physical presence.

The return on the Company's equity is expected to remain relatively unchanged.

Sustainability report
Toyota Industries Europe AB org nr 556588-3534, Mjölby, prepare the Group Annual Report including sustainability report as applies on the Group. The Group Annual Report is available at Toyota Industries Europe AB´s head office, Svarvargatan 8 in Mjölby.

Risk Management Goals and Strategies

TMHCF's business strategy is to offer financial products to Toyota-customers and to support the TMHE Group's sales companies and in some markets also Toyota dealers operations. The company's offer of financial products and services shall be based on standardized products and cost efficient solutions giving the intended return at an acceptable risk level, all with the aim to support the TMHE Group's need of product financing.

TMHCF conducts an active risk management. The strategy is to maintain an overall low level of risk, well balanced by the expected earnings to be achieved by assuming certain business risks, mainly in the credit risk area. The risk mandates in the other areas refer to securing the margin in the financing activities. The local sales companies are responsible for the contact with the end customers and for the primary credit risk. TMHCF also since the beginning of the fiscal year conducts lending activities through branches in France, Germany and Italy, where the company has a direct credit risk in the financing activities. The operations in the branches have a limited scope compared to the financing activities in the rest of the company.

For capital adequacy purposes TMHCF applies the standardized method for credit risk and market risk, and applies the basic method for operational risk. The Company utilizes Standard and Poor's rating systems as the basis for the risk-weighting in terms of institutional exposure.

The Company's risk strategies have been established by the Board of Directors in policies and instructions, which covers the general risk policy and the areas of credit risk, market risk, liquidity risk and operational risk. The Company also has instructions for internal capital valuation, IKU, compliance with regulations, internal audit, ethics/code of Conduct, conflict of interest, remuneration, reinstatement of financial status after severe deterioration, business continuity management and measures to prevent the Company from being used in the context of money laundering.

The Board of Directors receives information regarding the Company's operations on a monthly basis, including a report on the risk situation within different areas. At the Board meetings, held approximately on four occasions per year, a report is presented on the analysis of the development of the credit portfolio from a risk perspective. This analysis is based on both the Company's own analysis and on external analysis of the financial strength and payment discipline of the Company's customers.

The risk management function is led by the Risk Manager, who is directly subordinate to the General Manager and who does not actively take part in business decisions. The Risk Manager is responsible for reporting risk to the Board of Directors and for submitting the reports on risk issues at the Board meetings.

Analysis of the Overall Risk Situation

The internal capital evaluation process (IKLU) includes, amongst other things, a thorough analysis of the overall risk situation to which the Company is exposed, seen in relation to the Company's capital base. In this analysis, the Company has chosen a time horizon of 5 years.

TMHCF's Capital Base

TMHCF's capital base, completely consisting of core capital, amounted to TSEK 1 825 951 as per 31 March 2018, whereof TSEK 229 648 refer to the profit for the year. The company´s core capital ratio amounted to 17.94%.

The risk-weighted exposure amounts totaled TSEK 10 179 750 (8 649 099). The distribution in the different exposure classes is as follows:

TOTAL RISK EXPOSURE AMOUNT, TSEK	**31 mars 2018**	**31 mars 2017**
TOTAL RISK EXPOSURE AMOUNT	10 179 750	8 649 099
RISK WEIGHTED EXPOSURE AMOUNTS FOR CREDIT AND COUNTERPARTY RISKS IN TOTAL, Standardised approach	9 897 144	8 401 730
Institutions	*55 254*	*45 751*
Corporates	*7 974 387*	*6 725 949*
Retail (all SME Corporates)	*1 867 503*	*1 630 030*
Exposures in default	-	-
RISK EXPOSURE AMOUNT FOR FOREIGN EXCHANGE RISKS	44 164	39 127
RISK EXPOSURE AMOUNT FOR OPERATIONAL RISK, Basic indicator approach	235 887	204 874
RISK EXPOSURE AMOUNT FOR CREDIT VALUATION ADJUSTMENT, Standardised method	2 556	3 368
Estimated additional capital requirement according to the Company's internal Capital and Liquidity Assessment Process.	63 342	53 771
Capital conservation buffer	254 494	216 227
Countercyclical capital buffer	203 595	172 982

Credit Risk

Total Assets
The absolute majority of TMHCF's assets stem from the financing activities. These assets amounted to TSEK 12 644 082 (10 664 028) of which the French branch accounted for TSEK 389 497 (281 230), the German branch accounted for TSEK 328 269 (232 219) and the Italian branch accounted for TSEK 159 479 (0). Of the Company's exposures against institutions, TSEK 0 (0), refer to current investments of liquid surplus.

Unregulated posts are reported in Note 10.

Major Exposures
As per 31 March 2018, the Company had 3 exposures, in which the total exposure exceeded 10% of the company's capital base. One of these exposures was related to institutions. The total amount of these exposures corresponds to 34 % of TMHCF's capital base.

Credit Risk in the financing activities
TMHCF is assessed as having limited credit risks. In addition to the actual credit analysis made regarding the customer, this is due, among other things, to the fact that the Group has very good knowledge of the objects to be financed, often trucks, which comprises a portion of the guarantee for the receivable. This knowledge is utilized in the establishment of payment plans and residual amounts in its financing solutions.

The Board of Directors has established a credit policy regulating the principles for credit decisions regarding end customers and the associated requirements, as well as regarding ongoing customer follow-up. In the event that TMHCF's Board of Directors grants the right to one of the sales companies to make credit decisions, the sales company is obligated, by agreement, to follow the current and valid policy, in all respects.

In addition to the customer analysis which is undertaken during credit decisions, TMHCF also undertakes a financial analysis on a monthly basis, including scoring of all customers via a credit rating company. Together with the internal information regarding the customer's payment discipline, this analysis provides a very good overall view of the development of the risks in the financing portfolio over time and also provides the opportunity for proactive action.

During the year the Company has had credit losses of TSEK 1 005 (last year TSEK 78).

The Geographic Distribution of the Leasing Portfolio and Branch Divisions
As per 31 Mars 2018, the Company had leasing exposures in 16 European countries.

Around 22 % (24 %) of these exposures are within Sweden and other Nordic countries. The exposure per branch differs from country to country. In total, the largest portion of exposures was with customers within the manufacturing, transportation, agriculture and food products as well as retail.

Remaining Durations of financing agreements
The duration of a lease agreement is based on the customer's demands and the lifetime of the equipment. The majority of the lease agreements entered into has duration of 5 years. The maturity structure for outstanding lease agreements, including lease agreements guaranteed by TMHCF, is reported below. Here, residual values are reported as the last payment. In terms of remaining durations, no major distinction is made as regards what is classified as a company versus a household exposure.

Remaining duration of the financing agreements, TSEK

< 1 month	1-3 months	> 3 mon.≤ 1 year	> 1 year ≤ 5 years	> 5 Years	Total
300 631	629 737	2 791 763	8 107 375	382 083	12 211 589

Market Risk
The Company's market risks are also limited. With the exception of the limited part of the financing operations that is financed through own equity, the financing is done in the same currency and with the same fixed interest term, and as far as possible, with the same amortization structure and payment periodicity.

Group external investments may only take place with counterparties approved by the Board of Directors. Certain European governments or investments guaranteed by those governments are accepted as counterparties, as well as certain financial institutions. Regarding financial institutions, a long-term rating of, at least, level A is usually required. The maximum exposure per counterparty is limited.

The total interest risk, according to the policy, may amount to a maximum of TSEK 20 000, with a parallel adjustment of the yield curve by ± 2 percentage points. As per 31 March 2018, the total interest risk was ± TSEK 8 773 (7 267). Exchange rate risks may amount to a maximum of TSEK 10 000 for changes in exchange rates of ± 10 %. As per 31 March 2018, the estimated exchange rate risk amounted to TSEK 7 563 (6 559). The currency risk is to the greatest extent a result of exposures in EUR, GBP, NOK and DKK.

Liquidity Risk
In order to ensure that the Company can realize its payment commitments, even during temporary disruptions on the finance market, the Company shall hold a liquidity reserve, the minimum value of which corresponds to at least two months of total payments on the leasing portfolio. The liquidity reserve is held in government bonds and funds in bank accounts.

Operational Risks
TMHCF actively tries to reduce its operational risks, which is possible thanks to well documented routines. The operational risks are reported to the Board of Directors monthly trough the Performance Report.

Public Disclosure of Information According to the Swedish Financial Supervisory Authority's Regulations and General Guidelines

TMHCF discloses periodic information, according to the Swedish Financial Supervisory Authority's regulations, on the Company's website https://toyota-forklifts.eu/globalassets/downloads2/periodic-report.pdf

***Remuneration Policy*[1]**

The Remuneration policy has been approved by TMHCF's Board of Directors and is in compliance with the Swedish Financial Supervisory Authority's regulations regarding remuneration structures in credit institutions, (FFFS 2011:1 updated through FFFS 2014:22).

The basis of the Remuneration policy is an analysis assessing that due to TMHCF's size, operations, and risk taking the Company, in this regard, has to be considered as less complex. The conclusion is derived from the fact that TMHCF's largest risks arise in the credit area and regarding the investment of the Company's excess liquidity. In both these areas, and several others, the Board of Directors has established strict regulations that only allow for limited risk taking.

All employees within TMHCF have the opportunity to receive a yearly bonus (variable remuneration[2]). The rules regulating the bonus are in line with the normal regulation that applies within the Group Toyota Material Handling Europe. TMHCF is one of the smaller entities within the Group, concerning number of employees. A cap for bonus payments is always stated.

The Board of Directors assesses that the criteria for deciding variable remuneration cannot be considered encouraging excessive risk taking. Neither can the maximum amount of aggregated bonuses be considered to limit the Company's ability to maintain a sufficient capital base.

The remuneration to the General Manager and other employees whose actions can have a material impact on the risk exposure of the Company, (i.e. the Credit Manager and employees with credit decision authority, Branch Managers, Risk Manager and Compliance Officer) will be decided by a Remuneration committee appointed by the Board of Directors.

Total expensed remuneration for the fiscal year amounted to TSEK 23 814, whereof TSEK 11 715 refers to the General Manager and employees whose actions can have a material impact on the risk exposure of the Company. The variable remuneration during the financial year, the bonuses, composes TSEK 1 935 of the previously mentioned amounts TSEK 1 436 regards the General Manager and employees whose actions can have a material impact on the risk exposure of the Company. All remuneration has been paid out in the form of salary or in the form of pension provisions.

Cash paid variable remuneration amounted for the year to TSEK 1 098 of which TSEK 825 refers to Managing Director and specially regulated staff.

Proposed Appropriation of Profits

The following is at the disposal of the annual general meeting of Toyota Material Handling Commercial Finance AB (SEK):

Reserves	-4 382 840
Unappropriated profit brought forward	1 549 158 749
Net profit for the year	229 647 688
Total	**1 774 423 597**
The Board of Directors proposes that profits brought forward be distributed as follows	
- to be carried forward	1 774 423 597
Total	**1 774 423 597**

[1] The Swedish Financial Supervisory Authority's definition of *Remuneration*: Payment, either directly or indirectly, from a firm to a person within the scope of their employment (cash salary, other cash remuneration, remuneration in the form of shares or share-linked instruments, pension provisions, severance payments, company cars, etc.)

[2] The Swedish Financial Supervisory Authority's definition of *Variable remuneration*: A portion of the remuneration, normally performance-based, for which the amount or scope is not determined in advance.

Income Statement

Amounts in TSEK		2017/18	2016/17
Interest income	*Note 1,3*	**264 623**	247 768
Interest expenses	*Note 1*	**-119 721**	-124 717
Net interest income	*Note 1,15*	**144 902**	123 051
Net income, financial transactions	*Note 2,3*	**6 270**	1 401
Other operating income	*Note 3*	**10 548**	5 465
Total operating income		**161 720**	129 917
General administrative expenses	*Note 4*	**-65 551**	-58 864
Depreciation of fixed assets		**-197**	-20
Write-downs of fixed assets		**0**	0
Total expenses before credit losses		**-65 748**	-58 884
Profit before credit losses		**95 972**	71 033
Credit losses		**-1 005**	-78
Operating profit		**94 967**	70 955
Appropriations	*Note 5*	**200 000**	220 468
Tax on profit for the year	*Note 6*	**-65 319**	-63 837
Net profit for the year		**229 648**	227 586

The Company's statement of comprehensive income

	2017/18	2016/17
Net profit for the year	**229 648**	227 586
Other comprehensive income		
Items that can be reclassified to net profit for the year		
Translation difference for the year, foreign branches	**-3 570**	-780
Total other comprehensive income	**-3 570**	-780
Total comprehensive income	**226 078**	226 806

Balance Sheet

Amounts in TSEK		2017/18	2016/17
ASSETS			
Chargeable Treasury Bills etc	*Note 7,16,17*	**100 268**	80 268
Lending to credit institutions	*Note 7,8,17*	**265 636**	213 526
Lending to the general public	*Note 7,8,16,17*	**12 657 169**	10 704 536
Intangible assets	*Note 9*	**686**	0
Tangible assets	*Note 9*	**473**	46
Other assets	*Note 10,17*	**632 167**	472 530
Prepaid expenses and accrued income	*Note 11,17*	**5 696**	2 092
Total assets		**13 662 095**	11 472 998
LIABILITIES, PROVISIONS and EQUITY			
LIABILITIES			
Liabilities to credit institutions	*Note 7,16,17*	**6 624 109**	7 385 298
Deposits from the general public	*Note 7,16,17*	**5 038 496**	2 416 601
Other liabilities	*Note 12,17*	**127 775**	49 997
Accrued expenses and deferred income	*Note 13,17*	**40 745**	16 525
Provisions	*Note 14*	**5 019**	4 704
Total liabilities		**11 836 144**	9 873 125
EQUITY			
Share capital		**50 000**	50 000
Statutory reserve		**1 527**	1 527
Profit brought forward		**1 549 159**	1 321 573
Net profit/loss for the year		**229 648**	227 586
Reserves		**-4 383**	-813
Total equity		**1 825 951**	1 599 873
Total liabilities and equity		**13 662 095**	11 472 998

Changes in equity

	Restricted equity		***Non-restricted equity***				
Amounts in TSEK	*Share capital**	*Statutory reserve*	*Fair value reserve*	*Difference after revaluation*	*Profit brought forward*	*Net profit for the year*	**Total equity**
Opening equity 1 April 2016	**50 000**	**1 527**	**1 818**	**-33**	**1 317 232**		**1 370 544**
Retroactive application of change of accounting principle			**-1 818**		**4 341**		**2 523**
Opening equity 1 April 2016 adjusted for the change of accounting principle	**50 000**	**1 527**	**0**	**-33**	**1 321 573**		**1 373 067**
Net profit for the year						**227 586**	**227 586**
Other comprehensive income							
Difference after revaluation				**-780**			**-780**
Total comprehensive income (net after tax)							**226 806**
Closing equity 31 March 2017 adjusted for the change of accounting principle	**50 000**	**1 527**	**0**	**-813**	**1 321 573**	**227 586**	**1 599 873**
Opening equity 1 April 2017	**50 000**	**1 527**	**0**	**-813**	**1 549 159**		**1 599 873**
Net profit for the year						**229 648**	**229 648**
Other comprehensive income							
Difference after revaluation				**-3 570**			**-3 570**
Total comprehensive income (net after tax)							**226 078**
Closing equity 31 March 2018	**50 000**	**1 527**	**0**	**-4 383**	**1 549 159**	**229 648**	**1 825 951**

* The number of shares amounts to 50 000 with a quotient value of SEK 1 000 (share capital divided by number of shares)

Cash Flow Statement

Amounts in TSEK		**2017/18**	2016/17
Cash flow from operating activities			
Operating profit*		**94 967**	70 955
Adjustment for non-cash items:		**-11 261**	990
		83 706	71 945
Income tax paid		**-41 117**	-51 194
Cash flow from operating activities before changes in operating assets and liabilities		**42 589**	20 751
Financial investments		**-89 142**	-20 016
Lending to the general public		**-1 900 522**	-1 529 212
Other assets		**-160 947**	-94 208
Prepaid expenses and accrued income		**-3 604**	779
Changes in the operating activities' assets		**-2 154 215**	-1 642 657
Borrowing from credit institutions		**-761 189**	-594 535
Borrowing from the general public		**2 621 895**	1 845 989
Other liabilities		**53 576**	-13 637
Accrued expenses and deferred income		**22 586**	5 429
Changes in the operating activities' liabilities		**1 936 868**	1 243 246
Cash flow from operating activities		**-174 758**	-378 660
Financial activities			
Received Group contribution, net		**200 000**	150 000
Cash flow financial activities		**200 000**	150 000
Cash flow for the year		**25 242**	-228 660
Cash and cash equivalents at the beginning of the year		**243 643**	472 742
Exchange rate difference in cash and cash equivalents		**9 838**	-439
Cash and cash equivalents at year-end	*Note 8*	**278 723**	243 643

*Annual net interest and rent received and paid amounts to TSEK 146 537 (se Note 15)

Supplementary Disclosure

Adjustment for non-cash items		
Depreciation/amortization	**197**	20
Pension provision	**315**	506
Change in accrued interest income/costs	**1 635**	805
Unrealised exchange rate effects	**-13 408**	-341
	-11 261	990

Supplementary Disclosures

Application of Accounting Principles
Toyota Material Handling Commercial Finance AB (TMHCF) is authorised by the Swedish Financial Supervisory Authority to act as a credit market company, and is thereby subject to the Annual Accounts Act for Credit Institutions and Securities Companies (1995:1556) (ÅRKL).

The Company applies the ÅRKL, the Swedish Financial Supervisory Authority's regulations regarding annual accounts in credit institutions and securities companies, (FFFS 2008:25) in the preparation of its financial reports.

FFFS 2008:25, so-called statutory IFRS, implies that the International Financial Reporting Standards (IFRS), as adopted by the EU, are applicable for the preparation of the financial reports, with limitations and supplements in accordance with RFR 2 Accounting for Legal Entities.

New accounting policies
The accounting policies are unchanged compared with previous years, except for "Accounting for lease contracts". In previous years, the company, with the support of RFR 2, has reported financial leases, as so-called leasing of owned lease objects, according to the accounting rules for operational leasing. All leasing contracts the company has are financial and recognized as financial assets under IAS17 without application of the exception in RFR 2. The accounting policies for leases of owned lease objects are therefore consistent with the accounting principles for other leases where the Company is the lessor. The new accounting principle applies retroactively. The comparison year has been recalculated. This means that cumulative effects before the comparative year are reported against equity. The effect of the change is recognized in equity at the beginning of 2016-04-01 when the new principle is applied. The changed accounting principle means that the lease agreements are reported according to its financial implications, which provides more relevant information.

Due to the changed accounting principle, note 21 is a recalculation of the comparative year.

None of the IFRS or IFRIC interpretations that are for the first time mandatory for the fiscal year beginning after January 1, 2017 have a significant impact on TMHCF's income statement or balance sheet.

New accounting policies *which have not yet been adopted*
In the preparation of the financial statements as of March 31, 2018, a number of standards and interpretations have been published, but not yet become effective. None of these are expected to have a material impact on TMHCF's financial statements.

<u>IFRS 9 Financial Instruments</u>
IFRS 9 "Financial Instruments" regulates classification and valuation including impairment of financial assets and liabilities and hedge accounting. The full version of IFRS 9 was issued in July 2014 and replaces IAS 39. The standard is applicable for fiscal years beginning January 1, 2018, and is adopted by the EU. IFRS 9 is principally compliant with IAS 39, which was rule-based and contains new principles for how financial assets should be classified and valued. What determines the classification, in which valuation category a financial asset relates to is, the company's "business model", the purpose of the holding and the financial asset's contractual cash flow. The regulations deal with classification and valuation, hedge accounting and impairment of financial instruments.

Most of TMHCF's asset portfolio consists of lending to the general public, consisting mainly of leasing and loan receivables to group companies. A limited proportion consists of leasing and loan receivables to external parties through the branches in France, Germany and Italy. The company has defined its business model for these assets such that the assets are held for the purpose of collecting contractual cash flows, and that the agreed terms of the financial assets give rise to cash flows that are solely payments of capital amounts and interest on the outstanding capital amount. This means that TMHCF is to value its assets on the asset side at accrued acquisition value. As the company has previously valued its lending in this way, in accordance with IAS 39, the transition to IFRS 9 does not entail any change in the reporting of these assets.

The Standard's new impairment model for financial instruments simplifies the fact that, at the time of payment of a credit, the company reports an impairment and estimates the expected loan losses, which requires further assessments regarding changed credit risk and forward-looking information unlike today's model based on credit loss events occurring. TMHCF has classified assets and liabilities as well as developed models for calculating expected loan losses in accordance with the new standard. IFRS 9 will entail an early warning and increase of provisions for deferred loan losses and a reduction in equity but will not affect cash flow or underlying credit risk. The impairment model contains a three-step model based on changes in the credit quality of the financial assets. The purpose of the three-step model is to divide the assets into 3 different categories depending on how credit risk has changed since the asset was first recorded in the balance sheet. The model group claims in the following three steps; step 1 working receivables, step 2 receivables whose credit risk is considered to have increased significantly since the first reporting date and step 3 receivables that are considered to be credit impaired due to a loss event. A key factor affecting the size of expected credit losses is the rules governing a credit transfer between steps 1 and 2. TMHCF takes the PD (Probability of Default) into consideration to assess significant risk increases, the change being judged by a combination of absolute and relative changes. In addition, all credits that are more than 30 days late are credited with payment to step 2 if there is a significant risk.

Expected loan losses according to IFRS 9 are calculated by: probability of default (PD) multiplied by exposures (EAD) multiplied by loss-based liability (LGD). For assets in step 1, the calculation of likelihood of default is based on the next 12 months, while for step 2 and 3, the calculation is based on the estimated life of the asset.

The transition to IFRS 9 has the following effects for TMHCF:

Impairment of financial instruments
TMHCF has developed a model for calculating expected loan losses under IFRS 9. The new model is based on exposures in the current portfolio and on its credit quality.

The application of the new impairment rules has a marginal impact on TMHCF's financial statements as the Company has a limited credit risk. Historically the company has a very low credit loss level because the risk exposure is mainly against intra-group companies. The transition to IFRS 9 increases the reserve for doubtful accounts relating to lending by MSEK 1.4 based on external credit exposures. Credit risk against intra-group companies is still expected to be very low based on the fact that the Company has a PD which is low and that LGD is 0 (zero) due to a high level of security in underlying assets. At the same time, current tax receivables increase by 0.3 MSEK and equity decreases by 1.1 MSEK. The company will not apply the transitional rules for capital adequacy purposes.

The company currently does not use hedge accounting, so the company is not affected by the changed rules at the time of transition.

<u>IFRS 16 Leases</u>
IFRS 16 Leases was published in January 2016 and are replacing the former IAS 17 Leases and the related interpretations IFRIC 4, SIC-15 and SIC-27. The accounting of the lessor will in all material aspects be unchanged, but the accounting for lessees will change. There will no longer be a distinction between operating and finance leases, all leases will be recognized on the balance sheet, except for short-term contracts and those of minor value. The accounting is based on the view that the lessee has a right to use an asset for a specific period of time and at the same time an obligation to pay for that right. The standard is effective for financial years beginning on January 1, 2019 or later. TMHE Group will assess the business impact of IFRS 16th.

Significant Assumptions and Estimations
Upon classification of financial assets and liabilities according to the IFRS regulations, the purpose of the holdings has been the decisive factor.

Upon assessment of whether or not accounts receivable are to be considered as doubtful debts, factors such as historical experience, credit ratings and the size of the receivable have been taken into account.

Financial Year
The Company's financial year is 1 April - 31 March.

Accounting for Lease contracts
Whether leases should be viewed as operational or financial is based on an assessment of the economic significance in the contractual terms. If the contractual terms imply that the agreement involves the financing of a purchase of an asset, the contract is classified as financial. If the contractual terms imply that the economic substance is a rent agreement, the lease is classified as operational. The main factor in the assessment of economic significance in the contractual terms in the agreements is a judgment of whether substantially all the risks and benefits of a tangible asset is transferred from the lessor to the lessee. All lease contracts in the company has been assessed as financial. In the annual report they are classified and accounted for, depending upon business model, some as financial leases under IAS17 and some as operational leases, under RFR2.

The company conducts leasing through two types of business structures, which for accounting purposes is handled in two ways. The main part of the company's leasing contracts consists of so-called *back-to-back leasing* with a funder. The second type of leasing contracts relate to so-called *leasing of owned lease objects*. The different types of leasing are accounted for in two ways as follows.

Back to back lease - the Company follows and report according to IAS 17. TMHCF has a lease contract with a funder, as lessee, headlease, and classifies them as financial leases. TMHCF than has a lease contract with a third party as a lessor, the so-called sublease. In the balance sheet the financial assets are reported gross related to the sublease agreements and financial liabilities attributable to the headlease agreement.

Lease contracts as so-called leasing of owned lease objects is the second main group and refers to Leased assets where the Company is the lessor. The lease objects refer to owned fixed assets with an associated lease contract.

Financial lease receivables are initially valued at the present value of future minimum lease payments. Subsequent valuations are done at the present value of the remaining minimum lease minus write-downs. Minimum lease fees are divided between interest income and amortization of the outstanding debt. Interest income is allocated over the lease period so that each accounting period is allocated with an amount corresponding to a fixed interest rate for the respective accounted receivable for the period. Variable fees are recognized as revenue in the periods they arise.

The financial lease liabilities are initially valued at the present value of future minimum lease fees. Subsequent valuations are done at the present value of the remaining minimum lease fees. Minimum lease fees are allocates between interest expense and amortization of the outstanding debt. Interest expense is allocated over the lease period so that each accounting period is allocated with an amount corresponding to a fixed interest rate for the respective accounted liability for the period. Variable fees are expensed in the periods they arise.

Intangible Assets
Intangible assets consist of capitalised expenditure for software and IT systems. The period of amortization is 3-5 years.

Financial Instruments
The Company classifies all of its financial assets in the category "Loan receivables and accounts receivable". According to the definition in IAS 39, loan receivables and accounts receivable are *financial assets which are not derivative, which have fixed payments or payments which can be fixed and which are not listed on an active market.* The Company's loan receivables and accounts receivables are comprised of accounts receivables (Note 11), chargeable treasury bills (Note 19) and liquid assets (Note 9). These are valued at accrued acquisition cost (which is the same as nominal value). Thus far, the Company has not had any need to make provisions for any value depreciation of its accounts receivables, as all outstanding amounts have been received.

Liquid assets include bank account balances and current investments with due dates within 3 months (3) after the date of acquisition. Liquid assets are valued at acquisition cost with additions for accrued interest income.

The Company's financial liabilities are entirely attributed to the group ”Other financial liabilities”. Included in this category are accounts payable (Note 13) which, similar to accounts receivable, are valued at accrued acquisition cost, as well as borrowings from the general public via the Group's internal bank (Note 8). Such loans are valued at acquisition cost with the addition of accrued interest expenses.

Derivatives
Derivative financial instruments are recognized on the contractual date and are valued at fair value, both initially and at subsequent revaluations. In the valuation of the derivatives, the Group's exchange rates are used which are drawn from the Bloomberg on the last business day.

Hedge Accounting
The Company currently does not apply hedge accounting.

Impairment test for write-down of Financial assets
At each reporting date the Company assesses whether there is objective evidence that a financial asset or group of assets are subject for write-downs as a result of one or more events (loss events) after the asset was reported for the first time and that these loss events has an impact on the estimated future cash flows from the asset or group of assets. Objective evidence comprises observable conditions that have occurred and have a negative impact on the ability to recover the acquisition value.

Regarding write-down or reversal of write-down of an asset being leased, the rules for financial leases are used.

Revenue Recognition
The Company reports revenue when the amount can be measured in a reliable manner and when it is likely that future economic benefits will accrue to the Company. Revenue is reported in the amounts expected to be received.

Accounting Principles for Borrowing Costs
Borrowing costs are charged to profit/loss in the period to which they are attributable.

In TMHCF, borrowing costs include the interest portion of the financial lease agreement and interest on borrowing from the general public via the Group's internal bank, Toyota Industries Finance International AB, as well as interest expenses on bank accounts.

Cash Flow Statement
The cash flow statement has been prepared in accordance with the so-called indirect method. Reported cash-flows include only those transactions incurring ingoing, or outgoing payments. Liquid assets refers, aside from cash and bank balances, to short-term financial investments exposed to only insignificant risk of value fluctuation, with a remaining term of shorter than three months from the purchase date.

Transactions in Foreign Currency
The Company's functional currency is SEK.

Assets and liabilities in foreign currency are translated to SEK at the exchange rate on balance sheet date. Exchange rate differences arising during such translation are reported in the income statement.

Branches in Foreign Currency
Business in branches has been recalculated in accordance with the current price method which means that assets and liabilities have been translated to SEK at the exchange rate on balance sheet date. Revenues and costs are recalculated on an average rate for the period they refer to. Translation differences arising on translation of foreign operations are recognized in other comprehensive income and accumulated in a separate component of equity called the translation reserve.

Definition of Key Ratios
Equity/assets ratio: Equity and 78% of untaxed reserves in relation to total assets.

Return on asset: Operating income plus financial income as a percentage of total assets.

Core capital ratio: Core capital in relation to risk-weighted assets, calculated according to legal stipulations.

Pension Commitments
The Company has both defined contribution plans and defined benefit plans. For the defined contribution plans, the Company pays fixed fees to a separate, independent legal entity and, has thereafter, no obligation to the employee to pay additional fees. The Company's profit/loss is charged for such costs at the rate that the benefits are earned which normally coincides with the point in time at which the premium is paid. For other pension plans, when there is an agreement regarding a defined benefit plan, the obligation is not settled until the agreed upon pension amount has been paid.

The Company's pension commitments are not covered by capital from any pension foundation or by subscribed pension insurance, instead, provisions are made in the balance sheet. The Company reports defined benefit plans and defined contribution plans in accordance with the exceptions in RFR 2.2, paragraph 38.

The Company's reported pension liabilities are covered by credit insurance with Försäkringsbolaget Pensionsgaranti.

Memorandum Items
Contingent liabilities are reported in conjunction with the signing of the agreement.

Guarantees, that is, leasing commitments are reported at present value of the remaining leasing payments, including the residual value.

Financial Risks
Information regarding the financial risks identified in the Company, and the manner in which these risks are to be managed, is provided in the administration report.

Appropriations
Received group contribution is presented as appropriations.

Income Tax
Reported income tax includes tax which is to be paid or received regarding the current year, adjustments regarding the previous year's current taxes, and changes in deferred tax.

The valuation of all tax liabilities/receivables takes place at nominal amounts and is carried out according to the tax regulations and tax rates which have been determined, or which are recommended and are likely to be adopted.

For items reported in the income statement, associated tax effects are also reported in the income statement. The tax effects for items reported directly against equity are reported against equity.

Note 1 Net interest income

Amounts in TSEK	**2017/18**	2016/17
Interest income		
Lending to credit institutions	**76**	18
Lending to the general public	**264 247**	246 934
Other interest income	**300**	816
Total interest income	**264 623**	247 768
of which interest income from Group companies	**166 822**	194 273
Interest expenses		
Liabilities to credit institutions	**-97 356**	-115 034
Interest expenses for borrowing from the general public	**-21 101**	-7 614
Other interest expenses	**-1 264**	-2 069
Total interest expenses	**-119 721**	-124 717
of which interest expenses to Group companies	**-21 101**	-7 614
Total net interest income	**144 902**	123 051

All interest income and interest expenses are attributable to instruments measured at amortized cost or fair value.

Note 2 Net result of financial transactions

Amounts in TSEK	**2017/18**	2016/17
Exchange rate fluctuations	**6 270**	1 401
Total net result of financial transactions	**6 270**	1 401
of which exchange rate fluctuations of loans, receivables,	**6 270**	1 401

Note 3 Distribution of income by geographical market

The sum of the income statement items, Interest income, Net results of financial translations and Other operating income are distributed over the following geographical markets:

Amounts in TSEK	**2017/18**	2016/17
Interest income	**264 623**	247 768
Sweden	**27 707**	13 636
Rest of Nordic region	**34 734**	32 887
Rest of Europe	**202 182**	201 245
Net result financial transactions	**6 270**	1 401
Sweden	**6 270**	1 401
Rest of Europe	**0**	0
Other operating income	**10 548**	5 465
Sweden	**2 746**	3 994
Rest of Nordic region	**1 625**	2 027
Rest of Europe	**6 177**	-556
Total	**281 441**	254 634

Note 4 General administrative expenses

Amounts in TSEK	**2017/18**	2016/17
Personnel costs [1)]	**-35 279**	-32 628
Costs for premises	**-829**	-481
Other administrative expenses [4)5)6)]	**-29 443**	-25 755
Total general administrative expenses	**-65 551**	-58 864
[1)] **Of which salaries, remunerations and social security contributions**		
Remuneration to members of the Board	**0**	0
Remuneration to the Managing Director [2)]	**-2 176**	-2 015
Salaries to other employees	**-21 638**	-18 805
Social security contributions	**-7 576**	-6 627
Pension costs [3)]	**-3 205**	-2 983
Total salaries, remunerations and social security contributions	**-34 595**	-30 430

[2)]Of which variable remuneration 246 TSEK (211)

[3)]Of which Managing Director, present and previous officers 283 TSEK (283)

[4)] During the period of 1 April 2017 to 31 March 2018 the company was invoiced for hiring staff to an amount of 3 732 TSEK

[5)] Remuneration for consultancy services to the board member Göran Åseborn amounted to 132 TSEK (144).

Note 4 General administrative expenses, continuing

Remuneration to senior management

According to the decision of the AGM no fees are paid to the Board. Salary to the CEO consists of a fixed and variable portion. Compensation for consultancy services to directors who are not part of the top management were paid a total of 132 TSEK (144), which refers Goran Åseborn. The number of board members who are not part of the senior management amounted 2018-03-31 to four.

Average number of employees	**2017/18**	2016/17
Average number of employees	**35**	32
of whom men, %	**46**	47

[6] **Remuneration to the Company's auditors**

Amounts in TSEK	**2017/18**	2016/17
Öhrlings PricewaterhouseCoopers		
Audit fees	**-463**	-686
Audit related fees	**-65**	0
Tax advice	**-675**	-772
Other assignments	**-100**	0
Total remuneration to the Company's auditors	**-1 303**	-1 458

Note 5 Appropriations

Amounts in TSEK	**2017/18**	2016/17
Received Group contribution	**200 000**	200 000
Reversal of accelerated depreciation	**0**	20 468
Total	**200 000**	220 468

Note 6 Tax on profit for the year

Amounts in TSEK	**2017/18**	2016/17
Income before tax	**294 967**	291 423
Income tax calculated in accordance with national tax rate	**64 893**	64 113
Tax deductions attributable to income not subject to tax	**-59**	-332
Tax charge attributable to expenses not deductible for tax purposes	**485**	16
Tax attributable to previous years	**0**	40
Total	**65 319**	63 837

Note 7 Information on durations

Amounts in TSEK	**Remaining duration**					
2017/18	Payable upon request	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 year	> 5 year	**Total**
Charegable Treasury Bills etc	0	60 000	40 000	268	0	**100 268**
Lending to credit institutions	265 636	0	0	0	0	**265 636**
Lending to the general public*	13 087	930 368	2 791 254	8 540 377	382 083	**12 657 169**
Liabilities to credit institutions	0	621 235	1 667 019	4 219 275	116 580	**6 624 109**
Deposits from the gen. public**	259 127	252 392	682 459	3 555 368	289 150	**5 038 496**

* of which financial leasing receivables 12 644 082. From "lending to the general public" refers 11 779 924 to Group companies.

** of which Group companies 5 038 527

2016/17	Payable upon request	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 year	> 5 year	Total
Charegable Treasury Bills etc	0	60 000	20 000	268	0	**80 268**
Lending to credit institutions	213 526	0	0	0	0	**213 526**
Lending to the general public*	30 118	780 988	2 226 122	7 378 612	288 696	**10 704 536**
Liabilities to credit institutions	0	617 991	1 738 730	4 903 426	125 151	**7 385 298**
Deposits from the gen. public**	0	128 027	362 818	1 770 499	155 258	**2 416 602**

* of which financial leasing receivables 10 674 416. From "lending to the general public" refers 10 159 395 to Group companies.

** of which Group companies, 2 416 601

Note 8 Liquid assets

Included in liquid assets in the balance sheet and cash flow statement is the following:

Amounts in TSEK	**2017/18**	2016/17
Balances in bank accounts and Group accounts in banks*	**278 723**	243 643
Short-term deposits in Group companies	**0**	0
Total	**278 723**	243 643

* included in the balance sheet under the item lending to credit institutions and lending to the general public

Note 9 Intangible and tangible fixed assets

Intangible fixed assets

Amounts in TSEK	**2017/18**	2016/17
Opening acquisition cost	**2 413**	2 413
Investments for the year	**750**	0
Closing accumulated acquisition cost	**3 163**	2 413
Opening accumulated amortisation according to plan	**-2 413**	-2 413
Amortisation for the year according to plan	**-64**	0
Closing accumulated amortisation according to plan	**-2 477**	-2 413
Residual value according to plan	**686**	0

Tangible fixed assets

Amounts in TSEK	**2017/18**	2016/17
Opening acquisition cost	**437**	437
Purchases during the year	**574**	0
Closing accumulated acquisition cost	**1 011**	437
Opening accumulated depreciation	**-391**	-391
Depreciation for the year	**-147**	0
Closing accumulated depreciation	**-538**	-391
Residual value	**473**	46

Note 10 Other assets

Amounts in TSEK	**2017/18**	2016/17
Accounts receivable - trade [1)]	**17 198**	13 875
VAT recoverable	**409 002**	249 730
Other	**205 967**	208 927
Total	**632 167**	472 532
of which Group companies	**206 495**	208 275

[1)] Age analysis, matured but not doubtful debts include

Matured less than 1 month	**173**	7 646
Matured 1-2 months	**369**	0
	542	7 646

Note 11 Prepaid expenses and accrued income

Amounts in TSEK	**2017/18**	2016/17
Accrued interest income	**0**	0
Other accrued income and prepayments	**5 696**	2 092
Total	**5 696**	2 092
of which Group companies	**0**	0

Note 12 Other liabilities

Amounts in TSEK	**2017/18**	2016/17
Accounts payable - trade	**68 665**	26 158
Tax liabilities	**35 860**	15 213
VAT liabilities	**0**	1 714
Other	**23 250**	6 912
Total other liabilities	**127 775**	49 997
of which Group companies	**43 494**	10 787

Note 13 Accrued expenses and deferred income

Amounts in TSEK	**2017/18**	2016/17
Accrued interest expenses	**2 681**	1 046
Accrued statutory fee	**3 218**	2 430
Pre-payed rent	**16 330**	1 175
Accrued expenses and deferred income	**18 516**	11 874
Total accrued expenses and deferred income	**40 745**	16 525
of which Group companies	**2 681**	1 046

Note 14 Provisions

Amounts in TSEK	**2017/18**	2016/17
Provisions for pensions and similar commitments	**5 019**	4 704
Total provisions	**5 019**	4 704
of which credit insured via FPG	**5 019**	4 704

TMHCF AB's pension liabilities amounted to TSEK 5 019 as of 31 March 2017 (4 704). 2 percent of pension liabilities, i.e. TSEK 100 (92) is reported as an obligation to FPG (Försäkringsbolaget Pensionsgaranti).

Note 15 Interest and rent which has been received and paid

Amounts in TSEK	**2017/18**	2016/17
Interest received	**264 623**	247 768
Interest paid	**-118 086**	-123 912
Net interest and rent which has been received and paid	**146 537**	123 856

Note 16 Assets and liabilities in foreign currencies

Amounts in TSEK	**2017/18**	2016/17
Assets	**11 611 022**	9 362 547
Liabilities	**-11 139 058**	-9 323 118
Net difference in foreign currencies	**471 964**	39 429

Not 17 Financial assets and liabilities

Amounts in TSEK

	Loan receivables and accounts receivable	**Derivatives used for hedging purposes**	**Other financial liabilities**	**Total book amount**	**Fair value**
Chargeable Treasury Bills etc	100 268	0	0	100 268	100 268
Lending to credit institutions	265 636	0	0	265 636	265 636
Lending to the general public	12 657 169	0	0	12 657 169	12 657 169
Prepaid expenses and accrued income	630 920	0	0	630 920	630 920
Other financial assets	5 696	0	0	5 696	5 696
Derivatives assets	0	1 247	0	1 247	1 247
Total	**13 659 689**	**1 247**	**0**	**13 660 936**	**13 660 936**
Liabilities to credit institutions	0	0	6 624 109	6 624 109	6 624 109
Borrowing from the general public	0	0	5 038 496	5 038 496	5 038 496
Other liabilities	0	0	105 668	105 668	105 668
Accrued expenses and deferred income	0	0	40 745	40 745	40 745
Derivatives liabilities	0	22 107	0	22 107	22 107
Total	**0**	**22 107**	**11 809 018**	**11 831 125**	**11 831 125**

Not 18 Pledged assets

Amounts in TSEK	**2017/18**	2016/17
Pledged assets		
Deposits for other own commitments		
Deposits in the Swiss central bank	**268**	253

Note 19 Guarantees

Amounts in TSEK	**2017/18**	2016/17
SEB Leasing Ltd	**0**	42 788
SEB Leasing & Factoring GmbH	**0**	6 654
Total guarantees	**0**	49 442

Since 1 January 2004, TMHCF AB has guaranteed its fellow subsidiary, BT Rental Ltd's, leasing commitments with financiers in the UK. Since 1 October 2005, TMHCF AB has guaranteed its fellow subsidiary, TMH Deutschland GmbH's leasing commitments with financiers in Germany.
During the finacial year 2017/18 all leasing contracts have been terminated.

Note 20 Transactions with related parties

Amounts in TSEK

Transactions with companies within the Group are presented below:

	Income	**Expenses**	**Receivables**	**Liabilities**
2017/18			**2017-03-31**	**2017-03-31**
Parent Company (TMHE AB)	0	901	200 000	1 324
Other Group companies	243 070	21 210	11 786 419	5 083 465
Total	**243 070**	**22 111**	**11 986 419**	**5 084 789**

	Income	**Expenses**	**Receivables**	**Liabilities**
2016/17			**2017-03-31**	**2017-03-31**
Parent Company (TMHE AB)	0	3 008	200 000	624
Other Group companies	227 781	9 202	7 497 694	2 425 893
Total	**227 781**	**12 210**	**7 697 694**	**2 426 517**

For information regarding remuneration to senior management, se note 4.

Not 21 Change of accounting principle - recalculation previous year

Amounts in TSEK	2016/17	Increase/ Decrease	2016/17 recalculated
Interest income	200 877		200 877
Leasing income	471 171	-424 280	46 891
Interest expenses	-124 717		-124 717
Net interest income	547 331		123 051
Net income, financial transactions	6 734	-5 333	1 401
Other operating income	5 465		5 465
Total operating income	559 530		129 917
General administrative expenses	-58 864		-58 864
Depreciation of fixed assets	-424 300	424 280	-20
Write-downs of fixed assets	0		0
Total expenses before credit losses	-483 164		-58 884
Profit before credit losses	76 366		71 033
Credit losses	-78		-78
Operating profit	76 288		70 955
Appropriations	220 468		220 468
Tax on profit for the year	-65 010	1 173	-63 837
Net profit for the year	231 746	-4 160	227 586
The Company's statement of comprehensive income			
Net profit for the year	231 746		227 586
Other comprehensive income			
Items that can be reclassified to net profit for the year	-780		-780
Translation difference for the year, foreign branches	-9 781	9 781	0
Differences in fair value on Cash flow hedges	-10 561		-780
Total comprehensive income	221 185	5 621	226 806

Toyota Material Handling Commercial Finance AB (translation)
Corporate identity number 556032-5002

Amounts in TSEK	31 March 2017	Increase/ Decrease	31 March 2017 recalculated	31 March 2016	Increase/ Decrease	1 April 2016 recalculated
ASSETS						
Chargeable Treasury Bills etc	80 268		80 268	60 253		60 253
Lending to credit institutions	213 526		213 526	416 751		416 751
Lending to the general public	10 709 869	-5 333	10 704 536	8 107 169	1 094 029	9 201 198
Intangible assets	0		0	0		0
Tangible assets	46	0	46	1 090 824	-1 090 794	30
Other assets	472 530		472 530	328 358		328 358
Prepaid expenses and accrued income	2 092		2 092	2 871		2 871
Total assets	11 462 608	-5 333	11 472 998	10 006 226	3 235	10 009 461
LIABILITIES, PROVISIONS and EQUITY						
LIABILITIES						
Liabilities to credit institutions	7 385 298		7 385 298	7 979 833		7 979 833
Deposits from the general public	2 416 601		2 416 601	570 612		570 612
Other liabilities	51 170	-1 173	49 997	50 280	712	50 992
Accrued expenses and deferred income	16 525		16 525	10 291		10 291
Provisions	4 704		4 704	4 198		4 198
Total liabilities	9 870 879	-1 173	9 873 125	8 615 214	712	8 615 926
Untaxed reserves						
Accelerated depreciation	0		0	20 468		20 468
Total untaxed reserves	0		0	20 468		20 468
EQUITY						
Share capital	50 000		50 000	50 000		50 000
Statutory reserve	1 527		1 527	1 527		1 527
Profit brought forward	1 321 573		1 321 573	1 135 838		1 135 838
Net profit/loss for the year	231 746	-4 160	227 586	181 394	4 341	185 735
Reserves	-813	0	-813	1 785	-1 818	-33
Total equity	1 591 729	-4 160	1 599 873	1 370 544		1 373 067
Total liabilities and equity	11 462 608	-5 333	11 472 998	10 006 226	3 947	10 009 461

Our annual report was presented on

Mjölby,

Lars Hägerborg	Sotirios Asimakopoulos
Chairman of the Board	*Managing Director*
Stefan Gradenwitz	Kuniaki Matsumoto

Göran Åseborn

Our audit report was submitted on

Öhrlings PricewaterhouseCoopers AB

Sofie Nordenborg

Auditor in charge