KYOCERA UNIMERCO A/S

Drejervej 2, 7451 Sunds, Denmark
Company reg. no. 26 77 69 10

Annual Report for the period
1 April 2015 – 31 March 2016

Approved at the General Meeting 29.06.2016

Chairman: Ditte Simonsen

COMPANY DETAILS

KYOCERA UNIMERCO A/S
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Company reg. no.:	26 77 69 10

Core activities
KYOCERA UNIMERCO is a consulting, sales, manufacturing and service company within cutting tools for manufacturers, measuring and calibration, and fastening products for the building and construction industries.

Ownership structure
The company is 100% owned by:
KYOCERA Fineceramics GmbH, Germany

Board of Directors
Ken Ishii, Chairman
Shigeru Koyama
Koichi Kano
Senri Nagashima
Anders Hegaard
Peer Ditlev
Lise Rahbek Laursen

Management
Shigeru Koyama, Chairman
Senri Nagashima, President
Anders Hegaard, Vice President

Financial year
1 April – 31 March

Auditors
PricewaterhouseCoopers

Bankers
Danske Bank

Lawyers
PLESNER, Copenhagen

General Meeting
The company's General Meeting will be held in the company's office Wednesday 29 June 2016.

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KEY FIGURES

DKK '000	10/12 18 months	12/13	13/14 *	14/15	15/16
Revenue	979.088	660.446	907.240	944.596	1.013.475
Expenses	868.490	617.615	814.816	842.765	936.710
EBITDA	171.760	87.608	134.096	140.256	120.282
EBIT	110.598	42.831	92.424	101.831	76.765
Financial items	-4.855	-2.042	-3.977	1.088	-3.283
EBT	105.743	40.789	88.447	102.919	73.482
Net profit	74.669	28.105	63.435	73.146	49.697
Fixed assets	312.353	291.740	271.012	244.776	254.929
Current assets	327.876	361.583	486.518	522.453	509.224
Total assets	640.229	653.323	757.530	767.229	764.153
Share capital	152.766	152.766	153.000	153.000	153.000
Equity	411.187	437.923	530.487	620.572	627.926
Provisions	34.432	31.978	28.623	27.002	22.075
Non-current liabilities	93.767	86.262	2.584	2.439	2.568
Current liabilities	100.843	97.160	195.836	117.216	111.584
Cash flow from operating acitivities	119.463	78.257	80.926	90.714	71.734
Cash flow from investing activities	1.916	-22.988	-23.413	-1.430	-52.636
Of this investment in tangible fixed assets	*-31.485*	*-19.119*	*-16.807*	*-12.915*	*-22.268*
Cash flow from financing activities	-116.055	-22.841	-12.608	-142.023	-22.699
Change in cash for the year	5.324	32.428	44.905	-52.739	-3.601
Cash, end of period	110.005	143.249	183.631	139.884	131.845
Average no. of employees	513	528	582	589	662
No. of employees, end of period	528	548	591	590	681
Profit margin	11,3	6,5	10,2	10,8	7,6
Return on invested capital p.a.	17,6	10,6	24,3	23,6	15,1
Gross margin ratio	38,9	38,6	38,6	38,9	37,2
Return on equity p.a.	12,6	6,6	13,1	12,7	8,0
Equity ratio	64,2	67,0	70,0	80,9	82,2

* Pooling of interest method after group internal business combination should have resulted in correction of comparative figures. However, due to lack of data the comparative figures for 10/12 and 12/13 have not been updated.
The financial ratios have been prepared in accordance with the Danish Society of Financial Analysts' guidelines concerning the calculation of financial ratios.

GROUP MANAGEMENT REPORT

This year, the Group's revenue exceeded DKK 1 billion for the first time in the company's history and ended at DKK 1.013 million. The profit before tax ended at DKK 74 million. The largest part of the revenue comes from markets outside Denmark, and in 2015/2016, 78,3% of the revenue came from markets outside Denmark.

Our markets remain stagnant or very slowly growing, and we expect this to continue the coming years. Thus, our future growth must still come from our own efforts and further investment. We consider both revenue and profit to be at a satisfactory level given the large investments made in 2015/2016.

Development in revenue

The revenue of DKK 1.013 represents a growth rate of 7,2% compared to 2014/2015. We consider this rate satisfactory, being much higher than the overall market growth rate. Our Tooling and Fastening divisions both saw growth compared to 2014/2015 – by 7,4% and 6,4%, respectively.

Development in profit

Profit before tax decreased from DKK 103 million to DKK 74 million. The reduction in profit is due to unfavorable currency development and the fact that, during the year, we have invested significantly in market development, both from an organizational point of view and a product point of view, since we consider this strategically important for the future growth of the Group.

Acquisitions and investment

This year, we have invested DKK 35 million, representing the highest investment level since Kyocera became owner in 2011.

We have established an e-commerce platform, which is implemented step by step in most of the countries where we are active. We consider this a very important support to our market activities. Currently, the solution is active in Denmark, Sweden, Norway and Finland.

During the year, we have set up 3 new companies:

KYOCERA BILGINOGLU Precision Tools Industry & Trade A.S.
In April, we started a joint venture in Turkey with Bilginoglu, which has been a local partner for Kyocera Group during more than 20 years. We consider the Turkish market a very interesting growth market for a number of our segments. We have had a good start in 2015/2016 and expect significant growth in the Turkish market over the coming years. In the coming year, we expect to establish a technical center in Turkey to further support our growth in this market. The company has 13 employees.

Garsdalo Medienos Technologija UAB
In May, we acquired the Lithuanian company Garsdalo, which has been a long-term partner of the Group. This was an important step for the Group to get a production footprint in Eastern Europe, and the company has developed satisfactorily during its first year as part of the Group. This year, we have implemented the Group's IT systems in Garsdalo, and we expect significant synergies in the future. The company has 47 employees.

KYOCERA UNIMERCO Tooling S.r.l.
In June, we set up a sales company in Milan, Italy, as our activities had reached a level where a company was required to support the continued growth of activities in Italy. The company has 4 employees.

GROUP MANAGEMENT REPORT

Equity and liquidity

Equity has been increased by DKK 5 million, from DKK 621 million to DKK 626 million. Profit for the year has increased the equity by DKK 49 million, while exchange rate adjustment of the equity in the subsidiaries has decreased the equity by DKK 19 million. Dividend payment has reduced equity by DKK 25 million. The equity ratio is 82%.

Liquidity has decreased from DKK 140 million to DKK 132 million.

Since the balance sheet date, there have been no significant occurrences.

Risks

The Group has companies and activities in several countries, which means that profit, cash flow and equity are impacted by foreign exchange rates and interest developments for a number of currencies. Basically, the Group does not hedge neither commercial currency risks nor currency risk relating to investment in subsidiaries or joint ventures. The Group does not enter into speculative currency or interest hedging.

The liquidity risk is limited, since the Group has a high equity ratio, cash on hand, and access to internal financing in Kyocera Group if needed.

Product and process development, environment and education

During the year, the company has expanded its competency, capacity and capability in relation to developing new products and new versions of existing solutions. This mainly happens in development projects together with large international customers.

As regards environment and quality, all certified Tooling companies in the Group have retained their ISO and environmental certificates in all audits.

The company's education and competence level has improved this financial year, partly due to new employments and partly due to internal education activities.

Mandatory statement on social responsibility under section 99(a) of the Danish Financial Statements Act

Please refer to the 2016 CSR report of the ultimate parent company Kyocera Corporation, which is prepared in accordance with the UN Global Compact guidelines. The report can be obtained from the Kyocera Group website on the following link: http://global.kyocera.com/ecology/catalog.html.

Mandatory statement on the underrepresented gender under section 99(b) of the Danish Financial Statements Act

The company has set the goal that 40% of the board members should be female in 2019. During the financial year, the board was expanded with the president and vice president, who are both male. The purpose was to comply with Kyocera's policy, which requires that the members of the board of management are also members of the board of directors. At present, one out of seven board members is female.

Since the company has less than 50 employees, and since each subsidiary accounts for its own policy and activity to increase the number of women in the management group, the company is exempted to account for its policy on increasing the number of women in the management group.

Expectations for the coming year

The general market conditions seem to continue to be weak, and future growth will mainly come from increased market shares. We expect to be able to increase both sales and profit next year between 4% and 10%.

GROUP MANAGEMENT REPORT

General Meeting and dividend

The Annual General Meeting will be held on 29 June 2016 at the Group's head office at Drejervej 2, DK-7451 Sunds, Denmark.

The Board of Directors will propose to the Annual General Meeting that DKK 16,619,000 be distributed as dividend for the 2015/16 financial year.

MANAGEMENT'S STATEMENT

The Board of Directors and the Management have today considered and adopted the Annual Report of KYOCERA UNIMERCO A/S for the financial year 1 April 2015 - 31 March 2016.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act.

We consider the accounting policies applied appropriate, and thus the Annual Report provides a true and fair view of the Company's and the Group's assets, liabilities and financial position as of 31 March 2016, and of the results of the Company's and the Group's activities and the Group's cash flows for the period 2015/16.

We are also of the opinion that the Management's report provides a true and fair account of the development in the Group's and the Company's activities and financial conditions, profit for the year and the Group's and the Company's financial position.

We recommend the Annual Report for adoption at the General Meeting.

Sunds, 29 June 2016

Management

Shigeru Koyama Chairman	Senri Nagashima President	Anders Hegaard Vice President

Board of Directors

Ken Ishii Chairman	Shigeru Koyama	Koichi Kano
Senri Nagashima	Anders Hegaard	
Peer Ditlev	Lise Rahbek Laursen	

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of KYOCERA UNIMERCO A/S

Report on Consolidated Financial Statements and Parent Company Financial Statements

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of KYOCERA UNIMERCO A/S for the financial year 1 April 2015 to 31 March 2016, which comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes for both the Group and the Parent Company, as well as consolidated cash flow statement. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility for the Consolidated Financial Statements and the Parent Company Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of Consolidated Financial Statements and Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements in accordance with Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Consolidated Financial Statements and the Parent Company Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements and the Parent Company Financial Statements. The audit procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements and the Parent Company Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Consolidated Financial Statements and the Parent Company Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The audit has not resulted in any qualification.

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Company at 31 March 2016 and of the results of the Group and Company operations as well as the consolidated cash flows for the financial year 1 April 2015 - 31 March 2016 in accordance with the Danish Financial Statements Act.

INDEPENDENT AUDITOR'S REPORT

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Consolidated Financial Statements and the Parent Company Financial Statements. On this basis, in our opinion, the information provided in Management's Review is consistent with the Consolidated Financial Statements and the Parent Company Financial Statements.

Århus, 29 June 2016

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-nr. 33 77 12 31

Henrik Trangeled Kristensen State Authorised Public Accountant	Hans Jørgen Andersen State Authorised Public Accountant

ACCOUNTING POLICIES

Basic principles
The Annual Report for KYOCERA UNIMERCO A/S for 2015/16 is presented in accordance with the requirements of the Danish Financial Statements Act for class C companies (large).

The accounting policies applied in this Annual Report are unchanged from last year.

In general
Assets are recognised in the balance sheet when it is probable that future economic benefits will accrue to the company and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet when they are probable and when they can be measured reliably.

Initial recognition of assets and liabilities is done at cost price. Subsequently, assets and liabilities are measured as described below for each item.

Certain financial assets and liabilities are measured at amortised cost price, which means a constant true interest is recognised. Amortised cost is calculated as initial cost less any instalments and addition/deduction of the accumulated amortisation of the difference between cost and nominal value. Consequently, the capital gains and losses are allocated over the expected useful lives.

When recognising and measuring, allowance is made for any profits, losses and risks that become known before the financial statements are presented and which confirm or deny conditions, which existed on the balance sheet date.

Income is recognised in the income statement when earned – this includes recognition of value adjustments of financial assets and liabilities which are measured at fair value or amortised cost. Furthermore, all costs incurred to achieve the profit for the year – including depreciation, write-downs and provisions – are recognised in the income statement along with reversal of amounts, which have previously been recognised in the income statement, due to changes in accounting estimates.

Consolidated financial statements
The consolidated financial statements comprise the parent company KYOCERA UNIMERCO A/S and the subsidiaries in which the Group holds more than 50% of the voting rights or, in any other way, holds controlling interest. Companies in which the Group holds between 20% and 50% of the voting rights and has a significant but not a controlling interest are considered as associated companies. In the process of consolidation, intra-group income and expenses, shareholdings, dividends, balances and unrealised intra-group profits and losses have been eliminated.

The accounting principles applied in the foreign subsidiaries have been adjusted to the Group's accounting principles.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets or liabilities at the acquisition date.

Recently acquired subsidiaries are included in the consolidated financial statements as from the date of acquisition. Companies sold are included until the date of sale. Comparative figures are not adjusted for newly acquired or sold companies.

Purchases of new companies are accounted for using the purchase method of accounting, according to which the assets and liabilities of the newly acquired companies are measured at fair value at the time of acquisition. Provision is made for liabilities relating to any restructurings decided and published in the acquired company in connection with the purchase. Account is taken of the tax effect of the undertaken revaluations.

ACCOUNTING POLICIES

Positive balances (goodwill) between the cost and fair value of identified assets and liabilities acquired, including restructuring provisions, are recognised under intangible assets and amortised systematically through the income statement based on an individual assessment of the economic life of the asset.

Negative balances (negative goodwill) reflecting an anticipated unfavourable trend in the companies concerned are offset against positive balances and subsequently recognised in the income statement in line with the realisation of the unfavourable trend.

Group internal business combinations
The pooling of interest method is applied on investments and divestures, mergers etc. of participating companies under the control of the parent company. Differences in the amounts between the cost price and the booked value of the acquired business are recognized directly in equity. Comparative figures are adjusted in accordance with the business combination.

Translation of foreign currency
Transactions in foreign currency during the year have been booked during the year at the exchange rate effective on the date of transaction. Exchange differences arising from the difference between the exchange rate on the transaction date and the exchange rate prevailing at the balance sheet date are recognised in the income statement.

Receivables, payables and other monetary items in foreign currency, which have not been settled on the balance sheet date, are translated using the closing rate. The difference between the exchange rate of the balance sheet date and the exchange rate when the receivable or debt was incurred or recognised in the latest annual report is recognised in the income statement under financial items.

Non-current assets purchased in foreign currency are translated using the rate of exchange on the date of transaction.

Foreign subsidiaries and associated companies are considered as independent units. When recognising foreign subsidiaries and associated companies, the income statement is translated using the average exchange rate for the month. The balance sheet items are translated using the closing rate. Exchange rate differences deriving from translation of the foreign companies' equity at the beginning of the financial year using the closing rates, and the differences owing to the translation of income statements from the date of transaction to closing rates, are all recognised directly in the equity.

Derivative financial instruments
Derivative financial instruments are initially recognised in the balance sheet at cost and subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are recognised in other receivables or other payables.

Changes in the fair value of derivative financial instruments, which meet the criteria of fair value hedging of a recognised asset or a recognised liability, are recognised in the income statement together with any changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments, which meet the criteria of hedging of future assets or liabilities, are recognised in other receivables or other payables, as well as in equity. Earnings and expenses related to such hedging transactions are transferred from equity when the hedged position is realised and subsequently recognised in the same item as the hedged position.

For derivative financial instruments, which do not qualify as hedging instruments, changes are recognised at market value in the income statement on a continuing basis.

ACCOUNTING POLICIES

Income statement

Revenue
The revenue related to goods for resale and manufactured goods is recognised in the income statement provided that delivery and passing of the risk have taken place before the end of the financial year, and provided that the income can be stated reliably and is expected to be received. Revenue is recognised ex. VAT, taxes and discounts related to sales.

Production expenses
Production expenses comprise expenses, including depreciation salaries/wages, incurred to achieve the revenue for the year. The trading activities include cost of sales, and the manufacturing activities include production expenses corresponding to the revenue for the year.

Production expenses also include R&D expenses that do not meet the criteria for capitalisation, along with depreciation on capitalised development expenses.

Distribution expenses
Distribution expenses comprise expenses regarding sales and distribution personnel, market development expenses, other sales promotion expenses, expenses related to sales risks, etc., including depreciation.

Administrative expenses
Administrative expenses comprise expenses regarding administrative staff, management and office expenses, etc., including depreciation. Administrative expenses also comprise other overheads regarding IT, including technical IT, human resource development, training and education and the company canteen.

Other operating income and expenses
Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the enterprises, including gains and losses on the sale of intangible assets and property, plant and equipment.

Profit or loss on investments in subsidiaries
The income statement of the parent company recognises the proportionate share of the profit or loss after tax of each individual subsidiary after full elimination of intercompany gains/losses.

Financial items
Financial income and expenses include interest income and expenses, exchange gains and losses on securities, amortisation of financial assets and liabilities, as well as surcharges and allowances under the tax prepayment scheme.

Tax on profit for the year
Tax for the year, which includes the year's anticipated tax liability on taxable earnings and changes in deferred tax, is recognised in the income statement with the share that is directly attributable to the result for the year and directly on equity with the share, which can be attributed to entries made directly to the equity.

The parent company is taxed jointly with the Danish subsidiaries, and some of the foreign subsidiaries continue to influence the joint taxation. Provisions are made for full tax in all Danish subsidiaries. The difference between the calculated tax on income subject to joint taxation and the tax provided for in the subsidiaries is provided for in the financial statements of the parent company.

Government grants
Government grants are included in the income statement when it is certain that the conditions have been met and that the government grants will be received. Government grants are recognised as income over a period of time corresponding to the equivalent costs.

ACCOUNTING POLICIES

Balance sheet

Intangible fixed assets

Development costs
Development costs comprise costs, wages/salaries and amortisations which can be directly or indirectly attributed to the company's development activities.

Clearly defined and identifiable development projects, for which the technical rate of utilisation, sufficient resources and a potential future market or development opportunity within the company can be demonstrated, and where it is the intent to manufacture, market or use the project, will be recognised as intangible fixed assets provided that the cost price can be measured reliably and provided that there is a sufficient degree of certainty that the future earnings can cover costs for production, sales and administration as well as costs for development.

Other development costs are recognised as costs in the income statement when incurred.

Capitalised development projects are measured at cost less accumulated depreciation or recoverable amount if this is lower.

Upon completion of the development work, recognised development costs are amortised using the straight-line method over the estimated economic useful life.

The amortisation period is 3-5 years.

Acquired rights
Patents and trademarks are measured at cost price with the deduction of accumulated depreciation and write-downs. Patents and trademarks are amortised on a straight-line basis over the expected useful life.

Depreciation of investments in software purchased to improve and streamline routines, processes, etc., is amortised on a straight-line basis over a period of 5 years. Software upgrades and updates are written off immediately.

Goodwill
Goodwill is amortised over its expected economic life, which is determined on the basis of management's experience within the individual business areas. Goodwill is amortised on a straight-line basis over the period of amortisation.

The amortisation period for goodwill currently capitalised equals 3-10 years.

Tangible fixed assets
Plant and equipment are measured at acquisition cost less accumulated depreciation. Land is not depreciated.

Interest related to loans financing production of tangible fixed assets, and which concerns the production period, is recognised in the income statement.

Depreciation on buildings and installations is carried out on a straight-line basis over the estimated useful lives of the assets, which have been fixed at 25 years.

Plant and machinery as well as vehicles, fixtures, fittings, tools and equipment are depreciated over 5 years with the following profile in per cent of the cost value:

ACCOUNTING POLICIES

Year 1:	40.0%
Year 2:	24.0%
Year 3:	14.4%
Year 4:	10.8%
Year 5:	10.8%

However, desktop computers and laptops are depreciated over 3 years using the straight-line method.

Assets for sale
Tangible fixed assets available for sale are classified as receivables. They are transferred from fixed assets at cost price less accumulated depreciations. After transfer, no deprecations are made - but a write-down to net realization value, if that is lower than cost less accumulated depreciations.

Lease agreements
At the time of purchase, financially leased assets are recognised in the balance sheet at market value or at the current value of the future lease payments, if lower. When calculating the current value, the lease agreement's internal rate of return is used as discount factor, or an approximate value for this. Financially leased assets are depreciated as other tangible fixed assets.

Decrease in value of assets
The accounting values of tangible as well as intangible fixed assets are calculated annually for indications of decrease in value beyond that which is expressed by depreciation. If there are indications of decrease in value, impairment tests are made of each individual asset or group of assets. The assets are written down to recoverable amount if this is lower than the accounting value.

Fixed asset investments
Investments in subsidiaries are measured at equity value in the balance sheet of the parent company with additions or deductions of intra-group profits or losses and non-amortised goodwill calculated according to the acquisition method.

Investments in associated companies are measured at the proportionate share of the equity value in the balance sheets of the parent company and the Group in accordance with the Group's accounting policies, with additions or deductions of unrealised profits or losses and non-amortised goodwill calculated according to the acquisition method.

Listed and non-listed shares recognised under investments are measured at fair value.

Current assets

Inventories
Inventories are recognised at cost, using the FIFO method or net realisation value, if lower.

The cost of goods for resale, raw materials and other materials comprises the purchase price plus delivery costs. The cost of manufactured goods and work in progress comprises the costs for raw materials, other materials and direct labour costs as well as indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs for maintenance of and depreciation on machinery, factory buildings and equipment applied in the production process as well as costs for factory administration and management.

The net realisable value of inventories is calculated as the selling price less cost of completion and costs for executing the sale, and it is fixed in consideration of negotiability, obsolescence and the development in expected sales price.

ACCOUNTING POLICIES

Receivables
Receivables are measured at amortised cost. Writing down for anticipated uncollectible is carried out.

Prepayments and deferred income
Prepayments recognised under assets comprise incurred costs related to the following financial year.

Equity

Dividend
Proposed dividend is recognised as a liability in the accounts when approved at the General Meeting (the time of announcement). The expected dividend is shown as a separate item under equity.

Provisions

Deferred tax and corporation tax
Provision for deferred tax is calculated according to the debt method on the basis of all temporary differences between the tax and accounting values of assets and liabilities. Deferred tax is measured on the basis of the planned use of the asset as well as the planned settlement of the obligation.

In the calculation of deferred tax, the tax base of possible losses and provisions etc. is entered if it is likely that these can be included in future tax results.

If the deferred tax constitutes a positive amount, this is entered in the balance sheet as a deferred tax asset. Deferred tax is measured on the basis of the tax rules and tax rates in force in the individual countries.

Corporation tax is recognised along with the tax expected to be imposed on taxable profit for the year less tax paid on account.

Restructuring provisions
In connection with acquisition of enterprises, provisions are made for costs related to restructurings within the acquired enterprise which have been decided and published no later than on the date of acquisition.

Liabilities
Debt to mortgage credit institutions and credit institutions is recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, the financial liabilities are recognised at amortised cost corresponding to the capitalised value using the effective interest rate, so that the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities, comprising trade payables and other payables, are measured at amortised cost, which essentially equals the nominal value.

Deferred income
Deferred income recognised under liabilities comprises received payments related to income in the following financial years.

Cash flow statement
The cash flow statement shows the company’s cash flow for the year, allocated on operating activity, investment activity and financing activity for the year, change in liquid assets for the year and the company’s liquid assets at the beginning and end of the financial year.

Cash flow from operating activities
Cash flow from operating activities is calculated as result for the year adjusted for non-cash operating items, changes to working capital as well as corporation tax paid.

ACCOUNTING POLICIES

Cash flow from investing activities
Cash flow from investing activities comprises cash flows related to purchase and sale of companies and activities as well as purchase and sale of intangible, tangible and financial fixed assets.

Cash flow from financing activities
Cash flow from financing activities comprises changes in size or composition of the company’s share capital and related costs as well as raising of loans, repayment on interest-bearing debt as well as distribution of dividend to the shareholders.

Segment information
Segment information on business segments and geographical markets is provided. The segment information follow the Group’s accounting policies, risks and internal corporate management accounting.

Liquid funds
Liquid funds cover cash at bank and in hand.

Financial ratios
Financial ratios have been prepared in accordance with the 2010 guidelines of the Danish Society of Financial Analysts concerning the calculation of financial ratios.

The financial ratios mentioned in the section ”Key figures” have been calculated as follows:

Profit ratio	$\frac{\text{Operating profit x 100}}{\text{Revenue}}$
Return on invested capital	$\frac{\text{Operating profit x 100}}{\text{Average invested capital}}$
Invested capital	Operational intangible and tangible fixed assets and net working capital
Gross margin ratio	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Return on equity	$\frac{\text{Profit for the year x 100}}{\text{Average Equity}}$
Equity ratio	$\frac{\text{Equity (end of period) x 100}}{\text{Liabilities, total (end of period)}}$

INCOME STATEMENT FOR THE PERIOD 1 APRIL 2015 – 31 MARCH 2016

		Group		Parent company	
Note	DKK '000	2015/16	2014/15	2015/16	2014/15
1	**Revenue**	1.013.475	944.596	0	0
2	Production expenses	-636.237	-577.219	0	0
	Gross profit	**377.238**	**367.377**	**0**	**0**
2	Distribution expenses	-223.940	-203.915	0	0
2,3	Administrative expenses	-77.253	-70.054	-15.540	-13.909
	Other operating income	4.803	11.555	7.387	7.584
	Other operating costs	-72	0	0	0
8	Goodwill amortisation	-4.011	-3.132	0	0
	Operating profit/loss	**76.765**	**101.831**	**-8.153**	**-6.325**
4	Profit after tax in subsidiaries	0	0	55.076	77.314
5	Financial income	4.242	7.576	867	3.025
6	Financial expenses	-7.525	-6.488	-2.007	-875
	Profit before income tax	**73.482**	**102.919**	**45.783**	**73.139**
7	Tax on profit for the year	-23.785	-29.773	3.997	7
	Profit for the period	**49.697**	**73.146**	**49.780**	**73.146**
	Profit is attributable to:				
	Owner of KYOCERA UNIMERCO A/S	49.780	73.146		
	Non-controlling interest	-83	0		
		49.697	**73.146**		
	Proposed distribution of profit:				
	Proposed dividend for the year			16.619	25.264
	Retained earnings			33.161	47.882
				49.780	**73.146**

BALANCE SHEET AS OF 31 MARCH 2016

Note	DKK '000	Group 31/3 2016	Group 31/3 2015	Parent company 31/3 2016	Parent company 31/3 2015
	ASSETS				
	Completed development projects	0	0	0	0
	Acquired rights	25.515	12.719	0	0
	Goodwill	16.838	8.725	0	0
	Development projects in progress and prepayments	2.768	1.518	0	0
8	**Intangible fixed assets**	**45.121**	**22.962**	**0**	**0**
	Land and buildings	157.989	170.897	0	0
	Plant and machinery	25.628	22.956	0	0
	Other fixtures and fittings, tools and equipment	12.400	10.699	0	0
	Property, plant and equipment in progress	3.786	4.197	0	0
9	**Property, plant and equipment**	**199.803**	**208.749**	**0**	**0**
10	Investment in subsidiaries	0	0	620.195	578.510
10	Other investments	676	1.003	676	1.003
11	Deferred tax assets	9.329	12.062	0	0
	Fixed assets investments	**10.005**	**13.065**	**620.871**	**579.513**
	FIXED ASSETS	**254.929**	**244.776**	**620.871**	**579.513**
	Raw materials and consumables	18.195	18.066	0	0
	Work in progress	3.401	4.973	0	0
	Manufactured goods and goods for resale	117.118	123.747	0	0
	Inventories	**138.714**	**146.786**	**0**	**0**
	Trade receivables	162.561	158.147	0	0
	Receivables from group enterprises	26.262	33.837	56.463	68.483
	Corporation tax	8.820	9.052	3.228	8.008
	Other receivables	12.406	3.991	6.399	3.202
	Assets for sale	19.697	19.697	0	0
12	Prepayments	8.752	6.790	47	41
	Receivables	**238.498**	**231.514**	**66.137**	**79.734**
	Current asset investments	**167**	**4.269**	**62**	**4.115**
	Cash at bank and in hand	**131.845**	**139.884**	**25.530**	**46.086**
	CURRENT ASSETS	**509.224**	**522.453**	**91.729**	**129.935**
	ASSETS	**764.153**	**767.229**	**712.600**	**709.448**

BALANCE SHEET AS OF 31 MARCH 2016

Note	DKK '000	Group 31/3 2016	Group 31/3 2015	Parent company 31/3 2016	Parent company 31/3 2015
	LIABILITIES				
13	Share capital	153.000	153.000	153.000	153.000
	Retained earnings	456.621	442.308	456.621	442.308
	Proposed dividend	16.619	25.264	16.619	25.264
	Equity attributable to owner of KYOCERA UNIMERCO A/S	**626.240**	**620.572**	**626.240**	**620.572**
	Non-controlling interest	1.686	0	0	0
	EQUITY	**627.926**	**620.572**	**626.240**	**620.572**
14	Provision for deferred tax	22.075	27.002	15.964	19.404
	PROVISIONS	**22.075**	**27.002**	**15.964**	**19.404**
	Credit institutions	2.568	2.439	0	0
15	**Non-current liabilities**	**2.568**	**2.439**	**0**	**0**
15	Credit institutions	802	881	0	0
	Payables to group enterprises	19.551	18.626	69.064	66.773
	Trade payables	31.064	29.944	7	104
	Corporation tax	12.757	16.333	0	0
16	Other payables	47.410	51.432	1.325	2.595
	Current liabilities	**111.584**	**117.216**	**70.396**	**69.472**
	LIABILITIES	**114.152**	**119.655**	**70.396**	**69.472**
	LIABILITIES AND EQUITY	**764.153**	**767.229**	**712.600**	**709.448**

18 **Contingent liabilities and other financial obligations**

19 **Related parties**

CASH FLOW STATEMENT FOR THE PERIOD 1 APRIL 2015 TO 31 MARCH 2016

Note	DKK '000	Group 2015/16	Group 2014/15
	Revenue	1.013.475	944.596
	Expenses	-897.673	-814.189
17	**Cash flows from operating activities before change in working capital**	**115.802**	**130.407**
	Change in inventories	7.381	-10.103
	Change in receivables	-12.429	1.105
	Change in payables	-5.675	-4.988
	Cash flows from operating activities before financial items	**105.079**	**116.421**
	Financial items, net	-2.131	259
	Corporation tax paid	-31.214	-25.966
	Cash flows from operating activities	**71.734**	**90.714**
	Acquisition of subsidiary	-26.718	0
	Purchase of intangible fixed assets	-11.959	-1.427
	Purchase of tangible fixed assets	-22.268	-12.915
	Sale of tangible fixed assets	5.038	12.871
	Purchase/sales of financial fixed assets	3.271	41
	Cash flows from investing activities	**-52.636**	**-1.430**
	Shareholders:		
	Dividend paid	-25.264	-24.588
	Non-controlling interest	1.991	0
	Participation in group Cash Pool	7.533	-33.626
	Debt financing:		
	Increase of debt to credit institutions etc.	1.627	1.081
	Repayment of debt	-8.587	-84.890
	Cash flow from financing activities	**-22.699**	**-142.023**
	Change in cash and cash equivalents	**-3.601**	**-52.739**
	Cash and cash equivalents at the beginning of the year	139.884	183.631
	Currency adjustments relating to subsidiaries	-4.438	8.992
	Cash and cash equivalents at year end	**131.845**	**139.884**

The cash flow statement cannot be derived directly from the consolidated financial statements.

STATEMENT OF CHANGES IN EQUITY, GROUP AND PARENT COMPANY

Group

Note	DKK '000	Share capital	Retained earnings	Proposed dividend	Non-controlling interest	Total
	Equity at 1 April 2014	**153.000**	**352.899**	**24.588**	**0**	**530.487**
	Exchange rate adjustment of subidiaries	0	41.008	0	0	41.008
	Dividend paid	0	0	-24.588	0	-24.588
	Net adj. of hedging instruments	0	519	0	0	519
	Net profit for the year	0	47.882	25.264	0	73.146
	Equity at 31 March 2015	**153.000**	**442.308**	**25.264**	**0**	**620.572**
	Exchange rate adjustment of subidiaries	0	-18.848	0	-257	-19.105
	Addition	0	0	0	2.026	2.026
	Dividend paid	0	0	-25.264	0	-25.264
	Net profit for the year	0	33.161	16.619	-83	49.697
	Equity at 31 March 2016	**153.000**	**456.621**	**16.619**	**1.686**	**627.926**

Parent company

Note	DKK '000	Share capital	Retained earnings	Proposed dividend	Total
	Equity at 1 April 2014	**153.000**	**352.899**	**24.588**	**530.487**
	Exchange rate adjustment of subidiaries	0	41.008	0	41.008
	Dividend paid	0	0	-24.588	-24.588
	Net adj, of hedging instruments	0	519	0	519
	Net profit for the year	0	47.882	25.264	73.146
	Equity at 31 March 2015	**153.000**	**442.308**	**25.264**	**620.572**
	Exchange rate adjustment of subidiaries	0	-18.848	0	-18.848
	Addition	0	0	0	0
	Dividend paid	0	0	-25.264	-25.264
	Net profit for the year	0	33.161	16.619	49.780
	Equity at 31 March 2016	**153.000**	**456.621**	**16.619**	**626.240**

NOTES TO THE ANNUAL ACCOUNTS AND THE CONSOLIDATED ANNUAL ACCOUNTS

Note	DKK '000	Group 2015/16	Group 2014/15	Parent company 2015/16	Parent company 2014/15
1	**Revenue**				
	Revenue grouped by geographical markets				
	Europe	841.699	800.124	0	0
	North and South America	120.711	93.476	0	0
	Asia	50.073	49.914	0	0
	Rest of the world	992	1.082	0	0
		1.013.475	**944.596**	**0**	**0**
	Revenue grouped by segment:				
	Tooling	842.768	784.224	0	0
	Fastening	170.707	160.372	0	0
		1.013.475	**944.596**	**0**	**0**
2	**Staff expenses**				
	Wages and salaries	263.288	236.012	7.534	7.412
	Pension expenses	17.119	17.766	113	105
	Other expenses for social security	20.582	14.416	40	57
		300.989	**268.194**	**7.687**	**7.574**
	The above is recognised in the annual report as follows:				
	Production expenses	118.234	106.398	0	0
	Distribution expenses	149.001	130.325	0	0
	Administrative expenses	33.754	31.471	7.687	7.574
		300.989	**268.194**	**7.687**	**7.574**
	Average number of employees	**662**	**589**	**6**	**7**
	Employees as at 31 March	**681**	**590**	**6**	**7**

Consideration for Management of the parent company for the period is DKK 3,276 thousand (2014/15: DKK 2,876 thousand) and for the Board DKK 0 thousand (2013/14: DKK 0 thousand).

NOTES TO THE ANNUAL ACCOUNTS AND THE CONSOLIDATED ANNUAL ACCOUNTS

		Group		Parent company	
Note	DKK '000	2015/16	2014/15	2015/16	2014/15
3	**Fees for auditors appointed by the General Meeting**				
	Total fee for PricewaterhouseCoopers				
	Auditing	1.636	1.816	199	142
	Other assurance tasks	220	100	98	100
	Tax consultancy	56	47	0	0
	Other services	7	119	17	15
		1.919	**2.082**	**314**	**257**
4	**Profit after tax in subsidiaries**				
	Profits in subsidiaries			93.419	111.873
	Deficits in subsidiaries			-6.950	-2.224
	Tax in subsidiaries			-27.564	-29.780
	Capital gain from sale of subisidiary			0	401
	Consolidated goodwill amortisation			-3.829	-2.956
				55.076	**77.314**
5	**Financial income**				
	Interst received from group enterprises	2	9	473	760
	Income from fixed asset investments	0	829	0	829
	Other financial income	4.240	6.738	394	1.436
		4.242	**7.576**	**867**	**3.025**
6	**Financial expenses**				
	Interest paid to group enterprises	0	0	-201	-875
	Loss from fixed asset investments	-1.152	0	-1.152	0
	Other financial expenses	-6.373	-6.488	-654	0
		-7.525	**-6.488**	**-2.007**	**-875**

NOTES TO THE ANNUAL ACCOUNTS AND THE CONSOLIDATED ANNUAL ACCOUNTS

Note	DKK '000	Group 2015/16	Group 2014/15	Parent company 2015/16	Parent company 2014/15
7	**Tax on profit for the year**				
	Current tax for the year	26.497	30.242	-427	65
	Change in deferred tax liabilities for the year	-2.539	-1.786	-667	-73
	Change in deferred tax assets for the year	2.077	2.711	0	0
	Adjustment of write-down on deferred tax assets	-15	-306	0	0
	Tax relating to previous years	-2.235	-1.088	-2.903	1
		23.785	**29.773**	**-3.997**	**-7**
	Which can be specified as:				
	Tax on net profit for the year	26.020	30.861	-1.094	-8
	Tax relating to previous years	-2.235	-1.088	-2.903	1
		23.785	**29.773**	**-3.997**	**-7**
	Tax on profit for the year can be specified as:				
	Tax on profit for the year	17.269	25.216	10.759	17.919
	Higher/lower tax rate of foreign subsidiaries	4.689	3.303	0	0
	Tax effect of:				
	Reduction of tax rates	53	-90	0	0
	Non-taxable income	-484	-324	-5	-303
	Non-taxable result in subsidiaries	0	0	-12.943	-18.844
	Non-deductible amortisation of goodwill	957	777	0	0
	Other non-deductible expenses	2.611	1.367	161	364
	Lapse due to statute of limitation	0	62	0	0
	Adjustment of write-down on deferred tax receivable	-11	-306	0	0
	Dividend tax subsidiaries	934	856	934	856
	Adjustment of retaxable value re. jointly taxed income	-2.773	0	-2.773	0
	Tax relating to previous years	540	-1.088	-130	1
		23.785	**29.773**	**-3.997**	**-7**

NOTES TO THE ANNUAL ACCOUNTS AND THE CONSOLIDATED ANNUAL ACCOUNTS

Note **DKK '000**

8 Intangible fixed assets, group

	Completed development projects	Acquired rights	Goodwill	Development projects in progress and prepayments	Total
Cost at 1 April 2015	4.466	42.703	106.746	1.518	155.433
Exchange adjustment	0	1	-14	-2	-15
Addition from acquisition	0	8.539	12.134	0	20.673
Additions for the year	0	10.707	0	2.698	13.405
Disposals for the year	-814	-240	0	-1.446	-2.500
Cost at 31 March 2016	**3.652**	**61.710**	**118.866**	**2.768**	**186.996**
Amortisation at 1 April 2015	4.466	29.984	98.021	0	132.471
Exchange adjustment	0	7	-4	0	3
Amortisation for the year	0	6.444	4.011	0	10.455
Reversal of amortisation of disposed assets	-814	-240	0	0	-1.054
Amortisation at 31 March 2016	**3.652**	**36.195**	**102.028**	**0**	**141.875**
Carrying amount at 31 March 2016	**0**	**25.515**	**16.838**	**2.768**	**45.121**
Carrying amount at 31 March 2015	0	12.719	8.725	1.518	22.962

NOTES TO THE ANNUAL ACCOUNTS AND THE CONSOLIDATED ANNUAL ACCOUNTS

Note **DKK '000**

9 Property, plant and equipment, group

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property plant and equipment in progress	Total
Cost at 1 April 2015	267.052	304.150	43.161	4.197	618.560
Exchange adjustment	-8.765	-7.055	-665	-67	-16.552
Addition from acquisition	8	8.338	1.803	0	10.149
Additions for the year	714	14.463	7.435	12.231	34.843
Disposals for the year	-72	-11.222	-3.289	-12.575	-27.158
Cost at 31 March 2016	**258.937**	**308.674**	**48.445**	**3.786**	**619.842**
Depreciation at 1 April 2015	96.155	281.194	32.462	0	409.811
Exchange adjustment	-1.949	-6.398	-542	0	-8.889
Depreciation for the year	6.814	19.320	6.928	0	33.062
Reversal of depreciation of disposed assets	-72	-11.070	-2.803	0	-13.945
Depreciation at 31 March 2016	**100.948**	**283.046**	**36.045**	**0**	**420.039**
Carrying amount at 31 March 2016	**157.989**	**25.628**	**12.400**	**3.786**	**199.803**
Carrying amount at 31 March 2015	170.897	22.956	10.699	4.197	208.749
The carrying amount at 31 March 2016 consists of:					
Recognised interest expenses	**1.034**				
Recognised leased assets			**2.418**		

NOTES TO THE ANNUAL ACCOUNTS AND THE CONSOLIDATED ANNUAL ACCOUNTS

Note **DKK '000**

10 Fixed assets investments, group and parent company

	Parent comp.	Parent comp. and group
	Investment in subsidiaries	**Other Investments**
Cost at 1 April 2015	735.841	1.216
Additions for the year	34.001	0
Disposals for the year	0	0
Cost at 31 March 2016	**769.842**	**1.216**
Revaluations and amortisation at 1 April 2015	-157.331	-213
Exchange adjustment	-18.847	0
Market value adjustments concerning securities	0	-327
Profit before tax in subsidiaries	82.639	0
Tax on net profit in subsidiaries	-27.563	0
Dividend to the parent company	-28.545	0
Disposals during the year	0	0
Revaluations and amortisation at 31 March 2016	**-149.647**	**-540**
Carrying amount at 31 March 2016	**620.195**	**676**
Carrying amount at 31 March 2015	578.510	1.003

Investment in subsidiaries includes the following:

Company	Place of residence	Owner's share
KYOCERA UNIMERCO Tooling A/S	Sunds, Denmark	100%
KYOCERA UNIMERCO Fastening A/S	Sunds, Denmark	100%
KYOCERA UNIMERCO Tooling AB	Jönköping, Sweden	100%
KYOCERA UNIMERCO Tooling AS	Oslo, Norway	100%
KYOCERA UNIMERCO Tooling Inc.	Saline, Michigan, USA	100%
KYOCERA UNIMERCO Tooling Ltd.	Lichfield, UK	100%
KYOCERA UNIMERCO Tooling GmbH	Neuss, Germany	100%
KYOCERA UNIMERCO Fastening GmbH	Esslingen, Germany	100%
KYOCERA UNIMERCO Tooling s.r.o., Brno	Brno, Czech Republic	100%
KYOCERA UNIMERCO Tooling Sp. z o.o.	Wroclaw, Poland	100%
KYOCERA UNIMERCO Tooling Oy	Lahti, Finland	100%
KYOCERA UNIMERCO Tooling Walmsley Ltd.	Sheffield, UK	100%
KYOCERA UNIMERCO Tooling S.r.l.	Milan, Itlay	100%
Garsdalo Medienos Technologija UAB	Vilnius, Lithuania	100%
KYOCERA UNIMERCO Tooling Technology Wuxi Co., Ltd.	Wuxi, China	100%
KYOCERA BILGINOGLU Precision Tools Industry & Trade A.S.	Istanbul, Turkey	70%

NOTES TO THE ANNUAL ACCOUNTS AND THE CONSOLIDATED ANNUAL ACCOUNTS

Note **DKK '000**

11 Deferred tax assets

	Group		Parent company	
	2015/16	**2014/15**	**2015/16**	**2014/15**
Deferred tax assets at 1 April	12.062	11.405	0	0
Exchange adjustment at the end of the year	-704	3.058	0	0
Adjustment relating to previous years	3	4	0	0
Addition from acquisition	30	0		
Adjustment of write-down	15	306	0	0
Changes of the year	-2.077	-2.711	0	0
Carrying amount at 31 March	**9.329**	**12.062**	**0**	**0**

Deferred tax assets relate to:				
Fixed assets	-5.868	-6.070	0	0
Current assets etc.	801	229	0	0
Tax losses	14.822	18.315	0	0
	9.755	**12.474**	**0**	**0**
Write-down to assessed value	-426	-412	0	0
Carrying amount at 31 March	**9.329**	**12.062**	**0**	**0**

12 Prepayments

Service and software subscriptions	3.072	3.393	0	0
Prepaid lease payments	164	252	0	0
Prepaid insurance premiums etc.	5.516	3.145	47	41
	8.752	**6.790**	**47**	**41**

Note **DKK '000**

13 Share capital

The share capital of the company is DKK 153,000 divided into shares of DKK 100 each or multiples thereof.
No share certificates have been issued.

Spec. of equity movements	2010/12	2012/13	2013/14	2014/15	2015/16
Share capital at 1 April	168.000	152.766	152.766	153.000	153.000
Capital change	-15.234	0	234	0	0
Share capital at 31 March	**152.766**	**152.766**	**153.000**	**153.000**	**153.000**

14 Provision for deferred tax

	Group		Parent company	
	2015/16	2014/15	2015/16	2014/15
Deferred tax at 1 April	27.002	28.623	19.404	19.482
Market value adjustments at the beginning of the year	479	0	0	0
Adjustment of retaxable value re. jointly taxed income	-2.773	0	-2.773	0
Adjustments relating to previous years	-94	-5	0	-5
Deferred tax on net profit for the year	-2.539	-2.086	-667	-373
Deferred tax on retained earnings subsidiary	0	300	0	300
Deferred tax on changes in equity	0	170	0	0
Carrying amount at 31 March	**22.075**	**27.002**	**15.964**	**19.404**
Deferred tax relates to:				
Intangible fixed assets	-1.217	0	0	0
Property, plant and equipment	7.489	7.003	0	0
Current assets	-68	595	0	0
Retained earnings subsidiary	300	300	300	300
Current liabilities	-93	0	0	0
Retaxation balances	15.664	19.104	15.664	19.104
Carrying amount at 31 March	**22.075**	**27.002**	**15.964**	**19.404**

NOTES TO THE ANNUAL ACCOUNTS AND THE CONSOLIDATED ANNUAL ACCOUNTS

Note **DKK '000**

15 Non-current liabilities

	Group		Parent company	
	31/3 2016	**31/3 2015**	**31/3 2016**	**31/3 2015**
Short-term debt:				
Credit institutions	802	881	0	0
	802	881	0	0
Long-term debt:				
Credit institutions	2.568	2.439	0	0
	2.568	2.439	0	0
Long-term liabilities total	**3.370**	**3.320**	**0**	**0**
Of this, falling due after more than 5 years	**0**	**0**	**0**	**0**

16 Other payables

Taxes and duties	11.829	16.213	0	613
Calculated holiday pay and lieu days payable	30.668	28.976	1.167	1.351
Other debts	4.913	6.243	158	631
	47.410	**51.432**	**1.325**	**2.595**

17 Cash flows from operating activities before changes in working capital

	Group	
	31/3 2016	**31/3 2015**
Operating profit	76.765	101.831
Adjustment of non-cash operating items:		
Depreciation and write-down	43.517	38.425
Gain/loss on disposal of fixed assets	-4.480	-9.849
	115.802	**130.407**

NOTES TO THE ANNUAL ACCOUNTS AND THE CONSOLIDATED ANNUAL ACCOUNTS

Note

18 Contingent liabilities and other financial obligations

Group:

Contractual obligations

The Group has entered into agreements concerning purchase of machines and software at a value of DKK 11.742 thousand. Of this, DKK 6,206 thousand has been prepaid.

Rental and lease obligations

The Group has entered into operational lease commitments at a yearly instalment of DKK 6,933 thousand over a period of 1 to 4 years. The total lease commitment amounts to DKK 16,579 thousand.
The Group has entered into tenancy agreements to rent office and store rooms for a total annual rent of DKK 2,374 thousand.

Deferred tax

No provisions have been made for deferred tax on the part of the retaxation balance which can be expected to be eliminated by means of a credit relief for current foreign tax. The deferred tax is estimated to DKK 8,000 thousand.

Parent company:

Contingent liabilities

The Group's Danish companies are jointly and severally liable for tax of the Group's jointly taxed income.

20 Related parties

The company's principal shareholder is Kyocera Fineceramics GmbH, Germany.
The company's other related parties comprise the Management and Board of Kyocera Unimerco A/S, cf. page 2 of the Annual Report, as well as the other companies in the Kyocera Group.

Transactions:

Purchases with Kyocera companies have been made on market terms.
Insignificant management fees have also been calculated on market terms.
Beyond this, no transactions with Board, Management, executives, important shareholders, subsidiaries or other related parties have been made, apart from intra-group transactions, which have been eliminated in the consolidated accounts, and ordinary management remuneration.