



# KYOCERA UNIMERCO A/S

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

Annual Report for the period  
1 April 2020 – 31 March 2021

Approved at the General Meeting \_\_\_\_\_

Chairman: \_\_\_\_\_

## **COMPANY DETAILS**

KYOCERA UNIMERCO A/S

Drejervej 2

DK-7451 Sunds

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Company reg. no.: 26 77 69 10

### **Ownership structure**

The company is 100% owned by:

KYOCERA Europe GmbH, Germany

### **Board of Directors**

Senri Nagashima, Chairman

Yusuke Mizukami

Koichi Kano

Shoji Gotoda

Peer Ditlev

Lise Rahbek Laursen

### **Management**

Yusuke Mizukami, Chairman

Shoji Gotoda, President

Jan Rønberg, Vice President

Mads Mølbak, 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 June 30, 2021.

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**KEY FIGURES**

<b>DKK '000</b>	<b>16/17</b>	<b>17/18</b>	<b>18/19</b>	<b>19/20</b>	<b>20/21</b>
<b>Revenue</b>	1.052.452	1.126.933	1.226.156	1.261.696	1.151.826
Expenses	966.958	1.028.610	1.095.754	1.137.743	1.031.406
EBITDA	125.852	138.949	173.687	172.631	154.781
EBIT	85.494	98.323	130.402	123.953	120.420
Financial items	-4.301	-6.386	-208	-2.211	-491
<b>EBT</b>	81.193	91.937	130.194	121.742	119.929
<b>Net profit</b>	57.108	64.726	93.747	92.152	90.822
Fixed assets	241.513	225.563	240.263	228.462	215.135
Current assets	581.134	638.887	730.143	772.792	753.840
<b>Total assets</b>	822.647	864.450	970.406	1.001.254	968.975
Share capital	153.000	153.000	153.000	153.000	153.000
<b>Equity</b>	663.695	696.196	771.077	821.774	770.624
Provisions	24.272	24.524	25.157	20.458	19.620
Non-current liabilities	2.823	4.250	3.188	3.076	2.704
Current liabilities	131.857	139.480	170.984	155.946	176.027
Cash flow from operating activities	67.845	100.308	115.014	129.740	130.332
Cash flow from investing activities	-16.253	-33.529	-52.150	-37.594	-22.602
<i>Of this investment in tangible fixed assets</i>	<i>-35.957</i>	<i>-35.367</i>	<i>-54.016</i>	<i>-39.320</i>	<i>-21.551</i>
Cash flow from financing activities	-42.069	-91.098	-48.958	-73.799	-79.024
<b>Change in cash for the year</b>	9.523	-24.319	13.906	18.347	28.706
Cash, end of period	139.932	113.861	128.612	145.274	172.428
<b>Average no. of employees</b>	666	675	696	707	691
Profit margin	8,1	8,7	10,6	9,8	10,5
Return on invested capital p.a.	16,1	17,2	20,5	18,0	18,3
Gross margin ratio	37,1	36,4	36,8	36,1	35,6
Return on equity p.a.	8,8	9,5	12,8	11,6	11,4
Equity ratio	80,7	80,5	79,5	82,1	79,5

For definitions of financial ratios a reference is made to "Financial ratios" under accounting policies.

## **GROUP MANAGEMENT REPORT**

### **Core activities**

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

### **Development in the year**

The financial year has been a year significantly impacted by the Covid-19 pandemic. The uncertainty has been high, but we managed to achieve a revenue of DKK 1.152 billion which is DKK 110 million and 8,7% below last year. Profit before tax ended at DKK 120 million which is only DKK 2M and 1,5% below last year. The largest part of the revenue (76%) derives from markets outside Denmark.

Our 5 business segments and geographical markets have been impacted differently by the Covid-19 pandemic – construction and building related activities have experienced growth while industrial production has experienced severe decline in demands – especially in automotive and aerospace related activities. Our contingency plan has proven successful and the support and response from the entire organization has been outstanding. Overall, we were able to deliver a reasonable financial result while maintaining our competencies and capacity in the entire organization.

In the last quarter we have seen a considerable improvement in most of our market.

The result is satisfactory and far better than our expectation at the beginning of the year.

### **Acquisitions and investment**

Kyocera Unimerco has not acquired new companies in this financial year. The total investments amount to DKK 22 million – which is mainly in production equipment.

### **Equity and liquidity**

Equity decreased by DKK 51 million, from DKK 822 million to DKK 771 million. Profit for the year increased equity by DKK 91 million, while exchange rate adjustment of the equity in the subsidiaries decreased equity by DKK 7 million. Dividend payment reduced equity by DKK 135 million. The equity ratio is 80%.

Liquidity increased from DKK 145 million to DKK 172 million.

### **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 several 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 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. New developments take place both as developments driven by general future market trends as well as development projects in close cooperation 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 external and internal education activities.

## **GROUP MANAGEMENT REPORT**

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

Please refer to the 2021 Integrated report of the ultimate parent company Kyocera Corporation, which is prepared in accordance with the Global Reporting Initiative (GRI Standards 2016). The report can be obtained from the Kyocera Group website on the following link:

<https://global.kyocera.com/ecology/catalog.html>.

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

The Board of Directors has set the target that at least 40% of the board members should be female in 2025. There has been no change in the current board in this financial year. At present, one out of seven board members is female.

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

### **Expectations for the coming year**

Although the Covid-19 pandemic is not yet in control and will continue to impact the world and the activities at our customer, we have seen a recovery in most of our market in the last quarter of our financial year.

We expect to increase sales between 5% to 10% and profit between 4% and 7%.

We have initiated a process to accelerate profitable growth by improving our product and solution offering and to strengthen operational excellence to improve efficiency and competitiveness.

### **General Meeting and dividend**

The Annual General Meeting will be held on 30 June 2021 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 34,402,000 be distributed as dividend for the 2020/21 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 2020 - 31 March 2021.

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 2021, and of the results of the Company's and the Group's activities and the Group's cash flows for the period 2020/21.

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, 30 June 2021

### **Management**

Yusuke Mizukami  
Chairman

Shoji Gotoda  
President

Jan Rønberg  
Vice President

Mads Mølbak  
Vice President

### **Board of Directors**

Senri Nagashima  
Chairman

Yusuke Mizukami

Koichi Kano

Shoji Gotoda

Peer Ditlev

Lise Rahbek Laursen

## **INDEPENDENT AUDITOR'S REPORT**

To the Shareholder of KYOCERA UNIMERCO A/S

### **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 Parent Company at 31 March 2021, and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 April 2020 - 31 March 2021 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of KYOCERA UNIMERCO A/S for the financial year 1 April 2020 - 31 March 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("financial statements").

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Statement on Management's Review**

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

### **Management's Responsibilities for the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.



## INDEPENDENT AUDITOR'S REPORT

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Aarhus, 30 June 2021

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Henrik Trangeled Kristensen  
State Authorised Public Accountant  
mne23333

Hans Jørgen Andersen  
State Authorised Public Accountant  
Mne30211

## ACCOUNTING POLICIES

### Basic principles

The Annual Report for KYOCERA UNIMERCO A/S for 2020/21 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.

The Annual Report is presented in TDKK.

### Change in accounting estimates

Per 1<sup>st</sup> of April 2020, we have changed the depreciation profile on plant and machinery as well as vehicles, fixtures, fittings, tools and equipment from being depreciated over 5 years with the following profile in per cent of the cost value:

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

to being depreciated over 3-5 years using the straight-line method. The impact of this change is DKK 7.8m in less depreciations, DKK 6.1m on this year's result and equity, DKK 7.8 on tangible fixed assets and DKK 1.7m on deferred tax.

The above change in accounting estimate does not affect previous years result and equity.

### 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.

## **ACCOUNTING POLICIES**

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.

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.

## **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 other Danish entities in the Kyocera group, 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.

## **ACCOUNTING POLICIES**

### **Balance sheet**

#### **Intangible fixed assets**

##### **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, 10-25 years.

Plant and machinery as well as vehicles, fixtures, fittings, tools and equipment are depreciated over 3-5 years using the straight-line method.

##### **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.

## **ACCOUNTING POLICIES**

### **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.

#### **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.

#### **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.

## ACCOUNTING POLICIES

### 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.

### 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

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

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

**INCOME STATEMENT FOR THE PERIOD 1 APRIL 2020 – 31 MARCH 2021**

<u>Note</u>	DKK '000	<u>Group</u>		<u>Parent company</u>	
		<u>2020/21</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2019/20</u>
1	<b>Revenue</b>	1.151.826	1.261.696	0	0
2	Production expenses	-741.265	-806.779	0	0
	<b>Gross profit</b>	<b>410.561</b>	<b>454.917</b>	<b>0</b>	<b>0</b>
2	Distribution expenses	-229.654	-256.581	0	0
2,3	Administrative expenses	-71.019	-76.179	-8.291	-8.901
4,5	Other operating income	10.590	2.013	7.136	7.169
	Other operating costs	-58	-217	0	0
	<b>Operating profit/loss</b>	<b>120.420</b>	<b>123.953</b>	<b>-1.155</b>	<b>-1.732</b>
6	Profit after tax in subsidiaries	0	0	90.977	90.413
7	Financial income	2.154	1.417	124	562
8	Financial expenses	-2.645	-3.628	-906	-144
	<b>Profit before income tax</b>	<b>119.929</b>	<b>121.742</b>	<b>89.040</b>	<b>89.099</b>
9	Tax on profit for the year	-29.107	-29.590	405	1.993
	<b>Profit for the period</b>	<b>90.822</b>	<b>92.152</b>	<b>89.445</b>	<b>91.092</b>



**BALANCE SHEET AS OF 31 MARCH 2021**

<u>Note</u>	DKK '000	<u>Group</u>		<u>Parent company</u>	
		<u>31/3 2021</u>	<u>31/3 2020</u>	<u>31/3 2021</u>	<u>31/3 2020</u>
	<b>ASSETS</b>				
	Acquired rights	9.485	11.780	0	0
	Goodwill	4.955	6.172	0	0
	Development projects in progress and prepayments	1.402	378	0	0
10	<b>Intangible fixed assets</b>	<b>15.842</b>	<b>18.330</b>	<b>0</b>	<b>0</b>
	Land and buildings	127.228	133.467	0	0
	Plant and machinery	51.635	57.951	0	0
	Other fixtures and fittings, tools and equipment	15.607	14.175	0	0
	Property, plant and equipment in progress	4.542	4.159	0	0
11	<b>Property, plant and equipment</b>	<b>199.012</b>	<b>209.752</b>	<b>0</b>	<b>0</b>
12	Investment in subsidiaries	0	0	789.616	704.087
12	Other investments	281	380	281	380
	<b>Fixed assets investments</b>	<b>281</b>	<b>380</b>	<b>789.897</b>	<b>704.467</b>
	<b>FIXED ASSETS</b>	<b>215.135</b>	<b>228.462</b>	<b>789.897</b>	<b>704.467</b>
	Raw materials and consumables	20.311	21.531	0	0
	Work in progress	3.429	4.735	0	0
	Manufactured goods and goods for resale	147.783	162.175	0	0
	<b>Inventories</b>	<b>171.523</b>	<b>188.441</b>	<b>0</b>	<b>0</b>
	Trade receivables	210.459	195.870	0	0
	Receivables from group enterprises	133.643	189.858	135.398	197.600
	Corporation tax	23.974	18.220	18.097	15.330
	Other receivables	16.131	15.555	24	107
13	Deferred tax assets	5.232	3.403	0	0
14	Prepayments	20.375	16.047	121	7
	<b>Receivables</b>	<b>409.814</b>	<b>438.953</b>	<b>153.640</b>	<b>213.044</b>
	<b>Current asset investments</b>	<b>75</b>	<b>124</b>	<b>0</b>	<b>0</b>
	<b>Cash at bank and in hand</b>	<b>172.428</b>	<b>145.274</b>	<b>16.318</b>	<b>12.964</b>
	<b>CURRENT ASSETS</b>	<b>753.840</b>	<b>772.792</b>	<b>169.958</b>	<b>226.008</b>
	<b>ASSETS</b>	<b>968.975</b>	<b>1.001.254</b>	<b>959.855</b>	<b>930.475</b>

## BALANCE SHEET AS OF 31 MARCH 2021

<b>Note</b>	<b>DKK '000</b>	<b>Group</b>		<b>Parent company</b>	
		<b>31/3 2021</b>	<b>31/3 2020</b>	<b>31/3 2021</b>	<b>31/3 2020</b>
	<b><u>LIABILITIES</u></b>				
	Share capital	153.000	153.000	153.000	153.000
	Retained earnings	583.131	628.088	577.683	628.088
	Exchange adjustments	-5.448	0	0	0
	Proposed dividend	34.402	34.870	34.402	34.870
	<b>Equity attributable to owner of KYOCERA UNIMERCO A/S</b>	<b>765.085</b>	<b>815.958</b>	<b>765.085</b>	<b>815.958</b>
	Non-controlling interest	5.539	5.816	0	0
15,16	<b>EQUITY</b>	<b>770.624</b>	<b>821.774</b>	<b>765.085</b>	<b>815.958</b>
17	Provision for deferred tax	19.620	20.458	12.718	12.834
	<b>PROVISIONS</b>	<b>19.620</b>	<b>20.458</b>	<b>12.718</b>	<b>12.834</b>
	Leasing commitments	2.704	3.076	0	0
18	<b>Non-current liabilities</b>	<b>2.704</b>	<b>3.076</b>	<b>0</b>	<b>0</b>
18	Leasing commitments	998	1.030	0	0
	Payables to group enterprises	27.951	22.430	177.120	100.259
	Trade payables	42.192	42.432	2.630	172
	Corporation tax	16.849	19.128	0	0
	Other payables	88.037	70.926	2.302	1.252
	<b>Current liabilities</b>	<b>176.027</b>	<b>155.946</b>	<b>182.052</b>	<b>101.683</b>
	<b>LIABILITIES</b>	<b>178.731</b>	<b>159.022</b>	<b>182.052</b>	<b>101.683</b>
	<b>LIABILITIES AND EQUITY</b>	<b>968.975</b>	<b>1.001.254</b>	<b>959.855</b>	<b>930.475</b>
19	<b>Contingent liabilities and other financial obligations</b>				
20	<b>Related parties</b>				
22	<b>Events after reporting period</b>				

## STATEMENT OF CHANGES IN EQUITY, GROUP AND PARENT COMPANY

### Group

<u>Note</u> DKK '000	<u>Share capital</u>	<u>Exchange adjustments</u>	<u>Retained earnings</u>	<u>Proposed dividend</u>	<u>Non-controlling interest</u>	<u>Total</u>
Equity at 1 April 2019	153.000	0	576.430	36.128	5.519	771.077
Exchange rate adjustment of subsidiaries	0	0	-4.564	0	-763	-5.327
Dividend paid	0	0	0	-36.128	0	-36.128
Net profit for the year	0	0	56.222	34.870	1.060	92.152
<b>15,16 Equity at 31 March 2020</b>	<b>153.000</b>	<b>0</b>	<b>628.088</b>	<b>34.870</b>	<b>5.816</b>	<b>821.774</b>
Exchange rate adjustment of subsidiaries	0	-5.448	0	0	-1.654	-7.102
Dividend paid	0	0	0	-34.870	0	-34.870
Extraordinary dividend paid	0	0	-100.000	0	0	-100.000
Net profit for the year	0	0	55.043	34.402	1.377	90.822
<b>15,16 Equity at 31 March 2021</b>	<b>153.000</b>	<b>-5.448</b>	<b>583.131</b>	<b>34.402</b>	<b>5.539</b>	<b>770.624</b>

### Parent company

<u>Note</u> DKK '000	<u>Share capital</u>	<u>Retained earnings</u>	<u>Proposed dividend</u>	<u>Total</u>
Equity at 1 April 2019	153.000	576.430	36.128	765.558
Exchange rate adjustment of subsidiaries	0	-4.564	0	-4.564
Dividend paid	0	0	-36.128	-36.128
Net profit for the year	0	56.222	34.870	91.092
<b>15,16 Equity at 31 March 2020</b>	<b>153.000</b>	<b>628.088</b>	<b>34.870</b>	<b>815.958</b>
Exchange rate adjustment of subsidiaries	0	-5.448	0	-5.448
Dividend paid	0	0	-34.870	-34.870
Extraordinary dividend paid	0	-100.000	0	-100.000
Net profit for the year	0	55.043	34.402	89.445
<b>15,16 Equity at 31 March 2021</b>	<b>153.000</b>	<b>577.683</b>	<b>34.402</b>	<b>765.085</b>

## CASH FLOW STATEMENT FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

<u>Note</u> DKK '000	Group	
	2020/21	2019/20
Revenue	1.151.826	1.261.696
Expenses	-997.387	-1.090.032
<b>19 Cash flows from operating activities before change in working capital</b>	<b>154.439</b>	<b>171.664</b>
Change in inventories	16.403	1.674
Change in receivables	-21.724	7.556
Change in payables	20.711	-12.413
<b>Cash flows from operating activities before financial items</b>	<b>169.829</b>	<b>168.481</b>
Financial items, net	-387	-2.262
Corporation tax paid	-39.110	-36.479
<b>Cash flows from operating activities</b>	<b>130.332</b>	<b>129.740</b>
Purchase of intangible fixed assets	-2.037	-116
Purchase of tangible fixed assets	-21.551	-39.320
Sale of tangible fixed assets	942	1.798
Purchase/sales of financial fixed assets	44	44
<b>Cash flows from investing activities</b>	<b>-22.602</b>	<b>-37.594</b>
<u>Shareholders:</u>		
Dividend paid	-134.870	-36.128
Participation in group cash pool	56.547	-37.383
<u>Debt financing:</u>		
Increase of debt to credit institutions etc.	963	2.268
Repayment of debt	-1.664	-2.556
<b>Cash flow from financing activities</b>	<b>-79.024</b>	<b>-73.799</b>
<b>Change in cash and cash equivalents</b>	<b>28.706</b>	<b>18.347</b>
Cash and cash equivalents at the beginning of the year	145.274	128.612
Currency adjustments relating to subsidiaries	-1.552	-1.685
<b>Cash and cash equivalents at year end</b>	<b>172.428</b>	<b>145.274</b>

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

## NOTES TO THE ANNUAL ACCOUNTS AND THE CONSOLIDATED ANNUAL ACCOUNTS

<u>Note</u>	DKK '000	<u>Group</u>		<u>Parent company</u>	
		<u>2020/21</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2019/20</u>
<b>1</b>	<b>Revenue</b>				
	<u>Revenue grouped by geographical markets</u>				
	Europe	1.023.655	1.058.564	0	0
	North and South America	65.573	131.712	0	0
	Asia	31.306	38.666	0	0
	Rest of the world	31.292	32.754	0	0
		<b>1.151.826</b>	<b>1.261.696</b>	<b>0</b>	<b>0</b>
	<u>Revenue grouped by segment:</u>				
	Tooling	831.723	986.195	0	0
	Fastening	320.103	275.501	0	0
		<b>1.151.826</b>	<b>1.261.696</b>	<b>0</b>	<b>0</b>
<b>2</b>	<b>Staff expenses</b>				
	Wages and salaries	297.385	308.057	4.549	4.570
	Pension expenses	19.831	20.838	61	61
	Other expenses for social security	19.373	22.817	20	21
		<b>336.589</b>	<b>351.712</b>	<b>4.630</b>	<b>4.652</b>
	Average number of employees	<b>691</b>	<b>707</b>	<b>3</b>	<b>3</b>
	Consideration for Management of the parent company for the period is DKK 2,831 thousand (2019/20: DKK 2,759 thousand) and for the Board DKK 0 thousand (2019/20: DKK 0 thousand). Consideration for Management at group level for the period is DKK 4.630 thousand (2019/20: DKK 4,652 thousand) and for the Board DKK 0 thousand (2019/20: DKK 0 thousand).				
<b>3</b>	<b>Fees for auditors appointed by the General Meeting</b>				
	<b>Total fee for PricewaterhouseCoopers</b>				
	Auditing	1.631	1.525	182	160
	Other assurance tasks	52	64	52	50
	Tax consultancy	129	267	0	0
	Other services	365	337	13	11
		<b>2.177</b>	<b>2.193</b>	<b>247</b>	<b>221</b>

## NOTES TO THE ANNUAL ACCOUNTS AND THE CONSOLIDATED ANNUAL ACCOUNTS

<b>Note</b>	<b>DKK '000</b>	<b>Group</b>		<b>Parent company</b>	
		<b>2020/21</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2019/20</b>
<b>4</b>	<b>Other operating income</b>				
	Gain on disposal of fixed assets	411	971	0	0
	Covid-19 Compensation	9.727	0	0	0
	Other operating income	452	1.042	7.136	7.169
		<b>10.590</b>	<b>2.013</b>	<b>7.136</b>	<b>7.169</b>

### 5 Special items

Due to the Corona pandemic the Group has been involved in various government support packages in the countries where the group is located.

The government support packages varies from country to country. E.g. short term lay off scheme, reduction of social costs, salary compensation payment from the government etc.

Received compensation from local governments TDKK 9.727 is recognized under "Other operating income", please see note 4.

Short term lay off scheme, reduction of social costs and other reductions are recognized under "Staff expenses", see note 2. Therefore, the staff expenses for FY21 are not directly comparable with FY20.

	<b>Parent company</b>	
	<b>2020/21</b>	<b>2019/20</b>
<b>6 Profit after tax in subsidiaries</b>		
Profits in subsidiaries	135.319	125.862
Deficits in subsidiaries	-14.012	-2.962
Tax in subsidiaries	-29.117	-31.274
Consolidated goodwill amortisation	-1.213	-1.213
	<b>90.977</b>	<b>90.413</b>

	<b>Group</b>		<b>Parent company</b>	
	<b>2020/21</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2019/20</b>
<b>7 Financial income</b>				
Interest received from group enterprises	0	0	122	86
Income from fixed asset investments	0	51	0	51
Other financial income	2.154	1.366	2	425
	<b>2.154</b>	<b>1.417</b>	<b>124</b>	<b>562</b>

### 8 Financial expenses

Interest paid to group enterprises	0	0	-140	-80
Loss from fixed asset investments	-99	0	-99	0
Other financial expenses	-2.546	-3.628	-667	-64
	<b>-2.645</b>	<b>-3.628</b>	<b>-906</b>	<b>-144</b>

## NOTES TO THE ANNUAL ACCOUNTS AND THE CONSOLIDATED ANNUAL ACCOUNTS

<u>Note</u> DKK '000	<u>Group</u>		<u>Parent company</u>	
	<u>2020/21</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2019/20</u>
<b>9 Tax on profit for the year</b>				
Current tax for the year	31.111	35.216	-289	856
Change in deferred tax liabilities for the year	-664	-3.913	-116	-806
Change in deferred tax assets for the year	-1.513	-418	0	0
Tax relating to previous years	173	-1.295	0	-2.043
	<b>29.107</b>	<b>29.590</b>	<b>-405</b>	<b>-1.993</b>
<b>Tax on profit for the year can be specified as:</b>				
Tax on profit for the year	26.385	26.784	19.589	19.602
Higher/lower tax rate of foreign subsidiaries	2.767	3.906	0	0
<b>Tax effect of:</b>				
Reduction of tax rates	-2	-57	0	0
Non-taxable income	-680	-644	0	-11
Non-taxable result in subsidiaries	0	0	-20.015	-19.891
Non-deductible amortisation of goodwill	267	267	0	0
Other non-deductible expenses	197	283	21	4
Dividend tax subsidiaries	0	346	0	346
Tax relating to previous years	173	-1.295	0	-2.043
	<b>29.107</b>	<b>29.590</b>	<b>-405</b>	<b>-1.993</b>

## NOTES TO THE ANNUAL ACCOUNTS AND THE CONSOLIDATED ANNUAL ACCOUNTS

**Note** DKK '000

### 10 Intangible fixed assets, group

	Acquired rights	Goodwill	Development pro- jects in progress and prepayments	Total
Cost at 1 April 2020	58.528	118.889	378	177.795
Exchange adjustment	-1.284	-43	0	-1.327
Additions for the year	996	0	1.041	2.037
Disposals for the year	-606	0	0	-606
Transfers during the year	17	0	-17	0
<b>Cost at 31 March 2021</b>	<b>57.651</b>	<b>118.846</b>	<b>1.402</b>	<b>177.899</b>
Amortisation at 1 April 2020	46.748	112.717	0	159.465
Exchange adjustment	-340	-39	0	-379
Amortisation for the year	2.365	1.213	0	3.578
Reversal of amortisation of disposed assets	-607	0	0	-607
<b>Amortisation at 31 March 2021</b>	<b>48.166</b>	<b>113.891</b>	<b>0</b>	<b>162.057</b>
<b>Carrying amount at 31 March 2021</b>	<b>9.485</b>	<b>4.955</b>	<b>1.402</b>	<b>15.842</b>
Carrying amount at 31 March 2020	11.780	6.172	378	18.330

### 11 Property, plant and equipment, group

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Tangible fixed assets in progress	Total
Cost at 1 April 2020	259.421	368.376	45.331	4.159	677.287
Exchange adjustment	-367	-5.026	121	35	-5.237
Additions for the year	538	10.780	5.691	4.542	21.551
Disposals for the year	0	-2.873	-5.047	0	-7.920
Transfers during the year	365	2.128	1.701	-4.194	0
<b>Cost at 31 March 2021</b>	<b>259.957</b>	<b>373.385</b>	<b>47.797</b>	<b>4.542</b>	<b>685.681</b>
Depreciation at 1 April 2020	125.954	310.425	31.156	0	467.535
Exchange adjustment	-408	-3.861	-68	0	-4.337
Depreciation for the year	7.183	18.059	5.541	0	30.783
Reversal of depreciation of disposed assets	0	-2.873	-4.439	0	-7.312
<b>Depreciation at 31 March 2021</b>	<b>132.729</b>	<b>321.750</b>	<b>32.190</b>	<b>0</b>	<b>486.669</b>
<b>Carrying amount at 31 March 2021</b>	<b>127.228</b>	<b>51.635</b>	<b>15.607</b>	<b>4.542</b>	<b>199.012</b>
Carrying amount at 31 March 2020	133.467	57.951	14.175	4.159	209.752

The carrying amount at 31 March 2021 consists of:

Recognised interest expenses	<b>636</b>	
Recognised leased assets		<b>3.079</b>



## NOTES TO THE ANNUAL ACCOUNTS AND THE CONSOLIDATED ANNUAL ACCOUNTS

### 12 Fixed assets investments, group and parent company

	<u>Parent comp.</u>	<u>Parent comp. and group</u>
	<u>Investment in subsidiaries</u>	<u>Other Investments</u>
Cost at 1 April 2020	767.428	1.025
Additions for the year	0	0
Disposals for the year	0	0
<b>Cost at 31 March 2021</b>	<b>767.428</b>	<b>1.025</b>
Revaluations and amortisation at 1 April 2020	-63.341	-645
Exchange adjustment	-5.448	0
Market value adjustments concerning securities	0	-99
Profit before tax in subsidiaries	121.796	0
Tax on net profit in subsidiaries	-29.297	0
Goodwill amortization	-1.213	0
Adjustments in internal advance	-309	0
<b>Revaluations and amortisation at 31 March 2021</b>	<b>22.188</b>	<b>-744</b>
<b>Carrying amount at 31 March 2021</b>	<b>789.616</b>	<b>281</b>
Carrying amount at 31 March 2020	704.087	380

#### Investment in subsidiaries includes the following:

<u>Company</u>	<u>Place of residence</u>	<u>Owner's share</u>
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, Italy	100%
KYOCERA UNIMERCO Tooling UAB	Vilnius, Lithuania	100%
KYOCERA BILGINOGLU Precision Tools Industry & Trade A.S.	Istanbul, Turkey	70%

## NOTES TO THE ANNUAL ACCOUNTS AND THE CONSOLIDATED ANNUAL ACCOUNTS

<b>Note</b>	<b>DKK '000</b>	<b>Group</b>		<b>Parent company</b>	
		<b>2020/21</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2019/20</b>
<b>13</b>	<b>Deferred tax assets</b>				
	Deferred tax assets at 1 April	3.403	3.512	0	0
	Exchange adjustment at the end of the year	122	-114	0	0
	Adjustment relating to previous years	194	-413	0	0
	Changes of the year	1.513	418	0	0
	<b>Carrying amount at 31 March</b>	<b>5.232</b>	<b>3.403</b>	<b>0</b>	<b>0</b>
	Deferred tax assets relate to:				
	Fixed assets	-1.374	-698	0	0
	Current assets etc.	483	773	0	0
	Tax losses	6.123	3.328	0	0
	<b>Carrying amount at 31 March</b>	<b>5.232</b>	<b>3.403</b>	<b>0</b>	<b>0</b>

The recognised tax assets mainly relate to tax losses carry forward and are recognised in the balance sheet due to the expectation that the tax losses will be realized in the future.

The assumptions for recognising the tax assets in the balance sheet are the companies with tax losses have been profitable in the past years and the plan and expectations for the future are further growth and better profitability.

### 14 Prepayments

Prepayments mainly comprise prepaid software subscriptions and insurance premiums.

### 15 Share capital

The share capital of the company is DKK 153,000 divided into shares of DKK 25 each or multiples thereof. No share certificates have been issued.

	<b>Group</b>		<b>Parent company</b>	
	<b>2020/21</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2019/20</b>
<b>16 Proposed distribution of profit:</b>				
Proposed dividend for the year	34.402	34.870	34.402	34.870
Non-controlling interest	1.377	1.060	0	0
Retained earnings	55.043	56.222	55.043	56.222
<b>Profit for the period</b>	<b>90.822</b>	<b>92.152</b>	<b>89.445</b>	<b>91.092</b>



## NOTES TO THE ANNUAL ACCOUNTS AND THE CONSOLIDATED ANNUAL ACCOUNTS

### 20 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 8,988 thousand. Of this, DKK 4,889 thousand has been prepaid.

#### Rental and lease obligations

The Group has entered into operational lease commitments of primarily company cars and tenancy agreements to rent office and store rooms at a instalment of DKK 9,053 thousand next financial year.

The total lease commitment amounts to DKK 27,213 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 6,007 thousand.

#### Parent company:

#### Contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. There is no corporation tax payable by the Group due to voluntary payment of tax on account.

Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

### 21 Related parties

The company's principal shareholder is Kyocera Europe 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.

#### Consolidated annual report

The company is included in the consolidated annual report for the ultimate parent company Kyocera Corporation, Kyoto, Japan

The consolidated annual report for Kyocera Corporation, Kyoto, Japan, can be obtained on the following address: Kyocera Corporation, 6 Takeda Tobadono-cho, Fushimi-ku, Kyoto 612-8501, Japan

#### Transactions:

The company has chosen only to disclose transactions which have not been made on normal market conditions. There are no transactions to disclose.

### 22 Events after reporting period

No events have occurred after the reporting period of importance to the parent or the consolidated financial statements.