

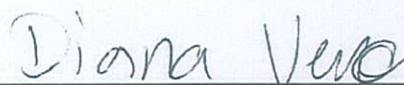
Toshiba Global Commerce Solutions (Denmark) ApS

**Baldersbuen 40
2640 Hedehusene**

CVR no. 32 32 44 60

Annual report 2015

The annual report was presented and
adopted at the annual general meeting of
the Company on 5 July 2016



Chairman

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Management's Statement on the Annual Report

The Executive Board has today considered and adopted the Annual Report of Toshiba Global Commerce Solutions (Denmark) ApS for the financial year 1 January - 31 December 2015.

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

In my opinion, the Financial Statements give a true and fair view of the Company assets, liabilities and financial position at 31 December 2015 and of the Company operations for the year 1 January - 31 December 2015.

In my opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting

Hedehusene, 4 July 2016

Executive Board



Junichi Kawasaki
direktor

Independent Auditor's Report

To the Shareholder of Toshiba Global Commerce Solutions (Denmark) ApS

Independent auditors' report on the financial statements

We have been appointed auditors with the objective of auditing the financial statements of Toshiba Global Commerce Solutions (Denmark) ApS for the financial year 1 January – 31 December 2015 which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of 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 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. Because of the matter described in the section basis for disclaimer of opinion, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Qualification

Basis for disclaimer of opinion

We were unable to obtain sufficient appropriate audit evidence about the Company's transfer pricing mark-up adjustment for the financial year. Accordingly, we were unable to confirm or verify the completeness of cost of sales for the financial year and the completeness of payables to group entities of DKK 25,549 thousand. Furthermore, we were unable to obtain sufficient appropriate audit evidence for the existence and valuation of receivables from group entities of DKK 20,690.

As a result of these matters, we were unable to determine whether any adjustments might have been necessary in respect of recorded or unrecorded cost of sales, gross margin, receivables from group entities, payables to group entities and related income tax items as well as the implications on the statement of changes in equity.

Disclaimer of opinion

Because of the significance of the matters described in the section basis for disclaimer of opinion, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

We recommend that the general meeting do not approve the financial statements.

Independent Auditor's Report

Report on other legal and regulatory requirements

Emphasis of matter regarding other matters

The Company has not filed a correct basis for VAT returns with the relevant authorities in due time. As a result, Management may be held liable.

The Company has granted loans to group entities during 2015 without documenting a proper credit assessment of the group entities before the loans were granted. This is a departure from the provisions in the Danish Companies Act and Management may incur liability in this respect.

Contrary to the Danish Bookkeeping Act, the Company solely stores its accounting records abroad. Management may be held liable for this.

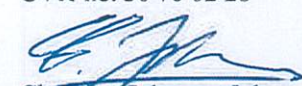
As the Company's annual report was not submitted within the deadlines stipulated in the Danish Financial Statements Act, management may be held liable.

Statement on the Management's Review


Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. As a result of the matters described in the section basis for disclaimer of opinion, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we are not able to express a statement as to whether the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 4 July 2016

Ernst & Young P/S
Godkendt Revisionspartnerselskab
CVR-no. 30 70 02 28



Christian Schwenn Johansen
State Authorised Public Accountant



Rasmus Bloch Jespersen
State Authorised Public Accountant

Company Information

The Company

Toshiba Global Commerce Solutions (Denmark) ApS
Baldersbuen 40
2640 Hedehusene

CVR-no.: 32 32 44 60
Financial Period: 1 January - 31 December
Registered office: Hedehusene

Executive Board

Junichi Kawasaki, direktor

Auditors

Ernst & Young P/S
Godkendt Revisionspartnerselskab
Osvald Helmuths Vej 4
2000 Frederiksberg

General meeting

The Annual General Meeting is held on 4 July 2016

Management's Review

Core activity

The principal activities in the company are point of sales solutions, sale of related software, service and advisory.

Development in activities and financial matters

Toshiba Global Commerce Solutions (Denmark) ApS started as a company on July 1st 2012 with the transfer of the IBM RSS business occurring on November 30th 2012. TGCS is committed to the Danish market and development of the business, both in terms of growing the market and increasing its share of the market.

The business performance in 2015 was impacted by the loss of a major customer resulting in a significant drop in revenues. The resulting in loss of major customer has led to the need to perform a impairment of the balance sheet goodwill to reflect performance being below expectations. Revenues are however forecasted to remain stable over the next 3 years with slight growth expected given the evolution of the Danish retail Business creating more opportunities. A number of medium to large customers has purchased new Toshiba solutions and existing customer are increasing their installations as they open new stores. The Danish business is 100% through channel partners and thus there are a number of different routes to end users.

Financing and going concern

As at 31 December 2015, the company's current assets amount to DKK 33,058 thousand and the current liabilities amounts to DKK 31,070 thousand. The company is covered by the Group's treasury policy. The treasury policy ensures that the company will have sufficient liquidity to settle its obligations as they are due. Furthermore the Company has received a letter of support from its parent company regarding the continued raising of the necessary financing of operations.

On this basis, management has prepared the financial statements under going concern assumption.

Significant events after the balance sheet date

Other than the events referred to in section "Financing and going concern there has been no significant events after the balance sheet date.

Management's Review

Correction of material misstatements

In 2015 management made decision to correct prior year's material misstatements regarding the below listed matters, which resulted in qualifications in the auditor's report on the Company's financial statements for 2014:

- In the 2014 financial statements the company recognized an adjustment of DKK 1,485 thousand to purchase price allocation related to the 2012 acquisition of the retail store solution (RSS) business within financial income. This constituted a departure from the Danish Financial Statements Act, as such adjustments of purchase price allocations should be accounted for as an adjustment to the cost price of goodwill.
- In the 2014 financial statements short-term receivables from group entities were understated by DKK 3,300 thousand and short-term payables to group entities are understated by DKK 3,300 thousand, a result of a decision made by Management.
- In the 2014 financial statements trade receivables are overstated by DKK 2,600 thousand and other payables are overstated by DKK 2,600 thousand, as a result of a decision made by Management.

Management has corrected the matters in the financial statements for 2015 by applying section 52(2) of the Danish Financial Statements Act regarding corrections of material misstatements. Accordingly, the comparatives for 2014 have been restated in the 2015 financial statements.

As a result of the correction of the material misstatement in 2014 the Company's equity at 1 January 2015 and 1 January 2014 has been negatively affected by DKK 899 thousand, and DKK 1,083 thousand, respectively.

In the income statement for 2014, amortization of goodwill has been reduced by DKK 372 thousand, financial income has been reduced by DKK 1,485 thousand, and tax on profit/loss for the year has been reduced by DKK 188 thousand. The net effect of the result for the year is DKK 1,302 thousand.

In the balance sheet at 31 December 2014, the carrying value of goodwill have been reduced by DKK 711 thousand, short-term receivables from group entities and payables to group entities have been increased by DKK 3,300 thousand, trade receivables and other payables have been reduced by DKK 2,600 thousand, corporation tax receivable has been reduced by DKK 111 thousand, and deferred tax assets has been reduced by DKK 77 thousand.

Total assets and total liabilities at 31 December 2014 have been reduced by DKK 244 thousand.

Financial statements 1 January - 31 December

Accounting policies

The Annual Report of Toshiba Global Commerce Solutions (Denmark) ApS for 2015 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

Reporting currency

The financial statements are presented in Danish kroner.

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Financial statements 1 January - 31 December

Accounting policies

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Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Non-current assets acquired in foreign currencies are measured at the exchange rate at the transaction date.

Income Statement

Gross profit

The Company uses the regulations in the Danish Financial Statements Act §32, after which the company's revenue is not stated.

Gross profit comprise revenue, other operating income, expenses for raw materials and consumables and other external costs.

Financial statements 1 January - 31 December

Accounting policies

Revenue

Revenue comprise income from the sale of goods, Point of sale solutions, trade of related software and maintenance and consultancy.

Income from the sale of goods and point of sale solutions is recognized in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably and is expected to be received.

Revenue related to equipment that requires installation is recognized when the installation of the equipment is completed, the equipment is accepted by the customer and other specific criteria of the equipment are demonstrated by the company.

Revenue from services, such as maintenance service for plant and other systems, that are priced and sold separately from the equipment is recognized ratably over the contract term or as the services are provided.

Revenue from arrangements with multiple elements, which may include any combination of products, equipment, installement and maintenance, is allocated to each element based on its relative selling price if such element meets the criteria for treatment as a separate unit of accounting. Otherwise, revenue is deferred until the undelivered elements are fulfilled as a single unit of accounting.

Revenue is measured at the fair value of the agreed consideration ex. VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

To the extent that customers are offered a right of return in connection with the sale, revenue corresponding to the Company's experience with returns is recognised. In cases where the Company has no experience from similar transactions, no revenue is recognised until the return period has expired.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external costs

Other external costs comprise costs for distribution, sale, advertising, administration, premises, bad debt losses, operating leases, etc.

Staff costs

Staff costs comprise salaries and wages, including holiday allowance, pension and other social security costs, etc. to the Company's employees.

Financial statements 1 January - 31 December

Accounting policies

Other operating income

Other operating income include items of a secondary nature relative to the enterprise's core business.

Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement.

Balance Sheet

Intangible assets

On initial recognition, intangible assets are measured at cost.

Goodwill acquired is subsequently measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the estimated useful life estimated at 4 years.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financial include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax-scheme, etc.

Impairment of fixed assets

Every year, intangible assets are reviewed for impairment. Where there is indication of impairment, an impairment test is made for each individual asset or group of assets, respectively, generating independent cash flows. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount. Where an impairment loss is recognised on a group of assets, a loss must first be allocated to goodwill and then to the other assets on a pro rata basis.

Inventories

Inventories are measured at cost in accordance with FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale are measured at cost, which comprises the cost acquisition plus delivery costs as well as other costs directly attributable to the acquisition.

Financial statements 1 January - 31 December

Accounting policies

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses when there is objective evidence that a receivable or a portfolio of receivables has been impaired. If there is objective evidence that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of the receivables and the present values of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as a discount rate.

Cash

Cash comprises bank balances.

Corporation tax and deferred tax

Current tax payable and receivable is recognised on the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable values.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities comprising trade payables, payables to group enterprises and other liabilities.

Financial statements 1 January - 31 December

Accounting policies

Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Income statement 1 January - 31 December

	<u>Note</u>	<u>2015</u> DKK	<u>2014</u> DKK
Gross profit		5,786,525	1,576,931
Staff costs	2	-683,079	-755,513
Amortisation and impairment of intangible assets		<u>-2,223,026</u>	<u>-1,158,869</u>
Profit/loss before financial income and expenses		2,880,420	-337,451
Financial income	3	0	40,111
Financial costs	4	<u>-416,871</u>	<u>-1,018,138</u>
Profit/loss before tax		2,463,549	-1,315,478
Tax on profit/loss for the year	5	<u>-466,233</u>	<u>67,873</u>
Profit/loss for the year		<u>1,997,316</u>	<u>-1,247,605</u>
Retained earnings		<u>1,997,316</u>	<u>-1,247,605</u>
		<u>1,997,316</u>	<u>-1,247,605</u>

Financial statements 1 January - 31 December

Balance sheet at 31 December

	Note	2015 DKK	2014 DKK
Assets			
Goodwill		0	2,223,026
Intangible assets	6	<u>0</u>	<u>2,223,026</u>
Non-current assets		<u>0</u>	<u>2,223,026</u>
Finished goods and goods for resale		0	3,079
Inventories		<u>0</u>	<u>3,079</u>
Trade receivables		8,354,263	11,278,328
Receivables from group entities		20,689,831	3,255,000
Other receivables		2,178,199	579,415
Deferred tax asset		583,072	239,774
Receivables		<u>31,805,365</u>	<u>15,352,517</u>
Cash at bank and in hand		<u>1,252,666</u>	<u>1,411,106</u>
Total current assets		<u>33,058,031</u>	<u>16,766,702</u>
Total assets		<u><u>33,058,031</u></u>	<u><u>18,989,728</u></u>

Financial statements 1 January - 31 December

Balance sheet at 31 December

	<u>Note</u>	<u>2015</u> DKK	<u>2014</u> DKK
Equity and liabilities			
Share capital		80,100	80,100
Share premium account		721,900	721,900
Retained earnings		<u>1,186,420</u>	<u>-810,895</u>
Total equity	7	<u>1,988,420</u>	<u>-8,895</u>
Trade payables		1,314,071	7,417,646
Payables to group entities		25,548,685	7,808,009
Corporation tax		692,704	0
Other payables		3,439,467	2,639,532
Deferred income		<u>74,684</u>	<u>1,133,436</u>
Current liabilities		<u>31,069,611</u>	<u>18,998,623</u>
Total liabilities		<u>31,069,611</u>	<u>18,998,623</u>
Total equity and liabilities		<u>33,058,031</u>	<u>18,989,728</u>
Going concern	1		
Contingent assets, liabilities and other financial obligations	9		
Related parties and ownership	8		
Information about consolidated financial statements			

Financial statements 1 January - 31 December

Notes

1 Going concern

As at 31 December 2015, the company's current assets amount to DKK 33,058 thousand and the current liabilities amounts to DKK 31,070 thousand. The company is covered by the Group's treasury policy. The treasury policy ensures that the company will have sufficient liquidity to settle its obligations as they are due. Furthermore the Company has received a letter of support from its parent company regarding the continued raising of the necessary financing of operations.

On this basis, management has prepared the financial statements under going concern assumption.

	<u>2015</u> DKK	<u>2014</u> DKK
2 Staff costs		
Wages and salaries	637,172	687,990
Pensions	<u>45,907</u>	<u>67,523</u>
	<u>683,079</u>	<u>755,513</u>
3 Financial income		
Exchange adjustments	<u>0</u>	<u>40,111</u>
	<u>0</u>	<u>40,111</u>
4 Financial costs		
Interest paid to group entities	88,013	57,900
Other financial costs	<u>328,858</u>	<u>960,238</u>
	<u>416,871</u>	<u>1,018,138</u>

Financial statements 1 January - 31 December

Notes

5 Tax on profit/loss for the year

Current tax for the year	920,704	0
Deferred tax for the year	-343,298	-67,390
Adjustment of tax concerning previous years	-111,173	-483
	<u>466,233</u>	<u>-67,873</u>

6 Intangible assets

	Goodwill
	DKK
Cost at 1 January 2015	6,123,184
Adjustment of goodwill	<u>-1,485,000</u>
Cost at 31 December 2015	4,638,184
Impairment losses and amortisation at 1 January 2015	3,188,595
Adjustment of goodwill	-773,437
Impairment losses for the year	1,063,480
Depreciation for the year	<u>1,159,546</u>
Impairment losses and amortisation at 31 December 2015	<u>4,638,184</u>
Carrying amount at 31 December 2015	<u>0</u>

Impairment test

In 2015 the company's business performance was impacted by the loss of a major customer, which resulted in a significant reduction in the Company's activity level compared to 2014. It is the assessment of management that the decline the Company's activity level will be reflected in future cash flows, which represent an indication of impairment. As such, management has prepared an impairment test, calculating the recoverable amount of the company's fixed assets at 31 December 2015. The recoverable amount has been determined based on a value-in-use calculation, which is based on the budgeted future net cash flows for period 2016-2019. In the value in use calculation management has made estimates of the applied discount rate, inflation and cash flow.

As a result of the impairment test, management accounted for an impairment loss of DKK 1,063 thousand.

Financial statements 1 January - 31 December

Notes

7 Equity

	Share capital	Share premium account	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January 2015	80,100	721,900	88,232	890,232
Net effect from adjustment of material misstatement	0	0	-899,128	-899,128
Adjusted equity at 1 January 2015	80,100	721,900	-810,896	-8,896
Net profit/loss for the year	0	0	1,997,316	1,997,316
Equity at 31 December 2015	80,100	721,900	1,186,420	1,988,420

The share capital consists of:

801 A-shares á DKK 100	80,100
	80,100

Change in the share capital for the past two years can be specified as follows:

	2015	2014
	DKK	DKK
Share capital at 1 January 2015	80,100	80,000
Capital increase	0	100
Share capital at 31 December 2015	80,100	80,100

8 Related parties and ownership

Toshiba Global Commerce Solutions (Denmark) ApS related parties comprise the following:
 Toshiba Global Commerce Solutions Holdings Corporation, 3040 Cornwallis Road, Research
 Triangle Park, North Carolina 27709, United States, which controls the Company.

Controlling interest

Toshiba Tec Corporation, Tokyo, Japan
 Toshiba Global Commerce Solutions Holdings Corporation

Financial statements 1 January - 31 December

Notes

9 Contingent assets, liabilities and other financial obligations

The company is jointly taxed with affiliated branches of foreign entities, and has limited and alternative liability together with other jointly taxed entities for payment of income taxes for the income year 2014 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 1 July 2012.

Payments under operating leases concerning rental and cars DKK 104.640 (2014: DKK 210.979)

The remaining terms is 1 year.

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent's consolidated financial statement
Toshiba Tec Corporation	Tokyo, Japan	1-11-1, Osaki, Shinagawa ku, Tokyo 141-8562, Japan
Toshiba Global Commerce Solutions Holdings Corporation	Tokyo, Japan	The financial statements are Not made available to the public