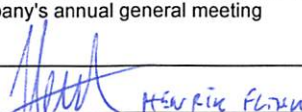


**Sharp Business Systems
Danmark A/S**
Roholmsvej 14 A
2620 Albertslund
Denmark

Telephone +45 70 23 03 10

Sharp Business Systems Danmark A/S

Annual report for the period
4 February 2015 – 31 March
2016

The annual report was presented and adopted at the
Company's annual general meeting
on _____ 20 16


chairman

CVR no. 36 53 85 89
25938_2



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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Sharp Business Systems Danmark A/S for the financial year 4 February 2015 – 31 March 2016.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 March 2016 and of the results of the Company's operations for the financial year 4 February 2015 – 31 March 2016.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report should be approved at the annual general meeting.

Albertslund, 11 July 2016

Executive Board:

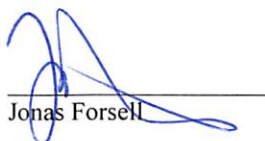


Torben Lund Rasmussen

Board of Directors:



Henrik Flink
Chairman



Jonas Forsell



Torben Lund Rasmussen



Independent auditor's report

To the shareholder of Sharp Business Systems Danmark A/S

Independent auditor's report on the financial statements

We have audited the financial statements of Sharp Business Systems Danmark A/S for the financial year 4 February 2015 – 31 March 2016. The financial statements comprise accounting policies, income statement, balance sheet and notes. 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 under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 March 2016 and of the results of the Company's activities for the financial year 4 February 2015 – 31 March 2016 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

In accordance with the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 11 July 2016

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Morten Høgh-Petersen
State Authorised
Public Accountant

Management's review

Company details

Sharp Business Systems Danmark A/S
Roholmsvej 14 A
2620 Albertslund
Denmark

Telephone: +45 70 23 03 10
CVR no.: 36 53 85 89
Established: 4 February 2015
Registered office: Albertslund
Financial year: 4 February 2015 – 31 March 2016

Board of Directors

Henrik Flink (Chairman)
Jonas Forsell
Torben Lund Rasmussen

Executive Board

Torben Lund Rasmussen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø
Denmark

Annual general meeting

The annual general meeting will be held on 11 July 2016.



Management's review

Operating review

Principal activities

The Company's main activity is to handle electronic appliances for the SHARP Group, mainly photocopiers and printers.

Description of significant changes to the Company's activities

On 4 February 2015, Sharp Business Systems Danmark A/S was established to handle the SHARP Group's sales in Denmark. At 1 April 2015, all activities were transferred from SHARP Electronic (Nordic) AB, branch in Denmark.

The profit of the period amounts to DKK 602 thousand, which Management considers satisfactory.

Events after the balance sheet date

There have been no significant events after the balance date.

Financial statements 4 February 2015 – 31 March 2016

Accounting policies

The annual report of Sharp Business Systems Danmark A/S for 2015/16 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Applying provisions from a higher reporting class

The Company presents its financial statements in accordance with the provisions applying to reporting class B and also applies some provisions applying to reporting class C.

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, 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.

Income statement

Revenue

Income from the sale of goods and finished goods, comprising the sale of #, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be reliably measured and is expected to be received.

Revenue from the sale of goods where installation is a condition for major risks being considered transferred to the buyer is recognised as revenue when installation has been completed.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Financial statements 4 February 2015 – 31 March 2016

Accounting policies

Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Balance sheet

Intangible assets

Patents, licences and trademarks

Licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining life of the patent, and licences are amortised over the contract period.

Property, plant and equipment

Plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers, energy consumption, staff and depreciation of machinery used.

Where individual components of an item of plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3-5 years
--	-----------

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Financial statements 4 February 2015 – 31 March 2016

Accounting policies

Leases

All leases are operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations, etc.

Inventories

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

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Goods and consumables are measured at cost.

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 where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined on the basis of historical loss experience.

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

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Financial statements 4 February 2015 – 31 March 2016

Accounting policies

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

Equity

Dividends

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in 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 measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; 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 value.

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 as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Liabilities are measured at net realisable value.

Financial statements 4 February 2015 – 31 March 2016

Income statement

DKK'000	Note	2015/16
Gross profit		13,689
Staff costs	1	-12,688
Depreciation on property, plant and equipment, amortisation of intangible assets and impairment losses		-165
Ordinary operating profit		836
Other financial income	2	24
Other financial expenses	3	-65
Profit before tax		795
Tax on profit/loss for the year		-193
Profit for the year		<u>602</u>
Proposed profit appropriation		
Proposed dividends for the financial year		0
Retained earnings		602
		<u>602</u>

Financial statements 4 February 2015 – 31 March 2016

Balance sheet

DKK'000	Note	<u>2015/16</u>
ASSETS		
Non-current assets		
Intangible assets		
Patents, licences and trademarks		<u>6</u>
		<u>6</u>
Property, plant and equipment		
Fixtures and fittings, tools and equipment		<u>911</u>
		<u>911</u>
Total non-current assets		<u>917</u>
Current assets		
Inventories		
Finished goods and goods for resale		5,244
Prepayments for goods		<u>108</u>
		<u>5,352</u>
Receivables		
Trade receivables		11,935
Receivables from group entities		3,247
Other receivables		327
Prepayments		<u>65</u>
		<u>15,574</u>
Cash at bank and in hand		<u>7,256</u>
Total current assets		<u>28,182</u>
TOTAL ASSETS		<u>29,099</u>

Financial statements 4 February 2015 – 31 March 2016

Balance sheet

DKK'000	Note	<u>2015/16</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	4	500
Retained earnings		<u>602</u>
Total equity		<u>1,102</u>
Liabilities other than provisions		
Current liabilities other than provisions		
Trade payables		523
Payables to group entities		23,107
Corporation tax		192
Other payables		<u>4,175</u>
		<u>27,997</u>
Total liabilities other than provisions		<u>27,997</u>
TOTAL EQUITY AND LIABILITIES		<u>29,099</u>
Contractual obligations, contingencies, etc.	5	
Related party disclosures	6	



Financial statements 4 February 2015 – 31 March 2016

Notes

		2015/16		
	DKK'000	<u>2015/16</u>		
1 Staff costs				
	Wages and salaries	12,393		
	Other social security costs	295		
		<u>12,688</u>		
2 Financial income				
	Foreign exchange gains	23		
	Other interest income	1		
		<u>24</u>		
3 Other financial expenses				
	Foreign exchange losses	52		
	Other interest expense	13		
		<u>65</u>		
4 Equity				
	Share capital	Retained earnings	Proposed dividend	Total
	500	0	0	500
	0	602	0	602
	<u>500</u>	<u>602</u>	<u>0</u>	<u>1,102</u>

All shares rank equally.

5 Contractual obligations, contingencies, etc.

Lease obligations

The Company has entered into operating leases at the following amounts:

The remaining term of the leases is up to 37 months, totalling DKK 1.7 million.

The remaining term of the rent is up to 54 months with an average monthly lease payment of DKK 57 thousand, totalling DKK 3.1 million.

Financial statements 4 February 2015 – 31 March 2016

Notes

6 Related party disclosures

Sharp Business Systems Danmark A/S' related parties comprise the following:

Control

Sharp Electronics (Nordic) AB
Box 14098
167 14 Bromma
Stockholm
Sweden

Related party transactions

The consolidated financial statements of Sharp Electronics (Nordic) AB can be obtained at the following address, Sharp Electronics (Nordic) AB, Box 14098, 167 14 Bromma, Sweden, which is ultimately owned by Sharp Corporation, Japan.