

# Toyota Danmark A/S

Dynamovej 10  
2860 Søborg  
CVR no. 48 45 63 16

## Annual Report for 2022/23

Adopted at the Annual General  
Meeting on 13 July 2023

**Chairman**

Yoshihiro Nakata



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## **Statement by management on the annual report**

The Executive Board and Board of Directors have today considered and approved the Annual Report of Toyota Danmark A/S for the financial year 1 April 2022 - 31 March 2023.

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 financial position at 31 March 2023 and of the results of the Company's operations for the financial year 1 April 2022 - 31 March 2023.

In our opinion, Management's Review includes a fair and true account of the matters dealt with in the Management's Review.

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

Copenhagen, 27 June 2023

### **Executive board**

Alar Metsson  
CEO

### **Supervisory board**

Dirk Tony De Man  
chairman

Alar Metsson

Cordula Betty Pleier

## **Independent Auditor's Report**

### ***To the Shareholder of Toyota Danmark A/S***

#### **Opinion**

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 March 2023, and of the results of the Company's operations for the financial year 1 April 2022 - 31 March 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Toyota Danmark A/S for the financial year 1 April 2022 - 31 March 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("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 Company 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 Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.



## **Independent Auditor's Report**

### **Management's Responsibilities 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 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 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 Company or to cease operations, or has no realistic alternative but to do so.

### **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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

## Independent Auditor's Report

- 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 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 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.

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.

Hellerup, 27 June 2023

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
CVR no. 33 77 12 31

Leif Ulbæk Jensen  
State Authorised Public Accountant  
mne23327

Anders Røjleskov  
State Authorised Public Accountant  
mne28699

## Company details

### The Company

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CVR no.: 48 45 63 16

Reporting period: 1 April 2022 - 31 March 2023

Domicile: Gladsaxe

### Board of Directors

Dirk Tony De Man, chairman  
Alar Metsson  
Cordula Betty Pleier

### Executive Board

Alar Metsson

### Auditors

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

### Bankers

Danske Bank  
Holmens Kanal  
DK-1060 København K

Citibank  
H.C. Andersens Boulevard 12  
DK-1553 København V

## Financial highlights

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

|   | <u>2022/23</u> | <u>2021/22</u> | <u>2020/21</u> | <u>2019/20</u> | <u>2018/19</u> |
|---|----------------|----------------|----------------|----------------|----------------|
|   | TDKK           | TDKK           | TDKK           | TDKK           | TDKK           |
| <b>Key figures</b>                          |                |                |                |                |                |
| Revenue                                     | 2.970.162      | 2.876.081      | 2.565.852      | 2.572.123      | 2.560.165      |
| Gross profit                                | 201.970        | 223.512        | 254.572        | 322.138        | 254.698        |
| Profit/loss before net financials           | 128.242        | 162.472        | 197.992        | 268.448        | 197.923        |
| Net financials                              | -3.190         | 354            | 431            | 90             | 40             |
| Profit/loss for the year                    | 97.457         | 126.727        | 154.990        | 209.340        | 154.368        |
| <b>Balance sheet</b>                        |                |                |                |                |                |
| Balance sheet total                         | 758.681        | 611.450        | 691.280        | 725.018        | 514.512        |
| Investment in property, plant and equipment | 2.248          | 2.614          | 136            | 7.841          | 1.074          |
| Equity                                      | 297.892        | 327.162        | 355.425        | 409.775        | 354.803        |
| Number of employees                         | 63             | 64             | 65             | 67             | 68             |
| <b>Financial ratios</b>                     |                |                |                |                |                |
| EBIT margin                                 | 4,3%           | 5,6%           | 7,7%           | 10,4%          | 7,7%           |
| Return on assets                            | 18,7%          | 24,9%          | 28,0%          | 43,3%          | 34,6%          |
| Solvency ratio                              | 39,3%          | 53,5%          | 51,4%          | 56,5%          | 69,0%          |
| Return on equity                            | 31,2%          | 37,1%          | 40,5%          | 54,8%          | 43,7%          |

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies.

## Management's Review

### The Company's principal activities

Toyota Danmark A/S (TDK) is a subsidiary of Toyota Motor Europe (TME), which is owned by Toyota Motor Corporation (TMC) in Japan. As a long-standing global motor vehicle production and sales corporation, TMC operates in more than 170 countries and regions and employs around 370,000 people worldwide. All engaged in the global strategy and vision of transforming Toyota from an automotive company to a mobility company. In short, Toyota will lead the way to the future of mobility, enriching lives around the world with the safest and most responsible ways of moving people.

The global strategy builds on Toyota's foundation and values, which consist of the Five Main Principles of Toyota, the Guiding Principles of Toyota, Toyota Way and Toyota Global Vision.

As Toyota's marketing and sales company in Denmark, TDK is responsible for marketing and sales of the Toyota and Lexus brands, as well as the corresponding genuine spare parts and accessories all supplied by TME. TDK also has the market responsibility for the Faroe Islands and Greenland. TDK employs 63 people at our premises (offices and garage) in Søborg.

TDK collaborate closely with our network of 28 independent retailers operating 81 showrooms and repair shops around the countries and our associated repairers. Lexus retailer and the showroom located at the HQ of Toyota Danmark is operated by TDK.

### Development in the year

The company's income statement for the year ended 31 March 2023 shows a profit of TDKK 97.457, and the balance sheet at 31 March 2023 shows equity of TDKK 297.892.

The Danish automobile industry ended with a total of 154.026 passenger cars in the financial year 2022 (FY22), a decrease of 21.610 units compared to the financial year 2021 (FY21). The market development was also affected by e.g., price increases in energy and raw materials. Furthermore, the market was still affected by production constraints among OEMs. Almost all segments in which Toyota operates dropped in the Danish automobile industry compared to FY21. The traditional segment A dropped by 28%, B by 19%, B-SUV by 13%, C by 26%, and C-SUV by 16%. However, the D-SUV segment increased by 12% compared to FY21. Light Commercial Vehicles sales in FY22 ended at 25,484 units compared to 30,563 units in FY21.

The financial target disclosed in the Annual Report 2021/22, where an increase in the result was expected to be 10% higher than the result for 2021/22, has due to the above mentioned causes therefore not been met.

## Management's Review

Toyota sold 15,394 units in FY22, corresponding to a market share of 8.52% compared to a 7.52% market share in FY21. The Aygo X was the bestseller for Toyota, with a total of 3,823 units, followed by Yaris at 2,831 units, Yaris Cross at 2,309 units, and RAV4 at 1,594 units. Our total hybrid sales were 10,881 with a sales mix of 73% for Yaris, and RAV4 had a mix of 56% PHEV and 39% HEV. On LCVs, it was mainly Proace, which accounted for 43% of our LCV sales o/w Proace City had a share of 15%.

In AutoIndex 2022, for the 21st consecutive year, Toyota again achieved two no. 1 places regarding the satisfaction of customers with the retailers and the workshops and Toyota reaching number two position in total. The survey includes all suppliers of cars in Denmark, and Toyota has since the launch of AutoIndex in 2003 been amongst the very best.

### **Significant events occurring after the end of the financial year**

Refer to disclosure note 15.

### **Targets and expectations for the year ahead**

In 2023 calendar year, the market is expected to stay on the low level as in 2022, reaching below 190,000 passenger and light commercial vehicles, as a result of both the financial prudence and the global supply situation where the war in Russia/Ukraine, semiconductor shortage still affects the production. The supply shortage is expected to improve during 2023, but lower market and acceleration of EV will affect the businesses of Toyota dealers and business partners. The forecast of 2023 takes this into account, but can be worse or better, than the current predictions under these circumstances.

The car registration tax system implemented in 2021 will continue to influence the future mix of fuel types, where it is expected that the electrified powertrains like HEV, PHEV and BEV will continue to a bigger part of new cars sold in 2023 and onwards.

The uncertainty is affecting the outlook and we expect to sell 17,000 vehicles which is estimated to result in a market share of 9%. We expect an impact as well on our profitability, however the uncertain situation under above mentioned circumstances makes it difficult to project the profit for FY23. However, the management expectations are that the Company will generate a profit in FY23 at the same level as FY22.

## Management's Review

### Statement on sustainability

Through our principle activities which is described in section "The Company's principal activities", TDK contributes to Toyota's global strategy and the efforts to be a good corporate citizen trusted by all stakeholders and create an affluent society through all business operations.

We adhere to the corporate Sustainability Policy: We aim to create a prosperous society through our business activities, based on "the Guiding Principles at Toyota." In 2020, based on these Principles, TMC compiled the "Toyota Philosophy" and set the mission of "Producing Happiness for All." We aim to be the "best company in town" that is both loved and trusted by the people. We will contribute to the sustainable development of our society/planet by promoting sustainability, as we have, under the "Toyota Philosophy," based on the Sustainability Fundamental Policy and individual policies. We comply with local, national, and international laws and regulations as well as the spirit thereof and we conduct our business operations with honesty and integrity. Furthermore, our TDK Code of Conduct, organizes the basic attitudes necessary for people working at the company and in society, providing a description of basic conducts. We respect our retailers and suppliers and aim to establish long-term mutually beneficial relationships based on mutual trust with our business partners. We train our network of retailers in Toyota Way and in 2022/23 they continued training alongside our own employees in the training program named BRiT (Best Retailer in Town) with the focus to ensure a culture where the customer is in the heart of everything we do and managers to develop sustainable retailer operations. In terms of suppliers, we refer to our Supplier CSR policies and guidelines.

TDK's management group takes leadership in fostering a corporate culture and implementing our policies that promote ethical behavior. TME regularly conduct internal audits related to our conduct hence, to support a local TDK Code of Conduct is used to align it more closely to our principle activities as a marketing and sales company.

Announced in 2015, our global Environmental Challenge 2050 comprises six challenges. They cover every aspect of our business, our exploration of new products and technologies, and our role as an enabler for individuals and communities to learn about and improve the natural world around them. Furthermore, in 2018 we established our global 2030 mid-term targets for each of the six environmental challenges. The mid-term targets are based on the current situation of Toyota and societal trends and will help us to realize our Environmental Challenge 2050. For details, please see Toyota Environmental Challenge 2050 ([toyota-europe.com](http://toyota-europe.com)) and for details on Toyota's sustainability approach and policies for ESG initiatives along with practical cases and numerical data cf. TMC's Sustainability Data Book [www.global.toyota/en/sustainability/](http://www.global.toyota/en/sustainability/).

## Management's Review

### *Environment and climate change*

TDK's environmental policy is in line with our Corporate Environmental Sustainability Policy, which states that we care about the environment, it is central to who we are and what we do. We are committed to continually reducing the impact our business has on the world around us and have consistently pioneered technologies, products, and ways of working that are kinder to the environment and benefit society as a whole.

We have since 2008 been ISO 14001 certified to help manage and reduce our local environmental impacts. Our environmental steering committee (ESC) consist of four company representatives including our CEO who review our annual performance and risk assessment, which has identified the cars and spare parts impact on the environment, the portfolio of chemicals and documentation hereof, as well as the buildings thermal envelope and the use of energy for car storage as main risks. ESC also suggests actions we can take to help address the global environmental challenge faced by Toyota. With reference to the six environmental challenges mentioned in the section Statement on sustainability further information follow each challenge:

**New Vehicle Zero CO2 Emissions Challenge:** TDK focus on increasing the share of electrified cars (hybrid, plug-in hybrid, battery electric and fuel cell electric) of which the share of TDK's annual sale has increased from 38% in FY17 to 66% in FY22. Toyota will the coming years continue to introduce further electrified models, which support the CO2 challenge.

**Life Cycle Zero CO2 Emission Challenge:** To support this challenge covering all other aspect of a vehicles life cycle not mentioned in challenge 1 and 3, TDK has since 2008 required that our retail and repair network must be ISO 14001 certified, and this continues. We also advise and recommend solutions for our network to reduce CO2. Furthermore, all new build locations, will be under a "Green retailer program". TDK buys green certificate from Ørsted ensuring that all electricity consumption is covered by renewable energy.

**Plant Zero CO2 Emissions Challenge:** The challenge relates to Toyota's car production plants and hence not in focus for TDK.

**Challenge of Minimizing and Optimizing Water Usage:** In the past many years TDK have had a focus on water use and consumption through ISO 14001. We monitor water consumption each month to ensure water leaks are detected. If new technologies arise that will help us to reduce water consumption even more, we will investigate this.

**Challenge of Establishing a Recycling-based Society and Systems:** TDK engages in the 100% battery collection and global recycling system. TDK uses Stena Recycling as our waste handler, Stena Recycling is also ISO 14001 certified.



## Management's Review

Challenge of Establishing a Future Society in Harmony with Nature: In co-operation with the non-profit organization, Green Network Foundation and Aarhus Kommune, TDK is contributing to a “people’s forest” in the area of Aarhus. This project started in the fall 2020 and was fully planted in 2022. The forest contains around 37,000 trees.

To further stimulate environmental awareness among our employees we have for the 10th time in row made June the “Green Month” of the year and in 2022/2023 we decided to focus on what you can do as an individual. This we will do through the SYI app, with support from TME.

### Employee relations

Our employees are a key asset to the operations of TDK, and we must be able to attract and retain employees and ensure that they have the right competences. This is due to the identify risks eg. competition in the job market and currently very low unemployment rate. TDK is committed to enhance business performance to continue to provide employment and maintain fair and stable working conditions which is part of our corporate Sustainability Policy and TDK Code of Conduct. At the same time, TDK tries to create a harmonious and stimulating work environment and we strive to perform our duties with integrity and respect towards other employees and associates. As part of our policies and practice, we:

- Maintain a safe and healthy working environment for all our employees
- Respect and honor the rights of all employees, and will not discriminate against them or permit infringement of their rights
- Recognize our employees’ right to freely associate, or not to associate and comply with applicable laws

Our People & Culture department introduces all new employees to Toyota’s foundation and values, and our People & Culture Handbook. Driven by our values, we engage in dialogue with our employees on the Toyota Way as part of the annual staff development interviews and we engage in the global values day annually. This is being done to develop our employees, motivate them to develop and as well retain our employees. TME has introduced a new Toyota Way which has been enrolled in 2021/22 and will continue years ahead.

All on-boarders go through mandatory e-learnings the first work week. These include TDK Code of Conduct, which is our guiding principles is how we conduct ourselves as employees.

## Management's Review

We coordinate and align our People & Culture operations within the Nordics and with TME. Our HR management system 'People Soft' is being used across TME. With this system we can monitor our performance through KPIs such as gender distribution (see below). Biannually, we conduct an employee satisfaction survey. The 2020/21 results show our employees understand the import value of the job they carry out, a common respect among our employees and we provide a safe working environment. Based on the feedback, we focused on 4 key focus areas to improve the employee experience. These were Communication, Well-being, Workload and Cooperation. Amongst many actions, flexible working hours, work from home possibilities, and "Company days" (days dedicated to co-operation, inspiration, and teamwork).

Also, in 2022 TDK launched the internal project "Create the Future" and as Project Goal: "To keep high motivation and happiness among all at TDK and bring in additional value and understanding for all processes supported by the Key Objectives; Map current and future Tasks/Roles and Responsibilities, Ensure work life balance and flexibility, Risk assess Back Up management and Re-visit processes to identify Stop – Change - Enhance possibilities.

We develop, support and coach our people through 1-2-1 meetings, mid-year and yearly follow up meetings. We make individual development plans and include "Create the Future" as a natural topic.

The TDK working environment committee (AMO) meets three times a year to discuss pertinent issues and oversee developments. The committee are working with key activities to assure a working environment that is stimulation a strong and positive culture, which enables our ability to retain the employees. Late 2022 TDK conducted a working environment survey (APV). The survey showed issues with noise disturbance in the office space. Key actions have been implemented, such as more meeting facilities, soundproof privacy boxes and dedicated focus time in office.

It is important for TDK, that our employees are treated with highest possible respect despite sexual orientation, ethnicity, age, religion, or gender. This is due to identified risks which is covered as part of our risk assessment and Code of Conduct. Diversity of all kinds are addressed on a European level and as well in TDK to assure that TDK respect and work with diversity to assure all rights are respected. We refer to the section "Statement on gender distribution in management" too. And furthermore, our efforts to support human rights and avoid bribery and corruption will continue in years to come with the same high ambitions as previously years.

## **Management's Review**

TDK have a high interest in the engagement and motivation of our retailers' employees, as ensuring the Toyota Way values are top of mind - that is key for our business and to deliver an experience beyond expectation to each single customer. The Toyota Way values are trained on regular basis, as they are part of the entire training program to ensure best skills and competencies. In 2019 we started the implementation of Employee Engagement survey together with the retailers, since 2020 as a standard survey, once a year for every retailer, and closely monitored by our performance consultants. We continue seeing strong good results and actions from this and continue this strong process to keep a high engagement, committed employees and low turnover.

### ***Human rights***

TDK has a close relationship with suppliers, and so the risk of disrespect of human rights are considered low.

Human rights are a part of TDK's Code of Conduct.

In 2022/23 there haven't been any incident to report.

### ***Anti-corruption and bribery***

We consider the risk of anti-corruption and bribery in our market for low.

Our Code of Conduct states that we do not tolerate bribery of or by any business partner, government agency or public authority and maintain honest and fair relationships with government agencies and public authorities. The zero-tolerance policy apply to all employees in Toyota.

To reduce potential risks and to ensure full compliance with all anti-corruption and bribery laws and regulations such as the Sarbanes Oxley Act TDK has established internal controls and accounting practices. Furthermore, employees are expected to report genuine facts, concerns, or suspicions they would become aware of regarding corruption, bribery, and violations of our policies at the earliest possible stage to their superior or through our corporate confidential, anonymous 'Whistle Blower' mechanism. Any activities related to the whistleblower mechanism is reported to TME quarterly. And, we have further strengthened our whistleblower set-up by implementation of a website solution managed by our external lawyer and all employees have been trained accordingly. There haven't been any incident to report in 2022/23.

## Management's Review

We remind employees of TDK Code of Conduct regularly and focus on specific sections related to anti-corruption and bribery during the year. And on top, in 2022 we have implemented a mandatory e-learning related to TDK Code of Conduct, which will be a yearly task onwards to ensure awareness and understanding. We also inform all new suppliers of our zero-tolerance policy and, we have engaged our main suppliers on anti-corruption and bribery laws and regulations to ensure they are aware of these as part of their conduct.

TDK Code of Conduct also covers areas such as gifts and hospitality, donations, sponsorship, and lobbying. In terms of community relations and philanthropic activities, we seek to address various social issues within our main areas of focus namely road safety, environment, and education.

In general, we are using different mandatory e-learning programs for all employees such as Competitor Law, GDPR and Cyber Security. Ethics and human rights going forward our efforts to support human rights and avoid bribery and corruption will continue in years to come with the same high ambitions as previously years

### **Statement on gender distribution in management**

#### ***Description of target figures for the underrepresented gender***

##### *Target figures for the underrepresented gender*

We aim for a more equal gender distribution in our workforce and at the executive levels. In 2020 we achieved 20% female representation in our executive group. Similarly, we focus on increasing the representation of women on the Board of Directors (BoD) with the aim of reaching a 33% representation among the three members. The BoD were changed January 26th, 2023, and the current representation is 33%.

TME has announced that Diversity, Equity & Inclusion (DE&I) is a top priority for Europe and the goal is to become the global benchmark for DE&I. And the vision is to be the most inclusive and diverse workplace globally where all members feel safe, respected, engaged, valued and able to unleash their full potential. To cultivate, embrace and leverage diversity, to deliver the highest standards of service to our customers, society and sustainably compete in the marketplace.

TDK is in process constructing a local DE&I policy that supports the TME vision of top priority.

## Management's Review

### ***Description of policies for the underrepresented gender***

#### *Policies for the underrepresented gender*

With reference to the TME's DE&I Policy, at TDK we work to achieve and integrate diversity and equality aspects in all our initiatives related to recruitment, retention, job satisfaction and development of competencies. The gender distribution among our workforce is a 30% female representation, which is lower by 2% from last year.

The TDK DE&I policy will contain initiatives to attract more female staff and will include employer branding and targeted recruiting processes.

#### *Description of how the company translates its policies on the underrepresented gender into action*

Management considers recruitment an important pipeline to promote equal opportunities in TDK and a prerequisite for improved gender quality at the executive levels. It is part of Management's continued initiatives to stimulate the number of female candidates when recruiting. From 2018 we started to monitor our recruitment practices in relation to gender representation and address unconscious bias as part of the process. Our group has also initiated a specific program on a European level to identify how Toyota can improve gender diversity, and lately a Pan-E DE&I survey has been conducted and the results will be communicated as part of the DE&I follow up.

Our flexible working arrangements support diversity and equal opportunity by making it easier for our people combine their varied work/life situations. Our policies enable employees to work outside the office and normal working hours where their jobs allow and with their manager's approval.

### **Statement of policy for data ethics**

#### Description of the entity's work with and policy for data ethical questions

As a Company we are looking into different areas how to utilize technologies best possible such as artificial intelligence (AI) but at the moment, no approved plans for AI, however in case we introduce AI, we will assess the possibilities also from a Data ethics point of view.

The Protection of Personal Data and Privacy is formulated in Toyotas internal and external Privacy Policies as well as our Code of Conduct, all of which are shared across the organization. Toyota will treat all personal data related to employees / associates, customers, and business partners and any other third party we are dealing with, with due care and in compliance with applicable laws and regulations. We will collect and use such data only by legal means and for legitimate purposes.

## Management's Review

Toyota's transformational journey from being a car manufacturer to a mobility company continues in an era of increasing digitalization. This means new digital platforms and more touchpoints with our customers. Toyota is working towards an Omni Channel Architecture Strategy, to provide seamless and memorable customer experiences across all touchpoints in the Customer Journey. This will require more processing of Personal Data than before, and while this represents opportunities, it also comes with challenges and dilemmas.

We achieve this by strictly adhering to the rules and principles set out in applicable laws (e.g., the GDPR (implemented in Denmark as "Databeskyttelsesloven")). For this reason, we are thinking Privacy by Design & Default, when designing a new infrastructure/processing to secure data subjects' rights and freedoms. The GDPR Principles play a major role now and will continue to do so in the future, when new ways of processing and sharing data will emerge.

We think that in a world of increasing digitalization, Privacy should not only to be considered a CSR-criteria but also a competition parameter of interest to both customers as well as internal/external stakeholders.

For this reason, our strategy aims to put the customer in the "driver's seat" by providing data subjects with clear and transparent information on our Data Processing and where relevant using GDPR compliant consent as the legal basis for processing e.g., vehicle data and executing marketing communication.

## **Accounting Policies**

The Annual Report of Toyota Danmark A/S for 2022/23 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied are consistent with those of last year.

The Annual Report for 2022/23 is presented in TDKK.

### **Cash flow statement**

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the Consolidated Financial Statements of Toyota Motor Corporation, Japan, the Company has not prepared a cash flow statement.

### **Basis of recognition and measurement**

The Financial Statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### **Translation policies**

Danish kroner is used as reporting and functional currency as most of the Company's transactions are in DKK. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

## **Accounting Policies**

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

### **Leases**

Leases for items of property, plant and equipment that transfer substantially all the risks and rewards incident to ownership to the company (finance leases) are recognised in the balance sheet as assets. On initial recognition, assets are measured at estimated cost, corresponding to the lower of fair value of the leased asset and the present value of the future lease payments. In calculating the net present value of the future lease payments, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the company's other non-current assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The company's total liabilities relating to operating leases and other rent agreements are disclosed under 'Contingencies, etc.'

### **Income statement**

#### **Revenue**

Revenue from the sale of Cars and spare parts is recognised in the income statement when the sale is considered effected based when the following criteria are met:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined;
- payment has been received or may with reasonable certainty be expected to be received.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

The Company has no significant markets beside the Danish market. In consideration of the Toyota Group's division of business segments, the Company considers spare parts and vehicles as one business segment.



## **Accounting Policies**

The Company's revenue is therefor not broken down by geographical and business segments.

### **Cost of sales**

Cost of sales comprise cars and spare parts consumed to achieve revenue for the year.

### **Other operating income and expenses**

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

### **Other external expenses**

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses etc.

### **Staff expenses**

Staff expenses comprise wages and salaries as well as other payroll expenses.

### **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment.

### **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

### **Tax on profit/loss for the year**

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with wholly Group owned Danish Companies. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses). The joint taxed enterprises have adopted the on-account taxation scheme.

# Accounting Policies

## Balance sheet

### Intangible assets

#### *Development projects*

Development projects consists of software, which is clearly defined and identifiable, where the technical utilization rate, sufficient resources and a potential future market or development opportunities can be demonstrated, and where the intention to use the project is recognized as intangible fixed assets if there is sufficient security for that the capital value of future earnings may cover production, sales and administrative costs as well as the development costs themselves.

Development projects that do not meet the criteria for recognition in the balance sheet are recognized as expenses in the income statement as the costs are incurred.

Capitalized development costs are measured at cost less accumulated depreciation and write-downs or recoverable amount, if this is lower. An amount equal to capitalized development costs in the balance sheet is recognized as "reserve for development costs" under equity. The reserve decreases in value as a result of depreciation.

Capitalized development costs are amortized on a straight-line basis from the time of completion over the period in which development work is expected to generate economic benefits.

### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

|  | <b>Useful life</b> |
|--|--------------------|
| Buildings  | 10-60 years        |
| Other fixtures and fittings, tools and equipment | 3-10 years         |
| Operating leases - Cars                          | 4-5 years          |

## **Accounting Policies**

Operating leases assets comprise assets, eg. cars, leased out to customers on operating lease terms.

Depreciation period and residual value are reassessed annually.

### **Investments in subsidiaries, associates and participating interests**

Investments in subsidiaries and associates are recognised and measured under the equity method.

### **Impairment of fixed assets**

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

### **Fixed asset investments**

Fixed asset investments consist of deposits.

### **Inventories**

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

### **Receivables**

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

### **Prepayments**

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

### **Equity**

#### **Dividends**

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

## **Accounting Policies**

### **Provisions**

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

### **Income tax and deferred tax**

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

The company and all its Danish group entities are taxed on a joint basis. The current income tax charge is allocated between the jointly taxed entities relative to their taxable income. Tax losses are allocated based on the full absorption method. The jointly taxed entities are eligible for the Danish Tax Prepayment Scheme.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

### **Financial debts**

Debts are measured at amortised cost, substantially corresponding to nominal value.

### **Deferred income**

Deferred income comprises payments received in respect of income in subsequent years.

## Accounting Policies

### Financial highlights

Definitions of financial ratios.

|                  |  |
|------------------|--|
| EBIT margin      | $\frac{\text{Profit/loss before financials} \times 100}{\text{Revenue}}$                         |
| Return on assets | $\frac{\text{Profit/loss before financials} \times 100}{\text{Average assets}}$                  |
| Solvency ratio   | $\frac{\text{Equity, end of year} \times 100}{\text{Total assets at year-end}}$                  |
| Return on equity | $\frac{\text{Profit/loss from ordinary operations after tax} \times 100}{\text{Average equity}}$ |

## Income statement 1 April - 31 March

|  | <u>Note</u> | <u>2022/23</u><br>TDKK | <u>2021/22</u><br>TDKK |
|--|-------------|------------------------|------------------------|
| <b>Revenue</b>   |             | <b>2.970.162</b>       | <b>2.876.081</b>       |
| Change in inventories of goods for resale                                  |             | 211.072                | -104.726               |
| Other operating income   |             | 175                    | 1.134                  |
| Cost of goods sold   |             | -2.855.969             | -2.420.597             |
| Other external expenses  |             | <u>-123.470</u>        | <u>-128.380</u>        |
| <b>Gross profit</b>  |             | <b>201.970</b>         | <b>223.512</b>         |
| Staff expenses   | 1           | <u>-57.013</u>         | <u>-54.095</u>         |
| <b>Profit/loss before amortisation/depreciation and impairment losses</b>  |             | <b>144.957</b>         | <b>169.417</b>         |
| Depreciation, amortisation and impairment of property, plant and equipment | 2           | <u>-16.715</u>         | <u>-6.945</u>          |
| <b>Profit/loss before net financials</b>                                   |             | <b>128.242</b>         | <b>162.472</b>         |
| Financial income   |             | 615                    | 771                    |
| Financial expenses   | 3           | <u>-3.805</u>          | <u>-417</u>            |
| <b>Profit/loss before tax</b>  |             | <b>125.052</b>         | <b>162.826</b>         |
| Tax on profit/loss for the year  | 4           | <u>-27.595</u>         | <u>-36.099</u>         |
| <b>Profit/loss for the year</b>  |             | <b><u>97.457</u></b>   | <b><u>126.727</u></b>  |
| Distribution of profit   | 5           |                        |                        |

## Balance sheet 31 March

|  | <u>Note</u> | <u>2023</u><br>TDKK  | <u>2022</u><br>TDKK  |
|--|-------------|----------------------|----------------------|
| <b>Assets</b>                                    |             |                      |                      |
| Software   |             | 592                  | 766                  |
| Development projects in progress                 |             | <u>1.560</u>         | <u>0</u>             |
| <b>Intangible assets</b>                         | <b>6</b>    | <b><u>2.152</u></b>  | <b><u>766</u></b>    |
| Land and buildings                               |             | 30.268               | 29.054               |
| Operating lease assets                           |             | 17.208               | 38.654               |
| Other fixtures and fittings, tools and equipment |             | 3.549                | 3.954                |
| Property, plant and equipment in progress        |             | <u>1.126</u>         | <u>1.722</u>         |
| <b>Tangible assets</b>                           | <b>7</b>    | <b><u>52.151</u></b> | <b><u>73.384</u></b> |
| Deposits   | 8           | <u>3.341</u>         | <u>3.381</u>         |
| <b>Fixed asset investments</b>                   |             | <b><u>3.341</u></b>  | <b><u>3.381</u></b>  |
| <b>Total non-current assets</b>                  |             | <b><u>57.644</u></b> | <b><u>77.531</u></b> |

## Balance sheet 31 March (continued)

|                                    | <u>Note</u> | <u>2023</u><br>TDKK | <u>2022</u><br>TDKK |
|------------------------------------|-------------|---------------------|---------------------|
| <b>Assets</b>                      |             |                     |                     |
| Goods for resale                   |             | 613.431             | 402.359             |
| <b>Inventories</b>                 |             | <b>613.431</b>      | <b>402.359</b>      |
| Trade receivables                  |             | 52.768              | 75.657              |
| Receivables from group enterprises |             | 5.871               | 10.562              |
| Other receivables                  |             | 561                 | 522                 |
| Deferred tax asset                 | 10          | 2.338               | 844                 |
| Corporation tax                    |             | 20.192              | 36.725              |
| Prepayments                        | 9           | 3.570               | 4.176               |
| <b>Receivables</b>                 |             | <b>85.300</b>       | <b>128.486</b>      |
| <b>Cash at bank and in hand</b>    |             | <b>2.306</b>        | <b>3.074</b>        |
| <b>Total current assets</b>        |             | <b>701.037</b>      | <b>533.919</b>      |
| <b>Total assets</b>                |             | <b>758.681</b>      | <b>611.450</b>      |



## Balance sheet 31 March

|  | <u>Note</u> | <u>2023</u><br>TDKK   | <u>2022</u><br>TDKK   |
|--|-------------|-----------------------|-----------------------|
| <b>Equity and liabilities</b>                          |             |                       |                       |
| Share capital  |             | 25.000                | 25.000                |
| Retained earnings                                      |             | 175.435               | 175.435               |
| Proposed dividend for the year                         |             | 97.457                | 126.727               |
| <b>Equity</b>  |             | <b><u>297.892</u></b> | <b><u>327.162</u></b> |
| Other provisions                                       |             | 9.115                 | 0                     |
| <b>Total provisions</b>                                |             | <b><u>9.115</u></b>   | <b><u>0</u></b>       |
| Deferred income  |             | 18.302                | 30.595                |
| <b>Total non-current liabilities</b>                   | 11          | <b><u>18.302</u></b>  | <b><u>30.595</u></b>  |
| Trade payables   |             | 59.048                | 48.268                |
| Payables to group enterprises                          |             | 290.254               | 131.569               |
| Other payables   |             | 77.274                | 65.574                |
| Deferred income  | 11          | 6.796                 | 8.282                 |
| <b>Total current liabilities</b>                       |             | <b><u>433.372</u></b> | <b><u>253.693</u></b> |
| <b>Total liabilities</b>                               |             | <b><u>451.674</u></b> | <b><u>284.288</u></b> |
| <b>Total equity and liabilities</b>                    |             | <b><u>758.681</u></b> | <b><u>611.450</u></b> |
| Contingent liabilities and other financial obligations | 12          |                       |                       |
| Related parties and ownership structure                | 13          |                       |                       |
| Fee to auditors appointed at the general meeting       | 14          |                       |                       |
| Subsequent events                                      | 15          |                       |                       |

## Statement of changes in equity

|                                | Share capital | Retained<br>earnings | Proposed<br>dividend for<br>the year | Total          |
|--------------------------------|---------------|----------------------|--------------------------------------|----------------|
|                                | TDKK          | TDKK                 | TDKK                                 | TDKK           |
| Equity at 1 April 2022         | 25.000        | 175.435              | 126.727                              | 327.162        |
| Ordinary dividend paid         | 0             | 0                    | -126.727                             | -126.727       |
| Net profit/loss for the year   | 0             | 0                    | 97.457                               | 97.457         |
| <b>Equity at 31 March 2023</b> | <b>25.000</b> | <b>175.435</b>       | <b>97.457</b>                        | <b>297.892</b> |

## Notes

|   | <u>2022/23</u> | <u>2021/22</u> |
|---|----------------|----------------|
|   | TDKK           | TDKK           |
| <b>1 Staff expenses</b>   |                |                |
| Wages and salaries  | 47.127         | 45.236         |
| Pensions  | 4.268          | 4.487          |
| Other social security costs   | 143            | 145            |
| Other staff costs   | 5.475          | 4.227          |
|   | <u>57.013</u>  | <u>54.095</u>  |
| <br>  |                |                |
| Average number of employees   | <u>63</u>      | <u>64</u>      |
| <br>  |                |                |
| Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act. |                |                |
| <br>  |                |                |
| <b>2 Depreciation, amortisation and impairment of property, plant and equipment</b>   |                |                |
| Depreciation intangible assets  | 173            | 101            |
| Depreciation and impairment of property, plant and equipment  | 16.542         | 6.844          |
|   | <u>16.715</u>  | <u>6.945</u>   |
| <br>  |                |                |
| which breaks down as follows:   |                |                |
| Completed development projects  | 173            | 101            |
| Buildings   | 1.630          | 1.060          |
| Other fixtures and fittings, tools and equipment  | 406            | 328            |
| Operating lease assets  | 14.506         | 5.456          |
|   | <u>16.715</u>  | <u>6.945</u>   |

## Notes

|   | <u>2022/23</u>       | <u>2021/22</u>        |
|---|----------------------|-----------------------|
|   | TDKK                 | TDKK                  |
| <b>3 Financial expenses</b>                 |                      |                       |
| Interest paid to group enterprises          | 2.726                | 83                    |
| Other financial expenses                    | 827                  | 206                   |
| Exchange loss                               | 252                  | 128                   |
|   | <u><b>3.805</b></u>  | <u><b>417</b></u>     |
| <br>  |                      |                       |
| <b>4 Tax on profit/loss for the year</b>    |                      |                       |
| Current tax for the year                    | 29.058               | 36.703                |
| Deferred tax for the year                   | -1.494               | -391                  |
| Adjustment of tax concerning previous years | 31                   | -213                  |
|   | <u><b>27.595</b></u> | <u><b>36.099</b></u>  |
| <br>  |                      |                       |
| <b>5 Distribution of profit</b>             |                      |                       |
| Proposed dividend for the year              | <u>97.457</u>        | <u>126.727</u>        |
|   | <u><b>97.457</b></u> | <u><b>126.727</b></u> |

## Notes

### 6 Intangible assets

|   | Software          | Development<br>projects in<br>progress |
|---|-------------------|--|
|   | TDKK              | TDKK                                   |
| Cost at 1 April 2022                                | 867               | 0                                      |
| Additions for the year                              | 0                 | 1.560                                  |
| Transfers for the year                              | 0                 | 0                                      |
| Cost at 31 March 2023                               | <u>867</u>        | <u>1.560</u>                           |
| Impairment losses and amortisation at 1 April 2022  | 101               | 0                                      |
| Amortisation for the year                           | <u>174</u>        | <u>0</u>                               |
| Impairment losses and amortisation at 31 March 2023 | <u>275</u>        | <u>0</u>                               |
| <b>Carrying amount at 31 March 2023</b>             | <b><u>592</u></b> | <b><u>1.560</u></b>                    |
| Depreciated over                                    | <u>5 years</u>    | <u></u>                                |

Development projects relate to the development of a new additional software solution of the Company's existing software.

## Notes

### 7 Tangible assets

|  | Land and<br>buildings | Operating<br>lease assets | Other<br>fixtures and<br>fittings, tools<br>and<br>equipment | Property,<br>plant and<br>equipment<br>in progress | Total                |
|--|-----------------------|---------------------------|--|--|----------------------|
|  | TDKK                  | TDKK                      | TDKK   | TDKK   | TDKK                 |
| Cost at 1 April 2022                                   | 94.676                | 44.110                    | 15.438   | 1.722  | 155.946              |
| Additions for the year                                 | 0                     | 0                         | 0  | 2.248  | 2.248                |
| Disposals for the year                                 | 0                     | 0                         | -208   | 0  | -208                 |
| Transfers for the year                                 | 2.844                 | -7.479                    | 0  | -2.844   | -7.479               |
| Cost at 31 March 2023                                  | <u>97.520</u>         | <u>36.631</u>             | <u>15.230</u>  | <u>1.126</u>                                       | <u>150.507</u>       |
| Impairment losses and depreciation<br>at 1 April 2022  | 65.622                | 5.456                     | 11.484   | 0  | 82.562               |
| Impairment losses for the year                         | 0                     | 7.773                     | 0  | 0  | 7.773                |
| Depreciation for the year                              | 1.630                 | 6.733                     | 405  | 0  | 8.768                |
| Reversal of depreciations of sold<br>assets            | 0                     | 0                         | -208   | 0  | -208                 |
| Transfers for the year                                 | 0                     | -539                      | 0  | 0  | -539                 |
| Impairment losses and depreciation<br>at 31 March 2023 | <u>67.252</u>         | <u>19.423</u>             | <u>11.681</u>  | <u>0</u>   | <u>98.356</u>        |
| <b>Carrying amount at 31 March 2023</b>                | <u><b>30.268</b></u>  | <u><b>17.208</b></u>      | <u><b>3.549</b></u>  | <u><b>1.126</b></u>                                | <u><b>52.151</b></u> |
| Depreciated over                                       | <u>10-60 years</u>    | <u>4-5 years</u>          | <u>3-10 years</u>  |  |                      |

## Notes

### 8 Fixed asset investments

|   | <u>Deposits</u><br>TDKK |
|---|-------------------------|
| Cost at 1 April 2022                    | 3.381                   |
| Additions for the year                  | 21                      |
| Disposals for the year                  | <u>-61</u>              |
| Cost at 31 March 2023                   | <u>3.341</u>            |
| <b>Carrying amount at 31 March 2023</b> | <b><u>3.341</u></b>     |

### 9 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums and subscriptions as well.

|                                       | <u>2023</u><br>TDKK | <u>2022</u><br>TDKK |
|---------------------------------------|---------------------|---------------------|
| <b>10 Deferred tax asset</b>          |                     |                     |
| Deferred tax asset at 1 April         | 844                 | 452                 |
| Deferred tax for the year             | <u>1.494</u>        | <u>392</u>          |
| <b>Deferred tax asset at 31 March</b> | <b><u>2.338</u></b> | <b><u>844</u></b>   |

## Notes

### 11 Long term debt

|                        | <u>2023</u><br>TDKK  | <u>2022</u><br>TDKK  |
|------------------------|----------------------|----------------------|
| <b>Deferred income</b> |                      |                      |
| Between 1 and 5 years  | <u>18.302</u>        | <u>30.595</u>        |
| Non-current portion    | 18.302               | 30.595               |
| Within 1 year          | <u>6.796</u>         | <u>8.282</u>         |
| Current portion        | <u>6.796</u>         | <u>8.282</u>         |
|                        | <b><u>25.098</u></b> | <b><u>38.877</u></b> |

### 12 Contingent liabilities and other financial obligations

The Company provides a three-year warranty in respect of new cars sold and two-year warranty as regards spare parts and accessories. The Company provides a 10-year warranty also known as 'Relax' for cars that are serviced at Toyota dealers once a year. Toyota in Japan and Belgium are liable for the warranties.

The Danish Toyota group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The Danish group companies are jointly and severally liable for Danish corporation taxes.

Rent payments concerning interminable contract until 31 December 2023 totals TDKK 796 (2021/22: TDKK 1,178) which is due within a year.



## Notes

### 13 Related parties and ownership structure

#### Controlling interest

Toyota Motor Europe N.V./S.A., Parent Company  
Toyota Motor CO., Japan, Ultimate Parent Company

#### Transactions

Transactions with related parties have not been disclosed for in accordance with section 98C(7) of the Danish Financial Statements Act as there have been no transactions with related parties, which have not been effected at arm's length.

#### Consolidated financial statements

The Company is included in the Group Annual Report of Toyota Motor Corporation, Japan.

The Group Annual Report of Toyota Motor Corporation may be obtained at the following address:

Toyota Motor Corporation  
Toyota City, Aichi  
Prefecture 471-8571  
Japan

|  | <u>2022/23</u> | <u>2021/22</u> |
|--|----------------|----------------|
|  | TDKK           | TDKK           |

### 14 Fee to auditors appointed at the general meeting

PricewaterhouseCoopers:

|                    |                   |                   |
|--------------------|-------------------|-------------------|
| Audit fee          | 540               | 470               |
| Non-audit services | <u>186</u>        | <u>270</u>        |
|                    | <u><b>726</b></u> | <u><b>740</b></u> |

### 15 Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.