
Toyota Material Handling Danmark A/S

Industrivej 3, DK-3550 Slangerup

Annual Report for
1 April 2023 - 31 March 2024

CVR No. 62 65 70 14

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 4/9 2024

Thomas Vang
Christensen
Chairman of the
general meeting



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Management's statement

The Executive Board and Supervisory Boards have today considered and adopted the Annual Report of Toyota Material Handling Danmark A/S for the financial year 1 April 2023 - 31 March 2024.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 March 2024 of the Company and of the results of the Company operations for 2023/24.

In our 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.

Slangerup, 4 September 2024

Executive Board

Troels Christensen

Supervisory Board

Stefan Peter Gradenwitz
Chairman

Anders Helbo

Jan Henriksen

Tord Jonas Persson Hermann

Independent Auditor's report

To the shareholder of Toyota Material Handling 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 2024 and of the results of the Company's operations for the financial year 1 April 2023 - 31 March 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Toyota Material Handling Danmark A/S for the financial year 1 April 2023 - 31 March 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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, in our view, 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 in Management's Review.

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.

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism 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.
- 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, 4 September 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Martin Lunden

State Authorised Public Accountant

mne32209

Gösta Gauffin

State Authorised Public Accountant

mne45821

Company information

The Company	Toyota Material Handling Danmark A/S Industrivej 3 DK-3550 Slangerup Telephone: + 45 70 22 02 60 Email: info@dk.toyota-industries.com Website: www.toyota-forklifts.dk CVR No: 62 65 70 14 Financial period: 1 April 2023 - 31 March 2024 Incorporated: 29 May 1964 Financial year: 61st financial year Municipality of reg. office: Frederikssund
Supervisory Board	Stefan Peter Gradenwitz, chairman Anders Helbo Jan Henriksen Tord Jonas Persson Hermann
Executive Board	Troels Christensen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup
Lawyers	Ret & Råd Advokater Carlsbergvej 32 D 3400 Hillerød
Bankers	SEB Bank Danmark Bernstorffsgade 50 København V 1577

Financial Highlights

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

	2023/24	2022/23	2021/22	2020/21	2019/20
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	881,710	753,635	708,741	695,810	677,843
Gross profit	343,545	325,724	289,203	265,728	253,900
Profit/loss of primary operations	35,878	42,419	32,563	26,670	13,890
Profit/loss of financial income and expenses	-2,889	-195	1,682	4,646	8,987
Net profit/loss for the year	25,705	32,950	27,292	24,404	17,640
Balance sheet					
Balance sheet total	1,213,114	1,129,522	1,074,045	1,047,815	964,619
Investment in property, plant and equipment	217,521	157,201	140,724	85,868	71,623
Equity	233,669	237,964	230,014	227,722	203,319
Number of employees	329	321	308	306	316
Ratios					
Gross margin	39.0%	43.2%	40.8%	38.2%	37.5%
Profit margin	4.1%	5.6%	4.6%	3.8%	2.0%
Return on assets	3.0%	3.8%	3.0%	2.5%	1.4%
Solvency ratio	19.3%	21.1%	21.4%	21.7%	21.1%
Return on equity	10.9%	14.1%	11.9%	11.3%	8.5%

Management's review

Key activities

The Company deals in all aspects of stackers and forklifts and hires out and provides service support on these.

Development in the year

The income statement of the Company for 2023/24 shows a profit of DKK 25,705k, and at 31 March 2024 the balance sheet of the Company shows equity of DKK 233,669k.

Toyota Material Handling Denmark A/S is a strong, market-leading enterprise within the forklift truck segment.

We offer our customers a full-range product portfolio in the forklift truck segment in addition to various forms of financing and hire. Moreover, our service organization is represented nationwide, which enables us to react quickly in all parts of Denmark when our customers need our assistance. We offer a high level of competencies within fleet management, automation products, logistics consulting and other related products.

We believe that our customers' needs in this area are developing these years and, therefore, we consider it one of our key areas which we want to maintain and where our product development will take place. The total truck market realized a continuous increase in orders from the spring of 2014 until 2017/18. From 2017/18 until the beginning of 2020 market was flat, while the market increased during 2021 and first half of 2022 to new records. Market has since summer 2022 decreased but has stabilized since mid 2023.

Toyota Material Handling Denmark A/S is continuously improving sustainable processes adjusting costs and resources to ensure the optimal level for any given level of activity. Toyota Material Handling A/S has launched several projects based on TPS and its concepts of Lean with the aim of reducing costs, strengthening delivery on time, and improving quality and productivity. It is the absolute commitment of Toyota Material Handling Denmark A/S to further its capabilities and competences within this area in the coming years.

Compared to last year, our revenue has increased from DKK 753,635k in 2022/23 to DKK 881,710k in 2023/24, while our net profit has decreased from DKK 32,950k in 2022/23 to DKK 25,705k in 2023/24.

The result for the year is satisfactory and in line with the expectations included in last year's Annual Report.

Special risks - operating risks and financial risks

Operating risks

Like most markets, the forklift truck market is seeing increased focus on prices. Only through continued consolidation of the Company's high-quality level, continued improvement of our service level and continued focus on the direction of changes in the customers' needs as well as constant focus on the development in costs, will it be possible to maintain a satisfactory price level. We still need to be able to anticipate our customers' needs and deliver solutions for sufficient material handling.

Foreign exchange risks

Foreign exchange risks

Toyota Material Handling Danmark A/S is not exposed to any significant foreign exchange or interest rate risks.

Management's review

Raw material prices

Raw material prices have increased the last year, but prices have now stabilized. The present level is under control; however, if significant increases are seen, it may affect the result for the coming years.

Bad debts

We have continuous focus on bad debts. We will continue maintaining a strong focus on the development of our processes in this area to ensure that losses on debtors will remain at a low level.

Environmental issues

Toyota Material Handling Danmark A/S is environmentally conscious and makes continuous efforts to reduce environmental impact from the Company's operations. In this connection, it should be noted that most of the Company's products consist of electric-powered forklift trucks, which are the optimum kind of engines for environmental purposes. Most of our range is available with lithium-ion and fuel cell technology for low carbon solutions. Sustainability has been a high-priority area, and projects have been conducted both internally and together with our customers to optimize the effort and minimize environmental impact. Moreover, it should be noted that Toyota Material Handling's production companies have obtained ISO 14001 environmental certification and that Toyota Material Handling Danmark A/S has a Gold Ecovadis certification. The Ecovadis gold level ranking reflects our commitment to sustainable development and our ambition to contribute to societies and the environment in which we operate.

In line with the Paris Agreements on combatting climate change, Toyota Materiel Handling Europe (including Toyota Material Handling Danmark A/S), has signed up for the Business Ambition for 1.5 C. The company commits to reach net-zero greenhouse gas emissions across the value chain by FY2041. The company also commits to reduce absolute scope 1 and 2 GHG emissions 50% and absolute scope 3 GHG emissions 25% by FY2031 from a FY2023 base year. Finally the company commits to reduce absolute scope 1, 2 and 3 GHG emissions 90% by FY2041 from a FY2023 base year.

Intellectual capital resources

It is material to the continued growth of Toyota Material Handling Danmark A/S that the Company can continue attracting and retaining qualified employees.

The Company offers a comprehensive course program which ensures and maintains a high knowledge level. This is moreover maintained and developed through our TLLP program, ISO 9001 and Ecovadis certifications

Corporate social responsibility

For a statement on corporate social responsibility, we refer to our Parent Company Toyota Material Handling Europe AB (Swedish organisation number 556491-9537), which prepares consolidated sustainability reports, see.

<https://toyota-forklifts.eu/about-toyota/sustainability/>

Management's review

Gender representation

A balanced gender representation and antidiscrimination in general are central topics in the Toyota Material Handling Europe (TMHE) code of conduct.

TMHE is committed to equal opportunity and follows recruitment and selection practices that comply with all applicable employment laws. As such, TMHE promotes equal opportunities in employment, regardless of gender, age, marital status, race, colour, ethnic origin, sexual orientation, disability, and religious and political affiliation. Our remuneration policy embeds fairness, transparency, and equal opportunities for all.

The gender representation of the present Board of Directors is 75% men / 25% women and 50% men / 50% women for board members appointed by THME. Toyota Material Handling Danmark A/S has a target that the underrepresented genders make up to least 1/3 of those board members appointed by TMHE. Target is achieved for 2023/24.

Gender representation is also an integral part of the TMHE Recruitment policy giving guidelines for the recruitment of management positions. According to Danish legislation Toyota Material Handling Danmark A/S' has made a target plan for the 5 coming years to ensure a balanced gender distribution at the management levels in the company in general, so that these are at least the same percentage distribution as the percentage distribution for the entire company. The company therefore tries to ensure the best possible representation of the underrepresented gender among the candidates when occupying management positions. The representation for the management team is 83,3% men / 16,7% women. Target is achieved for 2023/24.

	Share of the underrepresented gender 2023/24
Board of Directors	
Number of members	4
Underrepresented gender in pct.	25%
Target in pct.	N/A
Year of achieving target	N/A
Other management levels	
Numbers of members	30
Underrepresented gender in pct.	16,7%
Target in pct.	20,8
Year of achieving target	2026/27

During the 2023/24 financial year, the management implemented targeted recruitment efforts and plans for leadership development programs for underrepresented genders, and adjusted promotion criteria to address the lack of gender balance at other management levels.

Equal gender distribution has been achieved in the Board of Directors.

Management's review

Data Ethics

The company has during 2023/24 implemented a written policy around data ethics.

The purpose of this policy is to establish guidelines for how the company collects, processes and uses data. The policy must ensure that the company complies with applicable legislation and follows developments in good data ethics.

In the financial year, we have worked on anchoring the policy within the organization. In the coming years, we will focus on developing and implementing controls related to data ethics.

Expected development

Our main strategic initiatives will be focused on our strategy “Quality in everything we do” and a selected number of strategic Hoshin areas.

In the coming years, we will continue to develop our capabilities to deliver better and more customized logistic solution and consultancy services taking a step closer to the customer.

We are fully committed to building on our internal capabilities and competencies within TPS and its concepts of Lean making our processes even more cost-efficient, keeping our OPEX cost base constant, delivering on time, and providing better products and solutions to the market.

Throughout the coming year, we expect to realize a higher revenue but a slightly lower result in the range of DKK 17,5 – 22,5 mio.

Income statement 1 April 2023 - 31 March 2024

	Note	2023/24	2022/23
		TDKK	TDKK
Revenue	1	881,710	753,635
Other operating income		19,176	16,158
Cost of goods sold		-477,822	-364,595
Other external expenses		-79,519	-79,474
Gross profit		343,545	325,724
Staff expenses	2	-232,604	-216,044
Depreciation and impairment losses of property, plant and equipment	3	-75,063	-67,261
Profit/loss before financial income and expenses		35,878	42,419
Financial income		21,092	15,015
Financial expenses	4	-23,981	-15,210
Profit/loss before tax		32,989	42,224
Tax on profit/loss for the year	5	-7,284	-9,274
Net profit/loss for the year	6	25,705	32,950

Balance sheet 31 March 2024

Assets

	Note	2023/24	2022/23
		TDKK	TDKK
Land and buildings		26,492	696
Plant and machinery		364,510	308,072
Other fixtures and fittings, tools and equipment		28,292	16,385
Leasehold improvements		583	0
Property, plant and equipment	7	<u>419,877</u>	<u>325,153</u>
Other receivables	8	292,842	284,658
Fixed asset investments		<u>292,842</u>	<u>284,658</u>
Fixed assets		<u>712,719</u>	<u>609,811</u>
Finished goods and goods for resale		113,124	82,552
Inventories		<u>113,124</u>	<u>82,552</u>
Trade receivables		286,261	279,012
Contract work in progress	9	4,588	0
Receivables from group enterprises		42,065	122,957
Other receivables		1,201	923
Corporation tax		8,878	3,953
Prepayments	10	44,221	30,223
Receivables		<u>387,214</u>	<u>437,068</u>
Cash at bank and in hand		57	91
Current assets		<u>500,395</u>	<u>519,711</u>
Assets		<u>1,213,114</u>	<u>1,129,522</u>

Balance sheet 31 March 2024

Liabilities and equity

	Note	2023/24	2022/23
		TDKK	TDKK
Share capital		2,500	2,500
Retained earnings		231,169	205,464
Proposed dividend for the year		0	30,000
Equity		233,669	237,964
Provision for deferred tax	11	5,908	4,933
Other provisions	12	2,081	2,042
Provisions		7,989	6,975
Lease obligations		354,867	339,403
Payables to group enterprises		249,327	191,180
Long-term debt	13	604,194	530,583
Lease obligations	13	136,972	142,011
Prepayments received from customers		26,834	30,495
Trade payables		28,067	24,131
Contract work in progress	9	0	685
Payables to group enterprises	13	116,871	101,845
Other payables		50,804	51,030
Deferred income	14	7,714	3,803
Short-term debt		367,262	354,000
Debt		971,456	884,583
Liabilities and equity		1,213,114	1,129,522
Contingent assets, liabilities and other financial obligations	15		
Related parties	16		
Fee to auditors appointed at the general meeting	17		
Subsequent events	18		
Accounting Policies	19		

Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 April	2,500	205,464	30,000	237,964
Ordinary dividend paid	0	0	-30,000	-30,000
Net profit/loss for the year	0	25,705	0	25,705
Equity at 31 March	2,500	231,169	0	233,669

Notes to the Financial Statements

	<u>2023/24</u>	<u>2022/23</u>
	TDKK	TDKK
1. Revenue		
Business segments		
Truck sales	578,648	464,096
After-sales market	303,062	289,539
	<u>881,710</u>	<u>753,635</u>

Geographical segments

The Company operates on the markets for stackers and forklift trucks in Denmark.

	<u>2023/24</u>	<u>2022/23</u>
	TDKK	TDKK
2. Staff Expenses		
Wages and salaries	208,073	195,429
Pensions	18,198	14,119
Other staff expenses	6,333	6,496
	<u>232,604</u>	<u>216,044</u>

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

Average number of employees	<u>329</u>	<u>321</u>
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Notes to the Financial Statements

	2023/24	2022/23
	TDKK	TDKK
3. Depreciation and impairment losses of property, plant and equipment		
Depreciation of property, plant and equipment	70,159	63,015
Impairment of tangible assets	4,904	4,246
	75,063	67,261
Which is specified as follows:		
Depreciation - Leasehold improvements	113	165
Depreciation - Buildings	266	0
Depreciation - Plant and machinery	65,457	59,934
Depreciation - Other fixtures and fittings, tools and equipment	4,323	2,916
Impairment - Plant and machinery	4,904	4,246
	75,063	67,261
	2023/24	2022/23
	TDKK	TDKK
4. Financial expenses		
Interest paid to group enterprises	5	6
Other financial expenses	23,849	15,140
Exchange adjustments, expenses	127	64
	23,981	15,210
	2023/24	2022/23
	TDKK	TDKK
5. Income tax expense		
Current tax for the year	6,304	5,803
Deferred tax for the year	975	3,471
Adjustment of tax concerning previous years	5	0
	7,284	9,274

Notes to the Financial Statements

	2023/24	2022/23
	TDKK	TDKK
6. Profit allocation		
Proposed dividend for the year	0	30,000
Retained earnings	25,705	2,950
	<u>25,705</u>	<u>32,950</u>

7. Property, plant and equipment

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improve- ments
	TDKK	TDKK	TDKK	TDKK
Cost at 1 April	0	505,148	26,782	7,359
Additions for the year	26,758	174,251	16,512	0
Disposals for the year	-1,354	-84,333	-4,890	0
Cost at 31 March	<u>25,404</u>	<u>595,066</u>	<u>38,404</u>	<u>7,359</u>
Impairment losses and depreciation at 1 April	0	197,076	10,397	6,663
Impairment losses for the year	0	4,904	0	0
Depreciation for the year	266	65,457	4,323	113
Reversal of impairment and depreciation of sold assets	-1,354	-36,881	-4,608	0
Impairment losses and depreciation at 31 March	<u>-1,088</u>	<u>230,556</u>	<u>10,112</u>	<u>6,776</u>
Carrying amount at 31 March	<u>26,492</u>	<u>364,510</u>	<u>28,292</u>	<u>583</u>
Amortised over	<u>20 years</u>	<u>3-6 years</u>	<u>3-5 years</u>	<u>6-10 years</u>

Notes to the Financial Statements

8. Other fixed asset investments

	Other receivables
	TDKK
Cost at 1 April	284,658
Additions for the year	130,804
Disposals for the year	-128,830
Transfers for the year	6,210
Cost at 31 March	<u>292,842</u>
Carrying amount at 31 March	<u>292,842</u>

The total receivables relating to leases amount to DKK 414,124k, of which short-term receivables amount to DKK 121,102k, which are presented in trade receivables.

9. Contract work in progress

	2023/24	2022/23
	TDKK	TDKK
Selling price of work in progress	9,125	2,181
Payments received on account	-4,537	-2,866
	<u>4,588</u>	<u>-685</u>
Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	4,588	0
Prepayments received recognised in debt	0	-685
	<u>4,588</u>	<u>-685</u>

10. Prepayments

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

11. Provision for deferred tax

	2023/24	2022/23
	TDKK	TDKK
Deferred tax liabilities at 1 April	4,933	1,463
Amounts recognised in the income statement for the year	975	3,470
Deferred tax liabilities at 31 March	<u>5,908</u>	<u>4,933</u>

Notes to the Financial Statements

	2023/24	2022/23
	TDKK	TDKK
12. Other provisions		
Other provisions contains provision for warranty, provision for leaseholds and provision for losses on LTR contracts.		
Other provisions	2,081	2,042
	<u>2,081</u>	<u>2,042</u>

The provisions are expected to mature as follows:

Provisions falling due after 5 years	0	0
	<u>0</u>	<u>0</u>

	2023/24	2022/23
	TDKK	TDKK
13. Long-term debt		

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Lease obligations

After 5 years	0	0
Between 1 and 5 years	354,867	339,403
Long-term part	354,867	339,403
Within 1 year	136,972	142,011
	<u>491,839</u>	<u>481,414</u>

Payables to group enterprises

After 5 years	0	0
Between 1 and 5 years	249,327	191,180
Long-term part	249,327	191,180
Within 1 year	116,871	101,845
	<u>366,198</u>	<u>293,025</u>

14. Deferred income

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

Notes to the Financial Statements

	<u>2023/24</u>	<u>2022/23</u>
	TDKK	TDKK
15. Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	10,849	13,249
Between 1 and 5 years	9,498	17,774
After 5 years	12	10,763
	<u>20,359</u>	<u>41,786</u>
Rental liabilities, non-terminable until 31 March	5,047	6,449
Other contingent liabilities		

The Company has no securities or contingent liabilities at 31 March 2024.

Notes to the Financial Statements

16. Related parties and disclosure of consolidated financial statements

	Basis
Controlling interest	
Toyota Industries Corporation, Japan	Ultimate Parent
Toyota Industries Europe AB, Sweden	Intermediate holding company
Toyota Material Handling Europe AB, Sweden	Parent

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
Toyota Industries Corporation	2-1 Toyoda-cho Kariya-shi Aichi 448-8671 Japan

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

Toyota Industries Europe AB
Svarvargatan 8
595 81 Mjölby
Sweden

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

Toyota Industries Corporation
2-1 Toyoda-cho
Kariya-shi
Aichi 448-8671
Japan

17. Fee to auditors appointed at the general meeting

PricewaterhouseCoopers

	2023/24 TDKK	2022/23 TDKK
Audit fee	346	337
Non-audit services	68	65
	414	402

Notes to the Financial Statements

18. Subsequent events

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

Notes to the Financial Statements

19. Accounting policies

The Annual Report of Toyota Material Handling Danmark A/S for 2023/24 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 remain unchanged from last year.

The Financial Statements for 2023/24 are 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 Industries Europe AB, the Company has not prepared a cash flow statement.

Recognition and measurement

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.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Danish kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

Leases

The Company is applying IAS 17 as its base of interpretation for both recognition and classification of leases.

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Notes to the Financial Statements

Translation policies

Danish kroner is used as the presentation currency. 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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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

Segment information on revenue

Segment information is presented in respect of business segments and geographical segments based on the Company's risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments. In compliance with the Danish Executive Order on exemptions from the Danish Financial Statements Act, reporting on geographical segments comprises revenue only.

Income statement

Revenue

The Company is applying IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably, and it is probable that the economic benefits relating to the sale will flow to the Company.

When entering into finance lease agreements as lessor, the leased asset is deemed to have been sold to the lessee at the commencement of the lease term. Net revenue is recognised at the lower of the fair value of the leased asset and the net present value of the lease payments that the lessee is obliged to pay according to the agreement, computed at a market rate of interest.

Revenue from the sale for services is recognised when the services have been rendered. In the case of prepayments received for services, the allocated transaction price is recognised as prepayments received from customers at the date of the original sale transaction and recognized as revenue over the period of the service. In the case of long-term contracts for services and service guarantees, revenue is recognized on a straight-line basis over the term of the contract or, if services are not rendered on a straight-line basis, based on the stage of completion using the cost-to-cost method.

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

Cost of goods sold

Cost of goods sold comprise the purchase price etc. for goods sold in the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales as well as office expenses, etc.

Staff expenses

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

Notes to the Financial Statements

Amortisation, depreciation and impairment losses

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

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.

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 changes in 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.

Balance sheet

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.

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:

Demo and rental trucks	3-6 years
Other buildings	3-5 years
Fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	6-10 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments 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.

Notes to the Financial Statements

Other fixed asset investments

The Company is applying IAS 17 as its base of interpretation for both recognition and classification of leases.

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an approximated value as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

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.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

Receivables

When entering into finance lease agreements as lessor, a receivable is recognised in the balance sheet corresponding to the net present value of the minimum lease payments that the lessee is obliged to pay. Lease receivables are measured after initial recognition at amortised cost.

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Notes to the Financial Statements

Prepayments

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

Equity

Dividend

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

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.

Other provisions include warranty obligations in respect of repair work within the warranty period of 1-5 years. Provisions are measured and recognised based on experience with guarantee work.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial liabilities

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.

Notes to the Financial Statements

Financial Highlights

Explanation of financial ratios

Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
Profit margin	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Revenue}$
Return on assets	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$