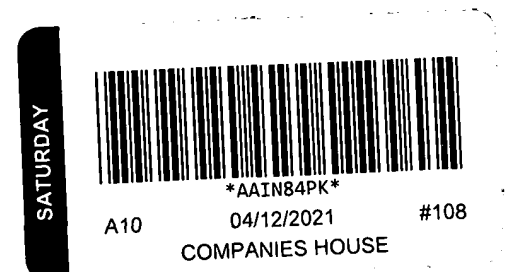


COMPANY REGISTRATION NUMBER: 07662797

JTI Acquisition Co (2011) Limited
Financial Statements
31 March 2020



JTI Acquisition Co (2011) Limited

Financial Statements

31 March 2020

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JTI Acquisition Co (2011) Limited

Officers and Professional Advisers

The board of directors	P D Schley
Company secretary	C Hodgetts (Resigned 12 November 2021)
Registered office	JTI Acquisition Co (2011) Ltd C/O Joy Mining Bromyard Road Worcester England WR2 5EG
Auditor	KPMG LLP Chartered accountants & statutory auditor 8 Princes Parade Liverpool L3 1QH

JTI Acquisition Co (2011) Limited

Strategic Report

31 March 2020

The director presents their strategic report for the year ended 31 March 2020.

Principal activities

The principal activity of the company is that of an intermediate parent company and as such does not conduct any trading activities.

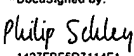
Business review

The loss for the year amounted to \$31,921,411 (2019: \$31,485,809). The director has not declared a dividend (2019: nil).

Principal risks and uncertainties

The risks arising from price, credit, currency, liquidity and cash flow are not material to the assessment of assets, liabilities and loss of the company.

This report was approved and signed by the sole director on 30 November 2021:

DocuSigned by:

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P Schley
Director

JTI Acquisition Co (2011) Limited

Director's Report

31 March 2020

The director presents their report and the financial statements of the company for the year ended 31 March 2020.

Directors

The director who served the company during the year was as follows:

P D Schley

Qualifying indemnity provisions

The director benefited from qualifying third party indemnity provisions during the financial year and at the date of this report.

Dividends

The director does not recommend the payment of a dividend (2019: nil).

Future developments

The company is expected to remain as an intermediate parent company.

Going concern

Notwithstanding net current liabilities of \$1,314k as at 31 March 2020 and a loss for the year then ended of \$31,921k, the financial statements have been prepared on a going concern basis which the director considers to be appropriate for the following reasons.

Whilst the company has minimal external expenditure and liabilities the company is reliant on funding from fellow group companies to meet its liabilities as they fall due. Joy Global (UK) Limited has indicated its intention to make available such funds as are needed by the company for at least 12 months from the date of approval of the financial statements. As with any company placing reliance on other group entities for financial support, the director acknowledges that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

A significant portion of the loans outstanding to fellow group companies is due to be repaid on 31 December 2022. The Group is expecting to extend this rather than repay the amount as has historically been the case, for more detail on this amount see note 14.

Consequently, the director is confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore has prepared the financial statements on a going concern basis.

Events after the end of the reporting period

There have been no subsequent events which require disclosure in these financial statements.

Statement of director's responsibilities in respect of the strategic report, the director's report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

JTI Acquisition Co (2011) Limited

Director's Report *(continued)*

31 March 2020

Statement of director's responsibilities in respect of the strategic report, the director's report and the financial statements *(continued)*

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

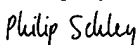
Auditor

The sole director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved and signed by the sole director on 30 November 2021:

DocuSigned by:

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P Schley
Director

JTI Acquisition Co (2011) Limited

Independent Auditor's Report to the Members of JTI Acquisition Co (2011) Limited

31 March 2020

Opinion

We have audited the financial statements of JTI Acquisition Co (2011) Limited ("the company") for the year ended 31 March 2020 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

JTI Acquisition Co (2011) Limited

Independent Auditor's Report to the Members of JTI Acquisition Co (2011) Limited (continued)

31 March 2020

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

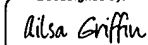
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Ailsa Griffin

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Ailsa Griffin (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

8 Princes Parade
Liverpool
L3 1QH

30 November 2021

JTI Acquisition Co (2011) Limited**Profit and Loss Account and Other Comprehensive Income****31 March 2020**

	Note	Year to 31 Mar 20 \$000	Year to 31 Mar 19 \$000
Administrative income/(expenses)		<u>58</u>	<u>(30)</u>
Operating profit/(loss)		58	(30)
Interest payable and similar expenses	8	<u>(31,979)</u>	<u>(30,521)</u>
Loss before taxation		(31,921)	(30,551)
Tax on loss	9	<u>—</u>	<u>(935)</u>
Loss for the financial year		<u>(31,921)</u>	<u>(31,486)</u>

All the activities of the company are from continuing operations.


The company has no other recognised items of income and expenses other than the results for the year as set out above.

The notes on pages 11 to 16 form part of these financial statements.

JTI Acquisition Co (2011) Limited**Balance Sheet****31 March 2020**

	Note	31 Mar 20 \$000	31 Mar 19 \$000
Assets			
Fixed assets			
Investments	10	<u>1,053,679</u>	<u>1,053,679</u>
Equity and Liabilities			
Capital and reserves			
Called up share capital	11	50,000	50,000
Capital contribution reserve	12	594,015	594,015
Profit and loss account	12	<u>(243,759)</u>	<u>(211,838)</u>
		400,256	432,177
Creditors			
Amounts owed to group undertakings < 1 year	13	258	258
Amounts owed to group undertakings > 1 year	14	652,109	620,162
Accruals and deferred income	13	<u>1,056</u>	<u>1,082</u>
		<u>1,053,679</u>	<u>1,053,679</u>

These financial statements were approved and signed by the sole director and authorised for issue on 30 November 2021:

DocuSigned by:

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P Schley
 Director

Company registration number: 07662797

The notes on pages 11 to 16 form part of these financial statements.

JTI Acquisition Co (2011) Limited**Statement of Changes in Equity****31 March 2020**

	Called up share capital \$000	Capital contribution reserve \$000	Profit and loss account \$000	Total \$000
At 1 April 2018	50,000	594,015	(180,352)	463,663
Loss for the year	—	—	(31,486)	(31,486)
Total comprehensive income for the year	—	—	(31,486)	(31,486)
At 31 March 2019	50,000	594,015	(211,838)	432,177
Loss for the year	—	—	(31,921)	(31,921)
Total comprehensive income for the year	—	—	(31,921)	(31,921)
At 31 March 2020	50,000	594,015	(243,759)	400,256

The notes on pages 11 to 16 form part of these financial statements.

JTI Acquisition Co (2011) Limited

Notes to the Financial Statements

31 March 2020

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is JTI Acquisition Co (2011) Ltd, C/O Joy Mining, Bromyard Road, Worcester, England, WR2 5EG.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments that are measured as fair values at the end of each reporting period. The financial statements are prepared in United States Dollars (USD), which is the functional currency of the entity. All amounts in the financial statements have been rounded to the nearest \$1,000.

Going concern

Notwithstanding net current liabilities of \$1,314k as at 31 March 2020 and a loss for the year then ended of \$31,921k, the financial statements have been prepared on a going concern basis which the director considers to be appropriate for the following reasons.

Whilst the company has minimal external expenditure and liabilities the company is reliant on funding from fellow group companies to meet its liabilities as they fall due. Joy Global (UK) Limited has indicated its intention to make available such funds as are needed by the company for at least 12 months from the date of approval of the financial statements. As with any company placing reliance on other group entities for financial support, the director acknowledges that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

A significant portion of the loans outstanding to fellow group companies is due to be repaid on 31 December 2022. The Group is expecting to extend this rather than repay the amount as has historically been the case, for more detail on this amount see note 14.

Consequently, the director is confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore has prepared the financial statements on a going concern basis.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements for the year ended 31 March 2020 are consolidated into the financial statements of Komatsu Limited which can be obtained from Komatsu Limited, Komatsu Building, 2-3-6 Akasaka, Minato-Ku, Tokyo, 107-8414, Japan. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented;
- (b) No cash flow statement has been presented for the company;
- (c) Disclosures in respect of financial instruments have not been presented;
- (d) Disclosures in respect of share-based payments have not been presented; and
- (e) No disclosure has been given for the aggregate remuneration of key management personnel.

The company proposes to continue to adopt the reduced disclosure framework of FRS 102 in the next financial statements.

JTI Acquisition Co (2011) Limited

Notes to the Financial Statements *(continued)*

31 March 2020

3. Accounting policies *(continued)*

Group accounts

In accordance with Section 401 of the Companies Act 2006, the company has taken exemption from the preparation of consolidated financial statements. The ultimate parent company as at 31 March 2020 was Komatsu Limited, incorporated in Japan, who prepare consolidated financial statements that are publicly available.

These financial statements present information about the company as an individual undertaking and not about its group.

Significant accounting judgements and estimates

Management consider there to be no key judgements in the application of accounting policies or key sources of estimation uncertainty.

Income tax

Current tax, including UK Corporation Tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the director considers that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the year in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet.

Investments

Investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

A review of the carrying value of investments is made annually and provisions are made where appropriate.

Creditors

Short term creditors are measured at transaction price.

When an interest-bearing loan payable is initially recognised, it is measured at transaction price. Subsequently, it is measured at transaction price plus accumulated interest. Interest expense is recognised in the profit and loss account as it is accrued.

JTI Acquisition Co (2011) Limited

Notes to the Financial Statements *(continued)*

31 March 2020

3. Accounting policies *(continued)*

Non-interest-bearing loans

When a non-interest-bearing loan payable is initially recognised, it is recognised at fair value. The fair value is calculated using an implicit interest rate and the term of the loan. Interest is subsequently charged each year over the term of the loan.

4. Director's remuneration

The director received no remuneration for their services to the company during the year (2019: nil).

5. Auditor's remuneration

The auditor's remuneration of £1k will be settled by Joy Global (UK) Limited for nil consideration (2019: £1k). No non-audit fees were paid to the auditor in either year.

6. Particulars of employees

The company had no employees during the current year (2019: nil).

7. Operating profit

Operating profit or loss is stated after crediting:

	31 Mar 20 £000	31 Mar 19 £000
Foreign exchange differences	(58)	—

8. Interest payable and similar expenses

	31 Mar 20 \$000	31 Mar 19 \$000
Unwinding of interest free loans	31,947	30,374
Other interest payable and similar charges	32	147
	<u>31,979</u>	<u>30,521</u>

9. Tax on loss

Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is at the standard rate of corporation tax in the UK of 19% (2019: 19%).

JTI Acquisition Co (2011) Limited

Notes to the Financial Statements (continued)

31 March 2020

9. Tax on loss (continued)

Reconciliation of tax income (continued)

	31 Mar 20 \$000	31 Mar 19 \$000
Loss for the year	(31,921)	(31,486)
Total tax expense	–	935
Loss for the year before taxation	<u>(31,921)</u>	<u>(30,551)</u>
Loss for the year multiplied by rate of tax	(6,065)	(5,805)
Expenses not deductible for tax purposes	6,065	5,805
Prior year tax adjustment	–	935
Tax on loss	<u>–</u>	<u>935</u>

The unrecognised deferred tax asset carried forward as at 31 March 2020 comprised unpaid group interest of \$3,290,000 at 19% (31 March 2019: \$2,943,000 at 17%).

Factors that may affect future tax income

In his budget speech on 8 July 2015 the UK Chancellor of the Exchequer announced reductions in the rate of UK corporation tax from 20% to 19% on 1 April 2017 and 18% on 1 April 2020. In his budget speech on 16 March 2016 the UK Chancellor of the Exchequer announced a further reduction in the rate of UK corporation tax from 18% to 17% on 1 April 2020.

In his budget speech on 3 March 2021 the UK Chancellor of the Exchequer announced that the UK corporation tax main rate for would remain at 19% until 1 April 2022, at which point the Corporation Tax main rate for non-ring fenced profits will be increased to 25% applying to profits over £250,000. A small profits rate (SPR) will also be introduced for companies with profits of £50,000 or less so that they will continue to pay Corporation Tax at 19%. Companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective Corporation Tax rate.

10. Investments

	Shares in group undertakings \$000
Cost	
At 1 April 2019 and 31 March 2020	<u>1,053,679</u>
Impairment	
At 1 April 2019 and 31 March 2020	<u>–</u>
Carrying amount	
At 31 March 2020	<u>1,053,679</u>
At 31 March 2019	<u>1,053,679</u>

JTI Acquisition Co (2011) Limited

Notes to the Financial Statements *(continued)*

31 March 2020

10. Investments *(continued)*

The company holds 100% of the issued share capital of Joy Global Longview Operations LLC, a manufacturer of surface mining equipment incorporated in the USA. The principal operating subsidiary undertakings of Joy Global Longview Operations LLC, all wholly owned, at 31 March 2020 were as follows:

Company	Country of incorporation	Activity
LeTourneau Technologies America, Inc.	United States	Supplier of forestry products
LeTourneau Technologies International, Inc.	United States	Intermediate holding company
LeTourneau Technologies Canada Ltd (1)	Canada	Supplier of forestry products
LeTourneau Technologies Brazil, Inc. (2)	United States	Dormant company
LeTourneau Technologies South America, Inc. (2)	United States	Intermediate holding company
LeTourneau Technologies Comerica de Equipamentos Industrias do Brasil Ltda. (3)	Brazil	Dormant company

(1) wholly owned subsidiary of LeTourneau Technologies America, Inc..

(2) wholly owned subsidiaries of LeTourneau Technologies International, Inc..

(3) 99.9% owned by LeTourneau Technologies South America, Inc. and 0.1% owned by LeTourneau Technologies Brazil, Inc..

No acquisitions were made during the year.

In the opinion of the director, the recoverable amount of the company's investment in its subsidiaries is not less than the amount at which it is included in the balance sheet.

11. Called up share capital

Issued, called up and fully paid

	31 Mar 20		31 Mar 19	
	No.	\$000	No.	\$000
Ordinary shares of \$1,000 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

12. Reserves

Called up share capital – this reserve records shares issued.

Capital contribution reserve – this reserve relates to two elements, \$580,748k in relation to interest free loans discounted to fair value and \$13,267k from intercompany loan waivers for nil consideration.

Profit and loss account – this reserve records retained earnings and accumulated losses.

JTI Acquisition Co (2011) Limited

Notes to the Financial Statements *(continued)*

31 March 2020

13. Creditors: amounts falling due within one year

	31 Mar 20	31 Mar 19
	\$000	\$000
Amounts owed to group undertakings	258	258
Accruals and deferred income	171	147
Corporation tax payable	885	935
	<u>1,314</u>	<u>1,340</u>

14. Creditors: amounts falling due after more than one year

	31 Mar 20	31 Mar 19
	\$000	\$000
Amounts owed to group undertakings	<u>652,109</u>	<u>620,162</u>
Loan Description		
	\$000	\$000
\$642,714k interest free repayable 31 December 2022, discounted to fair value	557,624	529,509
\$500,000k interest free repayable 21 June 2060, discounted to fair value	94,485	90,653
	<u>652,109</u>	<u>620,162</u>

15. Related party transactions

As the company is a wholly owned subsidiary of Komatsu Limited, it has taken advantage of the exemption contained in FRS 102 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties).

There were no transactions that are required to be disclosed under FRS 102.

16. Controlling party

The immediate parent undertaking is Joy Global Underground Mining LLC, a company incorporated in the USA.

The ultimate parent undertaking and controlling party is Komatsu Ltd, a company incorporated in Japan. Komatsu Ltd is registered Komatsu Limited, Komatsu Building, 2-3-6 Akasaka, Minato-Ku, Tokyo, 107-8414, Japan.

The largest group in which the results of the company are consolidated is that headed by Komatsu Limited. The smallest group in which the results of the company are consolidated is that headed by Komatsu America Corp., a company incorporated in the USA.