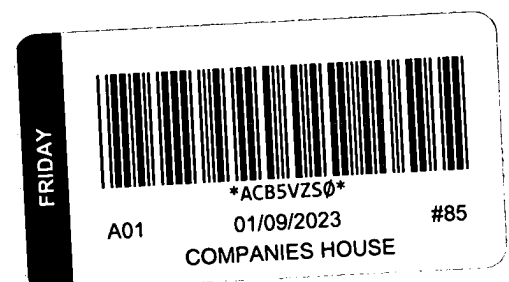


**Sumitomo Corporation Capital
Netherlands B.V.**

**Annual report for the year ended
31 March 2023**



Contents

Annual report	1
Balance sheet as at 31 March 2023	1
Profit and loss account for the year ended 31 March 2023	3
Notes to the financial statements for the year ended 31 March 2023	4
Other information	133

Balance sheet as at 31 March 2023

(before proposed appropriation of result)

		2023		2022	
		USD	USD	USD	USD
Current assets					
Receivables:					
• Other receivables from related companies	1	22,712,588		22,092,825	
• Other receivables	2	0		0	
Corporate tax receivable	12	0		0	
			22,712,588		22,092,825
Cash and cash equivalents	3		-		-
			22,712,588		22,092,825
Total			22,712,588		22,092,825

Approved by the Board on 20th July 2023 and signed on its behalf by:



K Kikumoto
Director

		2023		2022	
		USD	USD	USD	USD
Shareholder's equity	4				
Share capital paid up and called up		24,031,841		24,531,262	
Other reserves		(4,672,353)		(5,171,774)	
Retained earnings		2,720,706		2,716,163	
Unappropriated result		502,700		4,543	
			22,582,894		22,080,194
Current liabilities					
Loans from related companies	5	9,485		10,338	
Corporate tax payable	12	1		181	
Other payables		120,205		2,109	
Accrued liabilities	6	3		3	
			129,694		12,631
Total			22,712,588		22,092,825

Profit and loss account for the year ended 31 March 2023

		2022/2023		2021/2022	
		USD	USD	USD	USD
Interest income					
Related companies	7	626,251		18,849	
			626,251		18,849
Interest expenses and similar charges					
Related companies	8	(32)		(39)	
Other		(2,184)		(2,186)	
			(2,216)		(2,225)
Interest margin			624,035		16,624
General and administrative expenses					
Operating income/(expenses)		(4,172)		(11,383)	
			(4,172)		(11,383)
Operating result			619,863		5,241
Foreign currency exchange gain/(loss)		755		367	
			755		367
Result before taxation			620,618		5,608
Corporate income tax (expense)/income	12	(117,918)		(1,065)	
Net result for the year			502,700		4,543

Notes to the financial statements for the year ended 31 March 2023

Relationship with parent company and principal activities

Sumitomo Corporation Capital Netherlands B. V. (“the Company”) was established and registered in Amsterdam on 5 October 1987 and is a 100% subsidiary of Sumitomo Corporation Capital Europe plc., London, which is wholly owned by Sumitomo Corporation Europe Ltd., London, the United Kingdom. The Company’s address is Vintners’ Place, 68 Upper Thames Street, London EC4V 3BJ. The Company’s ultimate parent is Sumitomo Corporation, Japan. The Company’s financial statements are included in the consolidated financial statements of the parent company, which can be obtained from their website.

Its main operations are raising funds in the capital market for financing the business activities of Sumitomo Corporation’s overseas subsidiaries.

Financial Reporting period

These financial statements cover the year 2022/2023, which ended at the balance sheet date of 31 March 2023. The comparative figures comprise the year ended 31 March 2022.

Basis of preparation

These financial statements are prepared under the historical cost convention and in accordance with Title 9, Book 2 of the Netherlands Civil Code.

Accounting policies

Going concern

These financial statements have been prepared on the basis of the going concern assumption.

General

Assets and liabilities are stated at cost, unless mentioned otherwise. Income and expenses are accounted for on an accrual basis. The financial statements have been prepared in US dollars, the functional currency of the Company, as a significant part of the Company’s transactions are denominated in US dollars.

An asset is disclosed in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. A liability is recognised in the balance sheet when it is expected to result in an outflow from the entity of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability.

Income is recognised in the profit and loss account when an increase in future economic potential related to an increase in an asset or a decrease of a liability has arisen, the size of which can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability has arisen, the size of which can be measured with sufficient reliability.

If a transaction results in a transfer of future economic benefits and or when all risks relating to assets or liabilities transfer to a third party, the asset or liability is no longer included in the balance sheet. Assets and liabilities are not included in the balance sheet if economic benefits are not probable and/or cannot be measured with sufficient reliability.

The revenue and expenses are allocated to the period to which they relate.

Financial instruments

Financial instruments include amongst loans receivable, receivables, cash and cash equivalent, payables, loans payable and other financing commitments. After initial recognition, financial instruments are valued in the manner described below.

Loans to related companies

Loans to related companies are stated at amortized cost or lower realizable value. Loans which will be repaid within one year are presented as current assets.

Hedge accounting

The Company employs currency and interest rate swaps and other derivatives to minimize interest rate and currency risks on certain assets and liabilities. Forward foreign exchange contracts are being recognized at fair value with value changes directly recognized in profit and loss. These fair value changes are anticipated to largely offset the foreign exchange results of foreign exchange denominated assets and liabilities.

The Company applies cost price hedge accounting for interest rate swaps to measure in the same way the hedged item and the hedging instruments.

The results from the non-effective part of the hedge relationship are included in the profit and loss account.

If an interest rate swap contract no longer qualifies for hedge accounting, expires or is sold, the hedging relationship is terminated. The cumulative gain or loss previously not recognized in the profit or loss account is recognized in the balance sheet as deferred income/liability until the transaction has taken place. When it is expected that the transaction will not take place anymore, the cumulative gain or loss is reclassified to profit or loss.

Use of estimates

The preparation of the financial statements requires the management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. Actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences.

Foreign currencies

Unless stated otherwise, all assets and liabilities expressed in currencies other than US dollars are translated into US dollars at the exchange rates at the balance sheet date. All transactions in foreign currencies are initially accounted at the exchange rates at the end of the relevant month. Resulting exchange differences are recognized in the profit and loss account. As at 31 March 2023, an exchange rate of EUR 1 = USD 1.08750 is used (31 March 2022: EUR 1 = USD 1.11010).

Principles of valuation of assets and liabilities

Loans to related companies

The accounting policy for loans to related companies is explained under the heading “Financial instruments”.

Receivables

Receivables are measured at initial recognition at fair value, plus transaction costs (if material). After initial recognition, receivables are measured at amortised cost. If no premium or discount and transaction costs are applicable, the amortised cost is equal to the nominal value of the receivables, less a provision for uncollectible debts. These provisions are determined by individual assessment of the receivables.

Cash and cash equivalents

Cash and cash equivalents are stated at nominal value.

Current liabilities

At initial recognition, current liabilities are recognised at fair value. After initial recognition, the liabilities are measured at amortised cost. If no premium or discount and transaction costs are applicable, the amortised cost is equal to the nominal value of the liability.

Shareholder's equity

Share capital paid up is stated at the closing rate. Foreign exchange differences resulting from a divergence between the exchange rates prevailing on the balance sheet date and the historical rate of conversion are booked to other reserves.

Principles for the profit and loss account

Income and expenses are accounted for in the period to which they relate.

Interest receivable and similar income and interest payable and similar charges

Interest income is recognised in the profit and loss account on an accrual basis, using the effective interest rate method. Interest expenses and similar charges are recognised in the period to which they belong.

Corporate income Tax

Corporate income tax is determined according to local tax regulations and tax rates.

Current tax comprises the expected tax payable or receivable on the taxable profit or loss for the financial year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to the tax payable in respect of previous years.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

1 Other receivables from related companies

	2023 USD	2022 USD
CMS receivables from Sumitomo Corporation Capital Europe plc., London	22,621,159	22,088,164
Interest on loans	90,214	3,794
Others	1,215	867
	<u>22,712,588</u>	<u>22,092,825</u>

All other receivables from related companies are due within one year.

CMS receivables from Sumitomo Corporation Capital Europe plc., London is the receivable from Sumitomo Corporation Capital Europe plc., London through CMS (cash management system) which the Company introduced in June 2007. There is no restriction of usage. The average interest rate was 4.80086% in 2022/2023 (2021/2022: 0.3317%).

2 Other receivables

	2023 USD	2022 USD
Tax refund – group relief claimed	0	0
	<u>0</u>	<u>0</u>

3 Cash and cash equivalents

The company makes use of a cash management system which is maintained by Sumitomo Corporation Capital Europe plc. Please also refer to Note 1.

4 Shareholder's equity

	Share capital paid up and called up USD	Translation reserve USD	Retained earnings USD	Unappropriated result USD	Total USD
Balance as at 31 March 2022	24,531,262	(5,171,774)	2,716,163	4,543	22,080,194
Currency translation adjustments	(499,421)	499,421	-	-	-
Appropriation of the result for the year 2021/2022	-	-	4,543	(4,543)	-
Dividend paid	-	-	-	-	-
Result for the year 2022/2023	-	-	-	502,700	502,700
Balance as at 31 March 2023	<u>24,031,841</u>	<u>(4,672,353)</u>	<u>2,720,706</u>	<u>502,700</u>	<u>22,582,894</u>

Share capital paid up and called up

As at 31 March 2023, the issued share capital consists of 100,000 ordinary shares having a par value of EUR 453.80 (2021/2022: EUR 453.80). The paid-up and called-up share capital amounts to USD 24,031,841 (2021/2022: USD 24,531,262) and consists of 48,696 shares of EUR 453.80 (USD 493.51) each (2021/2022: USD 503.76 each).

The share capital paid up in cash and called up at the date of incorporation consists of 48,696 shares.

The other reserves consist of restricted reserves relating to the translation differences of the euro denominated share capital into US dollars.

5 Loans from related companies

These loans represent loans from related companies due within one year. The loans bear an interest of 0.35% (2021/2022: 0.35%).

6 Accrued liabilities

This item comprises interest payable on loans due within one year of USD 3 (2021/2022: USD 3).

7 Interest income

Interest income from related companies is mainly related to CMS receivables amounted to USD 626,251 (2021/2022: USD 18,849).

8 Interest expenses and similar charges

	2023 USD	2022 USD
Related companies	32	39
Other	2,184	2,186
	<u>2,216</u>	<u>2,225</u>

9 Financial instruments

The Company uses derivatives to manage risks related to the business activities. Exposure to credit, interest rate and currency risk arises in the normal course of the Company's business.

Derivative financial instruments are used to reduce exposure to fluctuations in foreign exchange rates and interest rates. While these are subject to the risk of market rates changing subsequent to acquisition, such changes are generally offset by opposite effects on the items being hedged.

Credit risk

The loans and receivables are concentrated to related companies. Therefore management monitors the developments regarding this project during the period. Based on this and on the size and the reputation of these parties, the Company assesses the credit risk as low.

Currency risk

The Company is exposed to currency risk on purchases and borrowings that are denominated in a currency other than functional currency of the Company (USD). The currencies in which these transactions primarily are denominated are USD and EUR.

The significant operational activities of the Company are charged and invoiced in USD, the currency risk is therefore considered low.

Interest rate risk

The Company borrows loans in currencies at both fixed and floating interest rate and then uses interest rate swaps to generate the desired interest profile and to manage the company's exposure to interest rate fluctuations.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk is managed by the Company, which ensures adequate coverage of cash needs (using lines of credit) and appropriate management of any excess liquidity.

The Company is exposed to limited liquidity risk due to the fact that transactions are mainly with the related parties; also the current liabilities are mainly due to related parties.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Therefore, management consider the liquidity risk as low.

Fair value

A number of accounting policies and disclosures in the Group's financial statements require the determination of the fair value for both financial and non-financial assets and liabilities. For measurement and disclosure purposes, fair value is determined on the basis of the following methods. Where applicable, detailed information concerning the principles for determining fair value are included in the section that specifically relates to the relevant asset or liability.

The fair value of financial instruments is determined by reference to the mark-to-market value as at the balance sheet date.

10 Commitments and contingent liabilities

The Company has no contingent liabilities as at balance sheet date.

11 Wages and salaries

Average number of employees

During the financial year 2022/2023, the average number of persons employed by the Company was nil (2021/2022: nil).

Remuneration of directors

During the year, the Managing Directors did not receive any remuneration (2021/2022: nil).

12 Tax expense

The company is a UK registered resident taxpayer. The taxable profit of the company is subject to the standard corporate income tax rate of 19%.

13 Transactions with related parties

In the ordinary course of business, the Company provides loans to and obtains loans from related companies. All transactions with related companies are transacted either through applying a transfer price mechanism or on an arm's-length basis.

14 Proposed appropriation of the result

Management proposes to add the net result for the year of USD 502,702 to the retained earnings. This proposal has not been included in the financial statements for the year ended 31 March 2023.

15 Subsequent events

No material subsequent events, affecting the financial statements, have occurred to date.

Amsterdam, Date: 20th July 2023

Management Board:

T. Tamura *Tatsuro Tamura*

K. Kikumoto *K. Kikumoto*

S. Kanayama *S. Kanayama*

Supervisory Board:

T. Konno *T. Konno*

Other information

Statutory rules concerning appropriation of the result

According to Article 17 of the Articles of Incorporation, the result for the year is at the disposal of the General Meeting of Shareholders.

“Article 17

1. The profits of the company, according to the annual accounts confirmed by the general meeting, are – insofar as they are not to be preserved for the formation or maintenance of reserves prescribed by law – at the disposal of the general meeting which decides about reservation or payment of profits.
2. Dividends may be paid up only to the amount above the sum of the balances between net assets and paid in capital, increased with reserves which must be maintained by virtue of law.
3. The general meeting may resolve to pay out an interim-dividend with due observance of the provisions of paragraph 2.
4. The claim of a shareholder for payment of dividend will expire after a period of five years.”