

201560/20



OS AA01

Statement of details of parent law and other information for an overseas company



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✓ What this form is for
You may use this form to
accompany your accounts
disclosed under parent law.

✗ What this form is NOT for
You cannot use this form to
an alteration of manner of
with accounting requirements

Part 1 Corporate company name

Corporate name of
overseas company ①

KYB Europe GmbH

UK establishment
number

B R 0 0 3 7 0 2

→ Filling in this form

Please complete in typescript or in
bold black capitals.

All fields are mandatory unless
specified or indicated by *

① This is the name of the company in
its home state.

Part 2 Statement of details of parent law and other information for an overseas company

A1

Legislation

Please give the legislation under which the accounts have been prepared and
audited.

Legislation ②

German Legally Required Accounting Principles

② This means the relevant rules or
legislation which regulates the
preparation of accounts.

A2

Accounting principles

Accounts

Have the accounts been prepared in accordance with a set of generally accepted
accounting principles?

Please tick the appropriate box.

☐

No. Go to Section A3.

☒

Yes. Please enter the name of the organisation or other
body which issued those principles below, and then go to Section A3.

③ Please insert the name of the
appropriate accounting organisation
or body.

Name of organisation
or body ③

Handelsgesetzbuch (Commercial code of Germany)

OS AA01

Statement of details of parent law and other information for an overseas company

A3 Audited accounts		
Audited accounts	Have the accounts been audited in accordance with a set of generally accepted auditing standards? Please tick the appropriate box. ☐ No. Go to Part 3 'Signature'. ☒ Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'.	1 Please insert the name of the appropriate accounting organisation or body.
Name of organisation or body 1	Handelsgesetzbuch (Commercial code of Germany)	

Part 3 Signature	
I am signing this form on behalf of the overseas company.	
Signature	Signature X DocuSigned by: Laura Falzon DD0A409FB5564B5 DocuSigned by: Andrew Marpole D371EA914F1B4B0... X
This form may be signed by: Director, Secretary, Permanent representative.	

OS AA01**Statement of details of parent law and other information for an overseas company****Presenter information**

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Company name	KPMG LLP				
Address	1 ST PETER'S SQUARE				
Post town	MANCHESTER				
County/Region					
Postcode	M	2	3	A	E
Country	UNITED KINGDOM				
DX					
Telephone	0161 618 7342				

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KYB Europe GmbH Niederlassung Düsseldorf

07/12/22

I, Laura Falzon, permanent representative of the UK Establishment of KYB Europe GmbH certify that this is a true and accurate translation of the financial statements.



Laura Falzon

KYB Europe GmbH Niederlassung Düsseldorf

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UST-ID Nr.: DE 162922009

Geschäftsführer / Managing Directors:
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Yuto Uchida (Vice President)
Takashi Saito
Kazuhiko Kanematsu
Toshiyuki Yamada
Kiichi Fukui
Yoshihisa Nambu

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MUFG Bank
BIC: BOTKDE33
IBAN: DE45 3001 0700 0000 2019 54
Deutsche Bank
BIC: DEUTDE33
IBAN: DE32 3007 0010 0257 7377 00



AUDIT REPORT

Financial Statements as of 31 March 2015 and Management Report

KYB Europe GmbH
Krefeld

Section 6 of the report and appendix 1 are translations provided for information purposes only. The original German text shall prevail in the event of any discrepancies between the English translation and the German original. We do not accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

KPMG AG Wirtschaftsprüfungsgesellschaft

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1 Audit Engagement

At the shareholders' meeting held on 30 July 2014 of

KYB Europe GmbH, headquartered in **Krefeld**,
– hereinafter also referred to as "KYB" or "Company" –

we were appointed as auditors of the financial statements for the financial year from 1 April 2014 to 31 March 2015. Accordingly, the management board has engaged us to audit the financial statements for the year ended 31 March 2015, together with the accounting records and the management report.

This audit report has been prepared in accordance with the principles of Audit Standard 450 promulgated by the German Institute of Public Auditors (IDW).

We confirm that we have conducted our audit in compliance with the applicable independence regulations in accordance with Section 321 (4a) of the German Commercial Code [HGB].

The terms governing this engagement are set out in the General Terms and Conditions of Engagement for Auditors and Auditing Firms (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) as amended on 1 January 2002, which are attached to this report as Appendix 6. Our liability is governed by Clause 9 of the General Engagement Terms. Our liability towards third parties is defined under Clauses 1 (2) and 9 of the General Engagement Terms.

2 Basic Findings

2.1 Evaluation of the management's assessment of the Company's position

In our opinion, the following key statements in the group management report are noteworthy:

- In the 2014/15 business year the sales of KYB Europe GmbH increased by EUR 123,179 thousand (296.8 %) from EUR 41,508 thousand in the previous year to EUR 164,687 thousand under-proportionally. The main reason for this is a decline in sales to KYB Eurasia LLC due to the negative exchange rate situation in Russia as well as the political unrest in Ukraine. Additionally, it is important to mention that the increase was also influenced by the normal fiscal year compared to the previous period which comprises only three months.
- The gross profit margin (sales revenues less expenditure for purchased goods in relation to the sales revenues) decreased from 18.9 % in the previous year to 18.3 % and is slightly below previous year's expectations. The gross profit (sales revenues less expenses for purchased goods) increased by EUR 22,314 (283.9 %) thousand to EUR 30,175 thousand.
- The result from ordinary business activities increased by EUR 13,807 thousand to EUR 13,993 thousand. The main reason for that is the income from the sale of participations to KYB Corporation Ltd. The personnel expenses increased by EUR 6,795 (271.5 %) thousand slightly slower to the extended reporting period to EUR 9,298 thousand. Furthermore, the other operating expenses rose by EUR 14,662 (293.1 %) thousand to EUR 19,666 thousand. The main reason for this is the extended reporting period.
- The net income for the business year 2014/15 is EUR 13,006 thousand (previous year EUR 80 thousand). This is thus obviously above last year's expectations, which is mainly due to the normal period of the fiscal years and gains from the sales of two subsidiaries.
- The trade accounts receivables to affiliated companies have decreased due to the payment of outstanding debts by KYB Eurasia LLC and due to decline in supply because of negative exchange rate situation to KYB Eurasia LLC. At the same time the trade accounts payables to affiliated companies also decreased because of declining deliveries.
- KYB Europe GmbH is financed by means of current income, short-term bank loans, as well as the equity capital made available by the parent company KYB Europe Headquarters BV, Roermond/Netherlands.
- In the year under review KYB was able to fulfill their financial commitments at all times. Overall, KYB assess the business development in the reporting year as satisfactory. As of the preparation date of the management report, KYB consider the economic situation of the Company being healthy.

- According to KYB's expectations, the Western European market is very stable. It is their strategy to improve distribution channels for products with high margin (coil springs, mounting kits, and protection kits), as well as to improve profitability, especially for shock absorbers, by means of price increases. As KYB's market share of shock absorbers in Germany is still very small (approx. 15 %), KYB still have a lot of possibilities to increase their sales volume, e.g. with the acquisition of new customers. In Turkey the Company tries to improve delivery in order to increase their sales volume significantly. To increase sales volume KYB plan to open a new warehouse in Turkey.
- In Eastern Europe, especially in Poland, KYB see a tough competition. As KYB has a rather large market share of over 25 %, competitors try to gain further market share. Therefore, KYB strive towards keeping up a stable price management.
- Unchanged to the previous year, KYB assess their expectation regarding the development for the upcoming year as slightly improved.
- Due to the continued favorable exchange rate situation against the Japanese Yen, purchase prices have remained at the level of previous year. KYB expect further price reductions in the fiscal year 2015/16 (1 April 2015 – 31 March 2016) from their coil spring production which was established in the Czech Republic in 2013.
- The Company's ability to continue as a going concern is dependent on the financial support of the parent company if short-term bank loans are not prolonged by the banks.
- Due to the expected improvement in our operating result, KYB do not expect any material risks now or in the future which might prejudice the continued existence of the company.

As a result of our audit we found that the management report presents fairly, in all material respects, the position of the Company and accurately presents the opportunities and risks of future development.

Please refer to Appendices 2 and 3 for the Company's business profile and the legal status.

2.2 Circumstances affecting the Company's development and continuation as a going concern

The Company's ability to continue as a going concern is dependent on the financial support of the parent company if short-term bank loans are not prolonged by the banks.

As per 31 March 2015, short-term bank loans amount to EUR 12.0 million. In case the short term bank loans are not prolonged on a regular basis, the Company is dependent on the financial support by the parent company.

3 Performance of the Audit

3.1 Scope of the audit

We have audited the financial statements of KYB Europe GmbH, including the accounting records and management report for the financial year ended 31 March 2015. The management of the Company is responsible for

- maintenance of the books and records
- preparing the financial statements and the management report in accordance with the regulations of German commercial law, and also for
- the explanations and evidence provided to us.

Our responsibility is to express an opinion on these financial statements and the management report based on our audit.

An audit of financial statements only covers compliance with other legal regulations to the extent that these other legal regulations can be expected to have an impact on the financial statements or the management report.

3.2 Nature and scope of audit procedures

We conducted our audit of the financial statements in accordance with Section 317 of the German Commercial Code [HGB] and the generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors [IDW]. The objective of our risk-oriented audit approach is to ensure that the statements made in the financial statements and management report of KYB Europe GmbH provide a reliable basis for decisions taken by users of these financial statements.

The main features underlying our audit approach are as follows:

Phase I: Development of an audit strategy focused on business risks

Obtaining an understanding of the Company's business as well as knowledge of the accounting systems and the internal control system

Establishing audit focus areas based on our risk assessment:

- appropriateness of the going concern assumption
- audit of the process of preparing the financial statements
- completeness and accuracy of branch consolidation procedures
- valuation, existence and accuracy of inventories
- valuation and existence of trade debtors
- existence of sales
- completeness of provisions.

Establishing the audit strategy and timeline for the audit

Selecting the audit team and planning the deployment of specialists

Phase II: Selection and implementation of control-based audit procedures

Selection of control-based audit procedures based on risk assessments and knowledge of business processes and systems

Assessment of the design and effectiveness of selected accounting-related controls

Phase III: Tests of details and analytical review of items in the financial statements

Performance of analytical reviews of items in the financial statements

Tests of details on a sample basis and assessment of individual items with a view to the accounting options and judgments exercised, e.g.:

- Obtaining confirmations from lawyers and credit institutions
- Obtaining confirmations of balances from customers and suppliers on a sample basis (random for customers and specified for suppliers)
- Making use of an actuarial report provided by an independent expert to audit pension provisions.

Review of disclosures in the notes and assessment of the management report

Phase IV: Overall assessment of audit results and reporting

Formation of the audit opinion on the basis of the overall assessment of audit results

Reporting in the audit report and the auditor's report

Detailed oral presentation of audit results to management

We performed our audit (with interruptions) in the months from April to July 2015 until 6 July 2015. We carried out a preliminary audit (with interruptions) in the months of November 2014 to March 2015.

All explanations and evidence requested by us were provided. The management board confirmed in writing that the financial statements and management report are complete.

4 Findings Concerning Accounting Records and Financial Reporting

4.1 Accounting records and related documents

The Company's accounting records have been properly kept and maintained. The accounting records and related documents are properly authorized, sufficiently explained and filed in an orderly manner. Based on our findings, the accounting records and related documents comply with German statutory requirements.

Based on our audit, we found that the Company's organizational and technical measures taken to ensure security of the accounting-relevant data and IT systems were appropriate.

4.2 Financial statements

The financial statements as of 31 March 2015, presented to us for audit, were properly derived from the Company's accounting records and other documents audited. The opening balance sheet figures were properly carried forward from the prior year financial statements. The statutory regulations concerning recognition, disclosure and valuation were observed.

The balance sheet and the income statement were prepared in accordance with the provisions of German commercial law governing the accounting of limited liability companies, including generally accepted accounting principles. The notes to the financial statements include all legally required information.

4.3 Management report

The management report prepared by the management complies with statutory regulations. The management report is consistent with the financial statements and our audit findings. It presents fairly, in all material respects, the position of the Company. As a result of our audit we conclude that the management report suitably presents the main opportunities and risks of future development and that the disclosures pursuant to Section 289 (2) HGB are complete and accurate.

5 Opinion on the Overall Presentation of the Financial Statements

5.1 Explanatory notes concerning the overall presentation

The general accounting policies are described in the notes to the financial statements (see Appendix 1.3).

The exercise of **accounting and valuation options as well as accounting judgments** for the following financial statement items has a material effect on the Company's net assets, financial position and results of operations:

Intangible assets and property, plant and equipment

The depreciation method used as well as the assessment of the expected useful lives of intangible assets and property, plant and equipment are the major elements in the valuation of fixed assets. KYB makes use of the straight-line depreciation method and considers the following useful lives:

Type of asset	Useful life in years
Workshop equipment	8 – 10
Forklifts (new)	8
Forklifts (used)	5
Other transport equipment (warehouse)	5
Company cars	5
Office equipment	4 – 5
Hardware	3
Software	3

With regard to the development of fixed assets, we refer to the fixed assets movement schedule which is included in the notes to the financial statements (Appendix 1.3).

Low-value assets up to EUR 150.00 are fully expensed in the year of acquisition. Assets purchased for more than EUR 150.00 and up to EUR 1,000.00 are capitalized in an accumulated amount per year and depreciated straight-line over five years starting in the year of the acquisition.

Merchandise goods

The goods are mainly purchased from KYB Group Companies and are in general capitalized with moving average purchase costs or the lower fair value. In addition, transportation costs and duties for purchased goods are capitalized.

Allowances for obsolescence are calculated based on turnover rates for stocks on hand.

In case goods have turnover rates which exceed two years the following write-off rates are applied consistently with prior year:

Years	Obsolescence reserve (in %)
more than 4	30
at least 3 and up to less than 4	20
at least 2 and up to less than 3	10

However, an exception is made for those goods which were included in the sales catalogue of KYB within the last two years before year-end. For those current goods no obsolescence reserves are set up at all.

The following table provides an overview of the development of the valuation components:

	31/3/2015	31/3/2014	Change
	KEUR	KEUR	KEUR
Purchase costs for goods on stock	45,630	48,558	-2,928
Goods in transit	4,112	5,872	-1,760
	49,742	54,430	-4,688
Allowances for obsolescence	-1,917	-1,481	-436
Incidental Merchandise	120	131	-11
Inventories	47,945	53,080	-5,135

Trade debtors

The assessment of the future solvency of debtors and of the related bad debt risks is the most important element in the valuation of trade receivables.

The **individual allowance** amounts to KEUR 87 as of 31 March 2015 (previous year-end: KEUR 75).

The Company also records a **general bad debt allowance** in an amount of KEUR 316 (prior year: KEUR 249). Thereof KEUR 151 relate to the German branch, KEUR 114 to the Italian branch and KEUR 56 to the UK branch.

The general bad debt allowance is calculated at 0.5 % of the receivables not specifically provided for and less VAT.

In addition, there is a second component of the general bad debt allowance dependent on days overdue and country specific allowance rates as follows:

Country	Overdue		
	>30 days %	>60 days %	>90 days %
Austria, Finland, Germany, Norway, Switzerland	2	3	4
Azerbaijan, Belarus, Bulgaria, Croatia, Czechia, Estonia, Georgia, Hungary, Kazakhstan, Latvia, Lithuania, Panama, Poland, Romania, Russia, Serbia, Slovakia, Sweden, Ukraine, Uzbekistan	10	15	20
Bosnia	18	27	36
Moldova, Turkmenistan	22	33	44

Deferred taxes

In exercising the option disclosed in § 274 (1) sentence 2 HGB deferred tax assets amounting to KEUR 106 from the UK and the French branch as well as a deferred tax asset on tax loss carry forwards of KEUR 705 for the Spanish branch have not been recognized.

Warranty provisions

Based on a warranty agreement dated 5 January 2006 between Kayaba Industry Co. Ltd., Tokyo/Japan, and KYB the production risks are compensated by the production companies and only the remaining other warranty costs are to be taken over by the distribution companies within the Group. The Company receives yearly payments to compensate for future warranty claims relating to goods purchased in the respective year from the manufacturing companies which are taken to income. In turn, KYB sets up a warranty provision based on own past experience and judgement. As at 31 March 2015, KYB accrued KEUR 337 (prior year-end: KEUR 432).

The following **grooming transactions** had a material effect on the overall presentation of the financial statements:

Management fee agreement with KYB Europe Headquarters GmbH

Since June 2010, the Company has a Management fee agreement with KYB Europe Headquarters GmbH. The total management fee in 2015 amounts to KEUR 540 (prior short fiscal year: KEUR 73).

As regards other significant agreements with related parties as well as with third parties we refer to our comments in Appendix 2 (business profile).

5.2 Conclusion on the overall presentation of the Financial Statements

Based on an overall consideration of the accounting policies, we are of the opinion that the financial statements provide a true and fair view of the Company's net assets, financial position and results of operations in accordance with German generally accepted accounting principles.

6 Auditor's Report (Translation)

We have issued the following unqualified auditor's report:



Auditor's Report (Translation)

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of KYB Europe GmbH, Krefeld, for the short fiscal year from 1 April 2014 to 31 March 2015. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with Section 317 of the German Commercial Code [HGB] and the generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors [IDW]. Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Without qualifying this opinion we refer to the discussion in the management report. In the section "Risk report" it is disclosed that the Company's ability to continue as a going concern is dependent on the financial support of the shareholders if short-term bank loans are not prolonged.

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Düsseldorf, 6 July 2015

KPMG AG
Wirtschaftsprüfungsgesellschaft



Kuntz
Wirtschaftsprüfer
[German Public Auditor]

Dr. Widmayer
Wirtschaftsprüfer
[German Public Auditor]



Appendices

Appendix 1

Financial Statements as of 31 March 2015 and Management Report

1.1 Balance sheet

1.2 Income statement

1.3 Notes

1.4 Management Report

KYB Europe GmbH, Krefeld

Balance sheet as of 31 March 2015 (Translation)

Assets

		31/3/2015		31/3/2014	
		EUR	EUR	EUR	EUR
A. Fixed Assets					
I. Intangible assets					
Acquired software		27,979.02		38,116.94	
II. Property, plant and equipment					
Other equipment and office equipment		2,085,833.86		2,360,778.19	
III. Financial assets					
Shares in affiliated companies		0.00		1,925,803.28	
		2,113,812.88		4,324,698.41	
B. Current assets					
I. Inventories					
Merchandise goods		47,945,448.77		53,080,427.97	
II. Debtors and other assets					
1. Trade debtors	33,399,563.02		29,539,287.35		
2. Amounts due from affiliated companies	18,786,545.12		33,308,562.63		
3. Other assets	2,489,034.77	54,675,142.91	1,612,062.19	64,459,912.17	
III. Cash and bank balances		7,357,424.49		6,404,737.04	
		109,978,016.17		123,945,077.18	
C. Prepaid expenses and deferred charges					
		616,164.95		620,001.71	
		112,707,994.00		128,889,777.30	

Shareholders' equity and liabilities

	31/3/2015	31/3/2014
	EUR	EUR
A. Equity		
I. Subscribed capital	700,000.00	700,000.00
II. Capital reserves	3,219,349.33	3,219,349.33
III. Cumulative profits brought forward	38,515,908.45	38,436,065.93
IV. Net profit for the year	13,006,032.90	79,842.52
	55,441,290.68	42,435,257.78
B. Provision		
1. Provisions for pensions	96,076.00	135,503.00
2. Tax provisions	254,722.46	362,978.22
3. Other provisions	10,358,416.47	10,807,782.50
	10,709,214.93	11,306,263.72
C. Liabilities		
1. Liabilities due to banks	12,000,000.00	33,000,000.00
2. Trade payables	4,417,825.03	10,535,482.85
3. Amounts owed to affiliated companies	27,764,075.92	29,892,751.34
4. Other liabilities	2,375,587.44	1,720,021.61
	46,557,488.39	75,148,255.80
	112,707,994.00	128,889,777.30

KYB Europe GmbH, Krefeld

Income statement for the period from 1 April 2014 to 31 March 2015 (Translation)

	1/4/2014 – 31/3/2015		1/1/2014 – 31/3/2014	
	EUR	EUR	EUR	EUR
1. Sales		164,687,042.26		41,508,296.15
2. Other operating income		10,661,153.07		202,000.00
– thereof from foreign currency translation: EUR 1,252,184.14 (prior year: EUR 60,716.86) –				
3. Cost of purchased goods		-134,512,511.74		-33,647,676.24
4. Personnel expenses				
a) Wages and salaries	-7,304,322.86		-2,011,399.39	
b) Social security, pension and other benefits	-1,993,481.12	-9,297,803.98	-491,741.88	-2,503,141.27
– of which relating to pensions: EUR 67,101.00 (prior year: EUR 19,085.69) –				
5. Depreciation on intangible and tangible assets		-857,926.76		-200,034.81
6. Other operating expenses		-19,665,756.78		-5,003,372.59
– thereof from foreign currency translation: EUR 866,985.26 (prior year: EUR 182,058.57) –				
7. Investment income		3,366,062.73		0.00
– all from affiliated company –				
8. Other interest and similar income		11,451.30		1,725.45
9. Interest and similar expenses		-398,729.34		-171,404.83
10. Result from ordinary business activities		13,992,980.76		186,391.86
11. Taxes on income		-933,160.35		-74,192.55
12. Other taxes		-53,787.51		-32,356.79
13. Net income		13,006,032.90		79,842.52

KYB Europe GmbH, Krefeld

Notes to the financial statements for the financial year 2014/2015 (Translation)

I. Basic Principles of the Accounting

As in the previous years, the profit and loss account has been prepared in accordance with the total cost method as stipulated by § 275 para. 2 of the German Commercial Code (HGB).

KYB Europe GmbH is a large incorporated company within the meaning of § 267 para. 3 of the German Commercial Code (HGB).

The individual financial statements have been prepared in accordance with the accounting standards under commercial law (German Commercial Code (HGB)), as well as the additional statutory regulations for limited liability companies (GmbHG).

For the purposes of improved clarity, the remarks which are to be provided in accordance with statutory regulations next to the items on the balance sheet, as well as the remarks which are to be provided optionally in the notes to the balance sheet, are listed in the notes.

In the year 2014 the balance sheet date has been changed to March 31. Insofar a stub financial period from January 1, to March 31, 2014 has been inserted. In that regard comparability with the prior fiscal year is limited.

II. Financial Accounting and Valuation Principles

Intangible Assets

Intangible assets recorded in fixed assets acquired from third parties in return for payment are capitalised at their acquisition costs and depreciated on a straight-line basis --pro rata temporis in the year of acquisition-- in accordance with their anticipated period of use. EDP programs acquired in return for payment are depreciated with a useful life of three years.

Tangible Assets

Tangible assets are valued at their acquisition or production costs less scheduled depreciation. The depreciation on additions to fixed assets during the year is stated on a pro rata temporis basis in all cases. Insofar as the fair values of individual assets fall short of their book value, additional unplanned write-downs are carried out where the impairment is anticipated to be long-term.

The following periods of use have been taken as a basis:

	Period of Use	Depreciation Rate
	Years	%
Software and licences	3	33.33
Other plants, operating and office equipment	3 - 10	10 – 33.33

Acquisition or production costs for depreciable movable assets which are capable of independent use are recorded in full as operating expenses in the financial year of their acquisition, manufacture or contribution if the acquisition or production costs for the individual asset --reduced by any VAT amount they may contain-- do not exceed EUR 150. For low value assets whose acquisition or production costs --reduced by any VAT amount they may contain-- are more than EUR 150 and up to EUR 1,000, an annual collective item within the meaning of the § 6 para. 2a of the German Income Tax Act (EStG) is formed. The annual collective item is released over five years in a profit-reducing manner starting in the year of acquisition. Insofar as an asset is removed from the business assets prematurely, the collective item is not reduced.

Financial Assets

The 100 % participation in KYB Middle East FZE, Dubai/United Arab Emirates, was shown on the balance sheet at historical acquisition costs (subscribed capital AED 2,000,000 corresponding to EUR 442,399.58 at the historical exchange rate). This participation was sold to KAYABA Industry Co. Ltd. as of February 2, 2015.

The 99 % participation in KYB Eurasia LLC, Moscow/Russia, was shown on the balance sheet at historical acquisition costs (subscribed capital RUB 59,400 thousand corresponding to EUR 1,483,403.70 at the historical exchange rate). Also this participation was sold to KAYABA industry Co. Ltd. as of August 29, 2014.

Inventories

All goods are valued at moving average acquisition costs or lower fair values as of the balance sheet date. Moreover, transport costs and customs duties on purchased goods are carried as an asset. Storage risks are taken into account in the form of marketability discounts.

Accounts Receivable and Other Assets

Accounts receivable and other assets are carried at their nominal value or the lower fair value as of the balance sheet date. Specific valuation allowances are made for doubtful accounts and uncollectible accounts are derecognized. The general default risk is addressed by a general valuation allowance on the receivables not yet subject to a specific valuation allowance.

Cash on Hand and Bank Balances are reported at notional values.

The **prepaid expenses** are carried at the level of the payments made, insofar as these represent expenditures for the following business year.

Equity

The equity has developed as follows:

	EUR (thousands)
April 1, 2014	42,435
Distribution of Profit	0
Net income for the stub financial year 2014/2015	13,006
March 31, 2015	55,441

Provisions for Pensions and Similar Commitments

At the French branch there is a collective agreement on a performance-oriented pension plan. The fair value of the assets to be netted according to § 246 HGB [German Commercial Code] is EUR 109 thousand which equals the acquisition costs. Expenses netted amount to EUR 67 thousand, income netted amounts to EUR 0 thousand. The pension liability of EUR 202 thousand was determined on the

basis of an actuarial expertise using Tables Prospectives par Génération and prepared as of March 31, 2015 (projected unit credit method). The provision was determined on the basis of an interest rate of 2.0 %. Moreover, in the determination of the provisions for pensions and similar commitments, annual wage and salary increases of 2.0 % were taken as the basis and an employee turnover rate of 0.0 % p. a. assumed.

Accrued Taxes

Accrued taxes relate to taxes on income of the German, British, French and Italian branch and are set up in the anticipated amount to be paid.

Other Provisions

Other provisions were formed with the settlement amounts for all identifiable risks from impending losses and uncertain commitments as of the balance sheet date which will probably be claimed against the company according to a reasonable commercial assessment.

Liabilities

Liabilities are shown on the balance sheet with the settlement amounts.

Conversion of Foreign Currencies

Business transactions in foreign currency are generally stated at the historical exchange rate at the time of the initial posting. Balance sheet items are valued as of the effective date as follows:

Long-term foreign currency receivables are recognised at the foreign exchange offered rate upon the recognition of the receivable or at the lower fair value, based on the foreign exchange spot rate on the balance sheet date (impairity principle). Short-term foreign currency receivables (residual term of one year or less), as well as cash and bank balances or other short-term assets in foreign currencies are converted at the foreign exchange spot rate on the balance sheet date.

Long-term foreign currency liabilities are valued at the foreign currency bid rate upon the recognition of the liability or at the higher closing rate value, on the basis of the foreign currency spot rate as of the balance sheet date (impairity principle). Short-term foreign currency liabilities (residual term of one year or less) are converted at the foreign currency spot rate on the balance sheet date.

Deferred Taxes

Deferred taxes are recognised on the basis of the differences in the amounts recognised on the commercial balance sheet and the tax balance sheet, insofar as these are anticipated to diminish in subsequent business years. Moreover, deferred tax assets are formed on the existing corporate and trade tax losses carried forward, insofar as offsetting of the losses can be expected within the next five years. Deferred taxes on the assets and liabilities side are balanced against each other. An overall tax burden would be recognised in the balance sheet as deferred tax liability. In the case of tax relief no use would be made of the corresponding capitalisation option.

III. Explanations on the Balance Sheet

Fixed Assets

The development in the fixed assets is shown in the attached development in fixed assets.

Accounts Receivable and Other Assets

Accounts receivable and other assets show residual terms of up to one year. Accounts due from affiliated companies are EUR 0 thousand (previous year EUR 0 thousand) for the shareholder, and EUR 18,787 thousand (previous year EUR 33,309 thousand) are trade accounts receivable.

Other assets of EUR 137 thousand (previous year EUR 126 thousand) have a residual term of more than one year.

Provisions

Other provisions (EUR 10,358 thousand) essentially relate to customer bonuses (EUR 8,185 thousand), outstanding invoices (EUR 781 thousand), warranties (EUR 337 thousand), personnel costs (EUR 643 thousand), as well as redemption obligations (EUR 148 thousand).

Liabilities

The liabilities due to banks of EUR 12,000 thousand (previous year EUR 33,000 thousand) are as in the prior year due within one year.

The amounts owed to group companies (EUR 27,764 thousand; previous year EUR 29,893 thousand) relate to supplies and services to an amount of EUR 27,764 thousand (previous year EUR 29,771 thousand) and include an amount of EUR 0 owed to the shareholder KYB Europe Headquarters B.V. (previous year EUR 0 thousand to Kayaba Industry Co. Ltd.), and are as in the prior year due within one year.

The **other liabilities** include the following amounts:

	Mar 31, 2015	Mar 31, 2014
	(EUR thousands)	
Tax liabilities	1,580	938
Social security	368	391

The other liabilities have as in the prior year a term of up to one year.

Deferred taxes

In the financial year, there was overall a deferred tax asset not reported in the balance sheet. Deferred taxes are not reported, as the existing net asset item is not recognised on the balance sheet considering the option according to § 274 of the German Commercial Code (HGB). The deferred taxes are determined on the basis of the combined profit tax rate of the company of 30 %, which is anticipated to result at the time of the reversal of the differences of French and British Branch as well as on tax loss carry forwards at the Spanish branch. The combined profit tax rate comprises corporation tax, trade tax and solidarity surcharge.

IV. Explanations of the Profit and Loss Account

Sales Revenues

The geographical distribution of sales revenues is as follows:

	Apr 1, 2014 - Mar 31, 2015	Jan 1, 2014 - Mar 31, 2014
	(EUR thousands)	
European Union	109,412	20,661
Russia	40,076	10,789
Rest of Europe	9,646	8,292
Asia	312	62
Miscellaneous	5,241	1,704
	164,687	41,508

All revenues relate to the sale of automobile spare parts.

Other Operating Income

Other operating income (EUR 10,661 thousand) essentially includes exchange rate gains (EUR 1,252 thousand) as well as income relating to the sale of our participations to KYB Corporation Ltd. (EUR 8,830 thousand). In addition income relating to former periods of EUR 14 thousand (prior year EUR 51 thousand) is included which relates as in the prior year to the release of provisions and valuation allowances for doubtful trade accounts receivable.

Other Operating Expenses

As in the prior year, other operating expenses do not contain any expenses relating to prior periods.

Income from Investments

Income from investments includes a received dividend (EUR 3,366 thousand) on October 28, 2014 for the financial year 2013/2014 of KYB Middle East FZE, Dubai/United Arab Emirates, where we participated with 100 % until February 2, 2015.

Other Interest and Similar Income, as well as Interest and Similar Expenditure

Interest expenses of EUR 2 thousand (previous year: EUR 2 thousand) relate to interest accruing on long-term reserves.

V. Miscellaneous Information

Other Financial Commitments and Off-Balance Sheet Transactions

The other financial obligations are as follows:

	2015/16	2016/17	2017/18	2018/19 and thereafter	Total
	EUR thousands				
Rents and leasing commitments	2,370	2,421	2,271	3,316	10,378

The significant financial commitments concern rent agreements for the Head Office in Krefeld and the further branch locations in Europe. In the case of the rental properties for the different businesses, rent is to be given preference over acquisition in order not to have to bear the resale risk of the respective property if the service contracts for individual properties are terminated. A further advantage is the smaller capital commitment. Risks may be associated with the respective contractual obligations, insofar as individual properties can no longer be commercially used. Negotiations on extending a contractual period include opportunities and risks with respect to pricing.

Overall the other financial commitments for these tenancy agreements amount to EUR 9,643 thousand, of which EUR 1,909 thousand is due for payment in the 2015/16 business year, and EUR 7,734 thousand after that. The other miscellaneous commitments from leasing and tenancy agreements relate to other assets and other office equipment. Overall the other financial commitments from these agreements amount to EUR 735 thousand, of which EUR 461 thousand is due within the 2015/16 business year, and EUR 273 thousand thereafter.

Employees

The number of employees at the branches was as follows during the business year:

Branch/sales office	Average 2014/2015	Mar 31, 2015
Germany	66	64
France	43	42
Great Britain	34	35
Spain	23	23
Italy	8	8
Total	174	172

Transactions with Related Parties

With the exception of the remuneration for the Company's management, there are no business relationships with related persons.

Within the framework of normal business activities the company maintains business relationships with numerous companies, including affiliated companies, which are deemed to be related companies.

Summary of the important transactions with related companies according to type of business (in EUR thousands):

Type of Relationship Type of Business	Direct Parent Company	Subsidiary Company	Other Affiliated Companies/ Miscellaneous
Asset purchases	-	-	111,197
Asset sales	-	18,999	29,781
Purchasing of services	-	-	540
Provision of services	-	-	-
Transfer of use of assets (lease, rent, leasing)	-	-	-
Financing received (including cash pooling)	-	-	-

Fee of the Auditor of the Annual Accounts

In the business year the total fee of the auditor of the annual accounts was EUR 146 thousand, consisting entirely of fees for audit services.

Managing Directors

Members of the Company's management in the business year:

- Michael Howarth, merchant, Düsseldorf/Germany,
- Tadao Ogoshi, merchant, Düsseldorf/Germany,
- Hajime Sato, merchant, Tokyo/Japan,
- Kenji Ogino, merchant, Düsseldorf/Germany (until 31 July 2014),
- Osamu Kuniyama, merchant, Tokyo/Japan (since 31 July 2014).

The total remuneration of the company management in the stub financial period ended March 31, 2015 is EUR 237 thousand.

In the financial period ended March 31, 2015 no pension payments were made to former members of the Company's management; no provisions for pension obligations for this group of individuals were required.

Consolidated Accounts

KYB Europe GmbH is included in the consolidated financial statements prepared by KAYABA Industry Co. Ltd., Tokyo/Japan, who prepare consolidated financial statements for the largest group of entities, according to accounting principles generally accepted in Japan. These are available from the headquarters of the company and are published on the Japanese EDINET (Electric Disclosure for Investor's NETwork) under the number EO2147.

Starting 2012 KYB Europe GmbH is in addition included in the consolidated financial statements of KYB Europe Headquarters B.V., Roermond/Netherlands (smallest group), which are prepared according to International Financial Reporting Standards (IFRS) as applicable in the EU. These consolidated financial statements are available at the legal office of KYB Europe GmbH.

Appropriation of Net Income

The company management proposes carrying forward the balance sheet profit of EUR 51,522 thousand, which is made up of the net income for the year of EUR 13,006 thousand and the profit carried forward of EUR 38,516 thousand, to new account.

Krefeld, July 6, 2015

KYB Europe GmbH

Michael Howarth
Managing Director

Tadao Ogoshi
Managing Director

Hajime Sato
Managing Director

Osamu Kuniyara
Managing Director

KYB Europe GmbH, Krefeld

Development in Fixed Assets for the fiscal year 2014/2015 (Translation)

	Acquisition Costs				
	1/4/2014	Currency conversion	Additions	Disposals	31/3/2015
	EUR	EUR	EUR	EUR	EUR
I. Intangible assets					
Acquired software	378,976.51	6,492.82	6,152.25	-15,585.55	376,036.03
II. Property, plant and equipment					
Other equipment and office equipment	6,484,821.00	86,828.92	549,433.54	-286,734.74	6,834,348.72
III. Financial assets					
Shares in affiliated companies	1,925,803.28	0.00	0.00	-1,925,803.28	0.00
	8,789,600.79	93,321.74	555,585.79	-2,228,123.57	7,210,384.75

Accumulated Depreciation					Book Values		
1/4/2014	Currency conversion	Additions	Disposals	31/3/2015	31/3/2015	31/3/2014	
EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
340,859.57	6,492.82	15,671.57	-14,966.95	348,057.01	27,979.02	38,116.94	
4,124,042.81	64,346.60	842,255.19	-282,129.74	4,748,514.86	2,085,833.86	2,360,778.19	
0.00	0.00	0.00	0.00	0.00	0.00	1,925,803.28	
<u>4,464,902.38</u>	<u>70,839.42</u>	<u>857,926.76</u>	<u>-297,096.69</u>	<u>5,096,571.87</u>	<u>2,113,812.88</u>	<u>4,324,698.41</u>	

KYB Europe GmbH, Krefeld

Management Report for the fiscal year 2014/2015 (Translation)

A. Fundamentals of the company

KYB Europe GmbH markets shock absorbers, springs and mounting kits as spare parts ("aftermarket"), essentially to the European and, due to supply by our affiliate company, to Russian automobile industry. The products are primarily produced by the parent company of the KYB Group, Kayaba Industry Co. Ltd., Tokyo/Japan, which supplies the OEM market, but also the group member companies in Spain, Thailand, Czech Republic and Brazil. Our range is rounded to a lesser extent by products from other manufacturers.

Beside KYB Europe GmbH there are two other large brands which dominates the aftermarket business for shock absorbers in Europe. KYB Europe GmbH possesses the second-largest market share in Europe. In order to further increase the turnover and market shares of the KYB Group particular on the five largest markets in Europe, KYB Industry Co., has founded KYB Europe GmbH in 1989 and subsequently our branches in Great Britain (1997), France (1998), Italy (2002) and Spain (2003). Moreover, in order to increase our turnover in Africa, the Middle and Near East, we founded KYB Middle East FZE, Dubai/United Arab Emirates, in 2005. Until February 3, 2015 we held shares of these company of 100 %. Additionally, in 2012 KYB Eurasia LLC, Moscow/Russia, was founded, where we participated with 99 % until September 16, 2014. The company supplies mainly Russia and neighboring CIS countries. The shares in these companies were transferred to the group parent company in the reporting period.

In the 2010 business year the foreign branches in France, Spain and Italy, as had been the case with the branch in Great Britain since 2005, were changed over to commission agents. Since the beginning of fiscal year 2013 now all branches are run as independent sales organizations.

B. Economic Report

Business Developments and Developments in the Industry

In the beginning of 2014 the German ministry of economics (Federal Ministry of Economics and Energy, BMWI) has predicted the growth of the German GDP with 1.8 %, which was not identical with the actual value of 1.5 %. The growth forecast of the European Commission for Europe in the year 2014 regarding a growth of the economy by 2.0 % was not in line with the actual development for the year 2014. It was in fact a growth of 1.7 %. In accordance with the overall economic development, the market for shock absorbers in Europe in 2014/2015 has been stable, even though under our expectations.

Business Trend: Turnover, Assets, and Financial Situation

In fiscal year 2014/2015 the turnover and profit before taxes was above our expectations in our short fiscal year 2014. Considering the effects of the received dividend and the received amount from sold shares, our turnover and profit before taxes was significantly under our expectations. The main reason for this is the negative exchange rate situation in Russia, the political unrest in Ukraine as well as remaining economic development behind the previous year's forecast in Europe.

In the 2014/2015 business year the turnover of KYB Europe GmbH increased by EUR 123,179 thousand (296.8 %) from EUR 41,508 thousand in the previous year to EUR 164,687 thousand. The turnover is presented geographically as follows:

	2014/2015		2014 (Jan-Mar)		Change	
	TEUR		TEUR		TEUR	
	(thousands)	%	(thousands)	%	(thousands)	%
European Union	109,412	66.4	20,661	49.8	88,751	429.6
Russia	40,076	24.3	10,789	26.0	29,287	271.4
Rest of Europe	9,646	5.9	8,292	20.0	1,354	16.3
Asia	312	0.2	62	0.2	250	403.2
Miscellaneous	5,241	3.2	1,704	4.1	3,537	207.6
	164,687	100.0	41,508	100.0	123,179	296.8

Eliminated of short previous year effect, we were able to further increase our turnover. Especially in European Union our sales increased, while Russian sales stagnated on a low level and sales to rest of Europe declined. However, in total, there was an increase in sales of 296.8 % compared to the prior year.

The gross profit margin (sales revenues less expenditure for purchased goods in relation to the sales revenues) decreased from 18.9 % in the previous year to 18.3 % and is slightly below previous year's expectations. The gross profit (sales revenues less expenses for purchased goods) increased by EUR 22,314 (283.9 %) thousand to EUR 30,175 thousand.

The operating profit from ordinary activities increased by EUR 13,807 thousand to EUR 13,993 thousand. The main reason for that is the income of our sold participations to KAYABA Industry Co. Ltd.. The personnel expenses increased by EUR 6,795 (271.5 %) thousand slightly slower to the extended reporting period to

EUR 9,298 thousand. Furthermore, the other operating expenses risen by EUR 14,662 (293.1 %) thousand to EUR 19,666 thousand. The main reason for this is extended reporting period.

Due to the positive development of the JPY/EUR exchange rate, the net foreign exchange position improved from EUR -121 thousand to EUR 375 thousand.

The taxes on income and profit (EUR 933 thousand) essentially relate to the German head office and the branches in UK, Italy and France.

The net income for the 2014/2015 business year is EUR 13,006 thousand (previous year EUR 80 thousand-short fiscal year). This is corresponding to last year expectations.

The balance sheet total decreased by EUR 16,182 thousand to EUR 112,708 thousand.

During the fiscal year inventories decreased by EUR 5,135 thousand to EUR 47,945 thousand. Trade accounts increased by EUR 3,861 thousand to EUR 33,400 thousand, account receivables to affiliated companies dropped by EUR 14,522 thousand to EUR 18,787 thousand.

Due to the sold participations, on the asset side, share capital has dropped by EUR 1,926 thousand to EUR 0. The trade accounts receivables to affiliated companies have decreased due to the payment of outstanding debts by KYB Eurasia LLC and due to decline in supply because of negative exchange rate situation to KYB Eurasia LLC.

On the liabilities side, provisions have been decreased by EUR 597 thousand to EUR 10,709. This is mainly caused by reduction of unpaid invoices, partly offset by higher customer bonuses. The trade accounts payables have decreased by EUR 6,118 thousand compared to the previous year to EUR 4,418 thousand. Trade accounts payable to affiliated companies also decreased by EUR 2,129 thousand to EUR 27,764 thousand in accordance with the development of inventories.

KYB Europe GmbH is financed by means of current income, short-term bank loans, as well as the equity capital made available by the parent company KYB Europe Headquarters BV, Roermond/Netherlands.

As of March 31, 2015 the short-term liabilities to banks amounted to EUR 12,000 thousand. During the fiscal year the bank loans have been reduced from EUR 33,000 thousand by EUR 21,000 thousand to EUR 12,000 thousand. The repayment was basically a result from cash flows from the settlement of trade accounts receivables by KYB Eurasia LLC, from received investment sale and from received dividend.

In the year under review we were able to fulfil our financial commitments at all times. Overall, we assess the business during the reporting year as satisfactory. As per the date of the preparation of the management report we assess the economic condition of the company being healthy.

Financial and Non-financial Performance Indicators

KYB Europe GmbH is exclusively a sales company for car shock absorbers and accessories procured by the KYB affiliated group.

Unchanged from the previous year, our scope of delivery comprises 95 % of all car types represented in Europe, and in 2014/2015 90 % of the articles on offer were available for delivery on a daily basis. As in previous years, our employee turnover rate is classified as low.

Our financial performance indicators are gross margin, turnover, and net profit.

C. Events after the Reporting Period

After the balance sheet date, there were no subsequent events that would have had material influence on the assets, profit or financial situation of the company.

D. Anticipated Development with Forecast, Opportunities and Risks

Forecast Report

The Federal Ministry of Economics and Energy (BMWi) expects the gross domestic product to grow in 2015 by 1.5 %. In Europe, the economy is expected to increase by 2.1 % in 2015 (European Commission). Therefore, for 2015 a stable growth of the shock absorber market can be expected.

The crisis in Ukraine had already a significant impact on the turnover in this region. This was also reflected in the current financial year. For the next financial year 2015/2016 we expect a slight positive impact on KYB Europe's turnover from that region.

Additionally, due to the devaluation of the Ruble, the sales of our subsidiary KER have been reduced. Since there is no guarantee for completely recovering of rubel exchange rate, for the future there will be no further delivery to warehouse of KYB Eurasia LLC. After sales of stored goods, the warehouse in Russia will be closed. KYB Eurasia LLC as sales company for Russia and neighboring CIS countries will continue. For increasing our sales in the east we plan to open a new warehouse in Riga, Latvia. From this warehouse the goods will directly delivered to our customers in Russia.

According to our expectations, the western European market is very stable. It is our strategy to improve our distribution channels for products with high margin (coil springs, mounting kits, and protection kits), as well as to improve profitability, especially for shock absorbers, by means of price increases. As our market share of shock absorbers in Germany is still very small (approx. 15 %), we still have a lot of possibilities to increase our sales volume, e.g. with the acquisition of new customers. In Turkey we try to improve our delivery in order to increase our sales volume significantly. To increase our sales volume we plan to open a warehouse in Turkey.

In Eastern Europe, especially in Poland, there is a tough competition. As KYB has a rather large market share of over 25 %, our competitors try to gain further market share. Therefore, we strive towards keeping up a stable price management.

For financial year 2015/2016 we expect a moderate sales decrease and also a significantly lower gross margin compared to financial year 2014/2015. Due to the sale of our participation of KYB Middle East FZE, for the last fiscal year we will receive no dividend. Considering the previous fact and the effect of sold participations, we expect a marked lower profit before tax for the next fiscal year 2015/2016. Additionally, we expect constant values of delivery throughout 2015/2016.

We continue to assess our expectations regarding the development for the upcoming year as slightly improved.

Risk Report

KYB Europe GmbH forms part of the KYB group which is listed at the stock exchange in Japan and as such included in the Internal Control over Financial Reporting (ICOFOR) according to J-SOX. Within the group reporting, budgeting reporting and controlling processes are implemented which are operating effectively. At the entity level, these processes are implemented for our branches.

Management is closely involved in the current business and the risk communication. Growth and market information are continuously monitored.

Due to the continued favorable exchange rate situation against the Japanese Yen, our purchase prices have remained at the level of previous year. We expect further price reductions in the fiscal year 2015/2016 (01.04.2015-31.03.2016) from our coil spring production which was established in the Czech Republic in 2013.

In order to avoid any exchange rate risks, all sales transactions are carried out in Euro. The risk of credit default is limited by applying customer specific credit limits. Currently and also in the future, after opening the new warehouse in Riga, the sales in Russia and the former CIS countries are being carried out by KYB Eurasia LLC. Therefore, we do not have a credit risk anymore, but we face lower margins due to our role as a mere intermediate distributor.

As a company within the KYB group we depend on the strategic decisions of the corporate headquarters in Japan.

The company's ability to continue as a going concern is dependent on the financial support of the parent company if short-term bank loans are not prolonged by the banks.

Overall we do not expect any material risks now or in the future which might prejudice the continued existence of our company.

Opportunity report

In Western Europe the market share of KYB shock absorbers for replacement grows for vehicles due to the high product quality and our excellent customer service. In the European markets, we were able to record high sales growth in fiscal year 2014/2015. KYB enjoys in these markets, a very high reputation due to the high product quality and the wide range of products for European, Russian and Asian vehicles.

In addition to selling shock absorbers, the sale of springs in the UK, introduced in 2002 and on the continental mainland Europe and in Russia in 2009 shows as basically positive. The spring sale will be expanded in the future, since founded spring factory in the Czech Republic in 2013 and started the production 2014.

Krefeld, July 6, 2015

KYB Europe GmbH

Michael Howarth
President

Tadao Ogoshi
President

Hajime Sato
President

Osamu Kuniyara
President

Business Profile

Field of activity	The Company's business comprises the distribution of shock absorbers and related products in the after-sales market in Europe. The supply of trade goods is mainly provided by affiliated companies of the KYB group.
Business premises	The Company's main warehouses and business facilities are managed at hired premises in Krefeld/Germany and Cergy-Pontoise/France as well as in a third party managed warehouse at Poznan/Poland. In addition hired premises exist in Coslada-Madrid/Spain, Lainate/Italy and Warrington/UK.
Personnel	In the financial year 2014/15 the Company employed 174 persons on average (prior year: 170 persons). Details can be found in the notes to the financial statements.
Pension scheme	In the French branch a collective bargaining agreement is in place which qualifies as a defined benefit plan. The latest actuarial calculation was prepared as of 31 March 2015 in accordance with the actuarial projected unit credit method, applying a retirement age of 63 to 65 years (management) and 60 to 62 years (other employees) as well as the French mortality tables "Tables Prospectives par Génération".
Significant contracts	■ Lease contract of warehouse and office in Krefeld/Germany with ProLogis Germany XII B.V., Schiphol/Netherlands ■ Warranty agreement with Kayaba Industry Co. Ltd., Tokyo/Japan ■ Agreement concerning logistic services with Raben Polska Sp.z.o.o., Poznan/Poland ■ Management fee agreement with KYB Europe Headquarters GmbH, Krefeld/Germany Currently all significant contracts are not terminated.

Legal Status

Formation of the Company	9 June 1989
Company's name	KYB Europe GmbH
Legal seat	Krefeld
Articles of incorporation	The current version of the articles of incorporation is dated 12 January 1995 and was adjusted for the last time on 24 October 2006.
Commercial register	District Court of Krefeld, No. HRB 9952. The latest trade register excerpt is dated 15 April 2014.
Company's purpose	The purpose of the business of KYB Europe GmbH is the export, import and production as well as the distribution of mechanical, electrical and electrotechnical systems and related products.
Financial year	Calendar year
Subscribed capital	EUR 700,000.00
Share capital	Sole shareholder is KYB Europe Headquarters B.V., Roermond/The Netherlands.
Prior year's financial statements	At the shareholders' meeting held on 4 November 2014 (1) the financial statements and the management report as of 31 March 2014, which were prepared by the management board, audited by us and provided with an unqualified auditor's report, were presented and the financial statements were approved; (2) it was resolved that the accumulated profit in the amount of EUR 38,515,908.45 consisting of cumulative profits brought forward in the amount of EUR 38,436,065.93 and the profit of the year in the amount of EUR 79,842.52 be carried forward.
Size of the Company	The Company is a large corporation as defined by § 267 (3) Commercial Code [HGB].

Subsidiaries/Associates	The Company is included in the consolidated financial statements of Kayaba Industry Co. Ltd., Tokyo/Japan. On 25 May 2005, the Company established the 100 % subsidiary KYB Middle East FZE in Dubai/United Arab Emirates. The Company sold the whole share to Kayaba Industry Co. Ltd., Tokyo/Japan, on 29 August 2014. On 9 June 2012 the subsidiary KYB Eurasia LLC in Moscow/Russia was founded. The Company holds 99 % in the shares of KYB Eurasia LLC. The Company sold the whole share to Kayaba Industry Co. Ltd., Tokyo/Japan, on 2 February 2015.
Management board	The members of the management board are listed in the Company's notes to the financial statements (Appendix 1.3).
Tax status	The last tax audit was finalized in 2011 and covered the taxable periods 2006 until 2008. The tax audit report is dated 16 February 2011 and revealed no significant findings. The ware tax audit was announced in March 2015 and will cover the taxable periods from September 2012 to March 2015.

KYB Europe GmbH Niederlassung Düsseldorf

07/12/22

I, Laura Falzon, permanent representative of the UK Establishment of KYB Europe GmbH,
certify that this is a true copy of the financial statements.



Laura Falzon

KYB Europe GmbH Niederlassung Düsseldorf

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HRB 247880

Hauptniederlassung / Headquarters:
KYB Europe GmbH
Langfeldstraße 11 • 80939 München
Amtsgericht München
HRB 247880
UST-ID Nr.: DE 162922009

Geschäftsführer / Managing Directors:
Fumihiko Izumi (President)
Yuto Uchida (Vice President)
Takashi Saito
Kazuhiko Kanematsu
Toshiyuki Yamada
Kiichi Fukui
Yoshihisa Nambu

Bankverbindung / Bank details:
MUFG Bank
BIC: BOTKDE33
IBAN: DE45 3001 0700 0000 2019 54
Deutsche Bank
BIC: DEUTDE33
IBAN: DE32 3007 0010 0257 7377 00

Appendix 4

Jahresabschluss zum 31. März 2015 und Lagebericht

1.1 Bilanz

1.2 Gewinn- und Verlustrechnung

1.3 Anhang

1.4 Lagebericht

KYB Europe GmbH, Krefeld

Bilanz zum 31. März 2015

Aktiva

		31.3.2015	31.3.2014
		EUR	EUR
A. Anlagevermögen			
I. Immaterielle Vermögensgegenstände			
Entgeltlich erworbene Software		27.979,02	38.116,94
II. Sachanlagen			
Andere Anlagen, Betriebs- und Geschäftsausstattung		2.085.833,86	2.360.778,19
III. Finanzanlagen			
Anteile an verbundenen Unternehmen		0,00	1.925.803,28
		2.113.812,88	4.324.698,41
B. Umlaufvermögen			
I. Vorräte			
Waren		47.945.448,77	53.080.427,97
II. Forderungen und sonstige Vermögensgegenstände			
1. Forderungen aus Lieferungen und Leistungen	33.399.563,02		29.539.287,35
2. Forderungen gegen verbundene Unternehmen	18.786.545,12		33.308.562,63
3. Sonstige Vermögensgegenstände	2.489.034,77	54.675.142,91	1.612.062,19
			64.459.912,17
III. Kassenbestand und Guthaben bei Kreditinstituten		7.357.424,49	6.404.737,04
		109.978.016,17	123.945.077,18
C. Rechnungsabgrenzungsposten		616.164,95	620.001,71
		112.707.994,00	128.889.777,30

Passiva

	31.3.2015	31.3.2014
	EUR	EUR
A. Eigenkapital		
I. Gezeichnetes Kapital	700.000,00	700.000,00
II. Kapitalrücklage	3.219.349,33	3.219.349,33
III. Gewinnvortrag	38.515.908,45	38.436.065,93
IV. Jahresüberschuss	13.006.032,90	79.842,52
	55.441.290,68	42.435.257,78
B. Rückstellungen		
1. Rückstellungen für Pensionen	96.076,00	135.503,00
2. Steuerrückstellungen	254.722,46	362.978,22
3. Sonstige Rückstellungen	10.358.416,47	10.807.782,50
	10.709.214,93	11.306.263,72
C. Verbindlichkeiten		
1. Verbindlichkeiten gegenüber Kreditinstituten	12.000.000,00	33.000.000,00
2. Verbindlichkeiten aus Lieferungen und Leistungen	4.417.825,03	10.535.482,85
3. Verbindlichkeiten gegenüber verbundenen Unternehmen	27.764.075,92	29.892.751,34
4. Sonstige Verbindlichkeiten	2.375.587,44	1.720.021,61
	46.557.488,39	75.148.255,80
	112.707.994,00	128.889.777,30

KYB Europe GmbH, Krefeld

Gewinn- und Verlustrechnung für die Zeit vom 1. April 2014 bis 31. März 2015

	1.4.2014 – 31.3.2015		1.1.2014 – 31.3.2014	
	EUR	EUR	EUR	EUR
1. Umsatzerlöse		164.687.042,26		41.508.296,15
2. Sonstige betriebliche Erträge		10.661.153,07		202.000,00
– davon Erträge aus Währungsumrechnung EUR 1.252.184,14 (i. Vj. EUR 60.716,86) –				
3. Aufwendungen für bezogene Waren		-134.512.511,74		-33.647.676,24
4. Personalaufwand				
a) Löhne und Gehälter	-7.304.322,86		-2.011.399,39	
b) Soziale Abgaben und Aufwendungen für Altersversorgung – davon für Altersversorgung EUR 67.101,00 (i. Vj. EUR 19.085,69) –	-1.993.481,12	-9.297.803,98	-491.741,88	-2.503.141,27
5. Abschreibungen auf immaterielle Vermögensgegenstände des Anlagevermögens und Sachanlagen		-857.926,76		-200.034,81
6. Sonstige betriebliche Aufwendungen		-19.665.756,78		-5.003.372,59
– davon Aufwendungen aus Währungsumrechnung EUR 866.985,26 (i. Vj. EUR 182.058,57) –				
7. Erträge aus Beteiligungen		3.366.062,73		0,00
– sämtlich aus verbundenen Unternehmen –				
8. Sonstige Zinsen und ähnliche Erträge		11.451,30		1.725,45
9. Zinsen und ähnliche Aufwendungen		-398.729,34		-171.404,83
10. Ergebnis der gewöhnlichen Geschäftstätigkeit		13.992.980,76		186.391,86
11. Steuern vom Einkommen und vom Ertrag		-933.160,35		-74.192,55
12. Sonstige Steuern		-53.787,51		-32.356,79
13. Jahresüberschuss		13.006.032,90		79.842,52

KYB Europe GmbH, Krefeld

Anhang für das Geschäftsjahr 2014/2015

I. Grundlagen der Rechnungslegung

Wie in den Vorjahren wurde die Gewinn- und Verlustrechnung nach dem Gesamtkostenverfahren gemäß § 275 Abs. 2 HGB aufgestellt.

KYB Europe GmbH ist eine große Kapitalgesellschaft im Sinne von § 267 Abs. 3 HGB.

Der Einzelabschluss wurde nach deutschen handelsrechtlichen Rechnungslegungsvorschriften (HGB) sowie den ergänzenden gesetzlichen Vorschriften für Gesellschaften mit beschränkter Haftung (GmbHG) aufgestellt.

Im Interesse einer besseren Klarheit und Übersichtlichkeit werden die nach den gesetzlichen Vorschriften bei den Posten der Bilanz anzubringenden Vermerke ebenso wie die Vermerke, die wahlweise in der Bilanz oder im Anhang anzubringen sind, im Anhang aufgeführt.

Im Jahr 2014 wurde der Bilanzstichtag auf den 31. März verlegt. Insoweit wurde ein Rumpfgeschäftsjahr zum 31. März 2014 eingelegt, wodurch der Vergleich mit dem vorherigen Geschäftsjahr eingeschränkt ist.

II. Bilanzierungs- und Bewertungsgrundsätze

Immaterielle Vermögensgegenstände

Entgeltlich von Dritten erworbene immaterielle Vermögensgegenstände des Anlagevermögens werden zu Anschaffungskosten aktiviert und ihrer voraussichtlichen Nutzungsdauer entsprechend linear, im Zugangsjahr zeitanteilig, abgeschrieben. Dabei werden entgeltlich erworbene EDV-Programme über eine betriebsgewöhnliche Nutzungsdauer von drei Jahren abgeschrieben.

Sachanlagen

Sachanlagen sind mit den Anschaffungs- bzw. Herstellungskosten abzüglich planmäßiger Abschreibungen bewertet. Die Abschreibungen auf unterjährige Zugänge des Sachanlagevermögens erfolgen grundsätzlich zeitanteilig. Soweit die beizulegenden

Werte einzelner Vermögensgegenstände ihren Buchwert unterschreiten, werden zusätzlich außerplanmäßige Abschreibungen bei voraussichtlich dauernder Wertminderung vorgenommen.

Folgende Nutzungsdauern wurden zu Grunde gelegt:

	Nutzungsdauer	Abschreibungs- satz
	Jahre	%
Software und Lizenzen	3	33,33
Andere Anlagen, Betriebs- und Geschäftsausstattung	3 - 10	10 – 33,33

Anschaffungs- oder Herstellungskosten von abnutzbaren beweglichen Vermögensgegenständen des Anlagevermögens, die einer selbstständigen Nutzung fähig sind, werden im Geschäftsjahr der Anschaffung, Herstellung oder Einlage in voller Höhe als Betriebsausgaben erfasst, wenn die Anschaffungs- oder Herstellungskosten, vermindert um einen darin enthaltenen Vorsteuerbetrag, für den einzelnen Vermögensgegenstand EUR 150 nicht übersteigen. Für geringwertige Vermögensgegenstände, deren Anschaffungs- oder Herstellungskosten, vermindert um einen darin enthaltenen Vorsteuerbetrag, mehr als EUR 150 und bis zu EUR 1.000 betragen, wird ein jährlicher Sammelposten im Sinne des § 6 Abs. 2a EStG gebildet. Der jährliche Sammelposten wird, beginnend mit dem Jahr der Anschaffung, über fünf Jahre gewinnmindernd aufgelöst. Scheidet ein Vermögensgegenstand vorzeitig aus dem Betriebsvermögen aus, wird der Sammelposten nicht vermindert.

Finanzanlagen

Die 100 %-ige Beteiligung an der KYB Middle East FZE, Dubai/Vereinigte Arabische Emirate, wurde zu historischen Anschaffungskosten bilanziert (gezeichnetes Kapital AED 2.000.000 entsprechend EUR 442.399,58 zum historischen Umrechnungskurs). Diese Beteiligung wurde zum 2. Februar 2015 an die KAYABA Industry Co. Ltd. veräußert.

Die 99 %-ige Beteiligung an der KYB Eurasia LLC, Moskau/Russland, wurde zu historischen Anschaffungskosten bilanziert (gezeichnetes Kapital RUB 59.400.000 entsprechend EUR 1.483.403,70 zum historischen Umrechnungskurs). Auch diese Beteiligung wurde zum 29. August 2014 an die KAYABA Industry Co. Ltd. veräußert.

Vorräte

Waren werden grundsätzlich zum gleitenden Durchschnitt der Anschaffungskosten oder zu niedrigeren beizulegenden Werten am Bilanzstichtag bewertet. Darüber hinaus werden Transportkosten und Zölle auf bezogene Waren aktiviert. Lagerrisiken werden durch Gängigkeitsabschläge berücksichtigt.

Forderungen und sonstige Vermögensgegenstände

Forderungen und sonstige Vermögensgegenstände werden zum Nennwert oder dem niedrigeren beizulegenden Wert am Bilanzstichtag angesetzt. Auf zweifelhafte Forderungen werden Einzelwertberichtigungen gebildet und nicht einbringliche Forderungen werden ausgebucht. Für das allgemeine Forderungsausfallrisiko werden Pauschalwertberichtigungen auf die nicht einzelwertberichtigten Forderungen gebildet.

Kassenbestand und Bankguthaben werden zu Nennwerten ausgewiesen.

Die **aktiven Rechnungsabgrenzungsposten** sind in Höhe der Anzahlungen angesetzt, soweit diese Aufwendungen des folgenden Geschäftsjahres darstellen.

Eigenkapital

Das Eigenkapital hat sich wie folgt entwickelt:

	TEUR
1. April 2014	42.435
Gewinnausschüttung	0,00
Jahresüberschuss 2014/2015	13.006
31. März 2015	55.441

Rückstellungen für Pensionen und ähnliche Verpflichtungen

In der französischen Niederlassung gilt eine tarifliche Vereinbarung über einen leistungsorientierten Pensionsplan. Der beizulegende Zeitwert der nach § 246 HGB zu verrechnenden Vermögensgegenstände beträgt TEUR 109 und entspricht den Anschaffungskosten. Die verrechneten Aufwendungen betragen TEUR 67, die verrechneten Erträge betragen TEUR 0. Die Pensionsverpflichtung in Höhe von TEUR 202 wurde auf der Basis eines zum 31. März 2015 erstellten versicherungsmathematischen Gutachtens (projected unit credit method) basierend auf den Tables Prospectives par Génération ermittelt. Der Rückstellungsermittlung wurde ein Zinssatz von 2,0 % zugrunde gelegt. Des Weiteren wurden bei der Ermittlung der Rückstellungen für Pensionen und ähnliche Verpflichtungen jährliche Lohn- und

Gehaltssteigerungen von 2,0 % zugrunde gelegt sowie eine Fluktuation in Höhe von 0,0 % p. a. unterstellt.

Steuerrückstellungen

Die Steuerrückstellungen betreffen Steuern von Einkommen und vom Ertrag der deutschen, britischen, französischen und der italienischen Betriebsstätte und sind in Höhe des voraussichtlichen Erfüllungsbetrages gebildet.

Sonstige Rückstellungen

Sonstige Rückstellungen wurden für alle erkennbaren Risiken aus Drohverlusten und ungewissen Verpflichtungen zum Bilanzstichtag mit den Erfüllungsbeträgen gebildet, mit denen die Gesellschaft nach vernünftiger kaufmännischer Beurteilung wahrscheinlich in Anspruch genommen wird.

Verbindlichkeiten

Verbindlichkeiten werden mit den Erfüllungsbeträgen bilanziert.

Fremdwährungsumrechnung

Geschäftsvorfälle in fremder Währung werden grundsätzlich mit dem historischen Kurs zum Zeitpunkt der Erstverbuchung erfasst. Bilanzposten werden zum Stichtag wie folgt bewertet:

Langfristige Fremdwährungsforderungen werden zum Devisenbriefkurs bei Entstehung der Forderung oder zum niedrigeren beizulegenden Wert, unter Zugrundelegung des Devisenkassamittelkurses am Abschlussstichtag, angesetzt (Imparitätsprinzip). Kurzfristige Fremdwährungsforderungen (Restlaufzeit von einem Jahr oder weniger) sowie Kassenbestand und Bankguthaben oder andere kurzfristige Vermögensgegenstände in Fremdwährungen werden zum Devisenkassamittelkurs am Bilanzstichtag umgerechnet.

Langfristige Fremdwährungsverbindlichkeiten werden zum Devisengeldkurs bei Entstehung der Verbindlichkeit oder zum höheren Stichtagskurswert, unter Zugrundelegung des Devisenkassamittelkurses am Abschlussstichtag, bewertet (Imparitätsprinzip). Kurzfristige Fremdwährungsverbindlichkeiten (Restlaufzeit von einem Jahr oder weniger) werden zum Devisenkassamittelkurs am Bilanzstichtag umgerechnet.

Latente Steuern

Latente Steuern werden auf die Unterschiede in den Bilanzansätzen der Handelsbilanz und der Steuerbilanz angesetzt, sofern sich diese in späteren Geschäftsjahren voraussichtlich abbauen. Darüber hinaus werden aktive latente Steuern auf die bestehenden körperschaft- und gewerbesteuerlichen Verlustvorträge gebildet, soweit innerhalb der nächsten fünf Jahre eine Verlustverrechnung zu erwarten ist. Aktive und passive latente Steuern werden saldiert ausgewiesen. Eine sich insgesamt ergebende Steuerbelastung würde in der Bilanz als passive latente Steuer angesetzt werden. Im Falle einer Steuerentlastung würde vom entsprechenden Aktivierungswahlrecht kein Gebrauch gemacht werden.

III. Erläuterungen zur Bilanz

Anlagevermögen

Die Entwicklung des Anlagevermögens ist im beigefügten Anlagespiegel dargestellt.

Forderungen und sonstige Vermögensgegenstände

Die Forderungen weisen sämtliche Restlaufzeiten von bis zu einem Jahr auf. Von den Forderungen gegen verbundene Unternehmen betreffen TEUR 18.787 (i. Vj. TEUR 33.309) Lieferungen und Leistungen.

Von den sonstigen Vermögensgegenständen haben TEUR 137 (i. Vj. TEUR 126) eine Restlaufzeit von mehr als einem Jahr.

Rückstellungen

Sonstige Rückstellungen (TEUR 10.358) betreffen im Wesentlichen Kundenboni (TEUR 8.185), ausstehende Rechnungen (TEUR 781), Gewährleistungsverpflichtungen (TEUR 337), personalbezogene Rückstellungen (TEUR 643) sowie Rücknahmeverpflichtungen (TEUR 148).

Verbindlichkeiten

Die Verbindlichkeiten gegenüber Kreditinstituten in Höhe von TEUR 12.000 (i. Vj. TEUR 33.000) sind wie im Vorjahr innerhalb eines Jahres fällig.

Die Verbindlichkeiten gegenüber verbundenen Unternehmen TEUR 27.764 (i. Vj. TEUR 29.893) betreffen mit TEUR 27.764 (i. Vj. TEUR 29.771) Lieferungen und Leistungen und sind wie im Vorjahr innerhalb eines Jahres fällig.

Die **sonstigen Verbindlichkeiten** beinhalten folgende Posten:

	31.03.2015	31.03.2014
	TEUR	TEUR
Steuerverbindlichkeiten	1.580	938
Verbindlichkeiten im Rahmen der sozialen Sicherheit	368	391

Die sonstigen Verbindlichkeiten haben wie im Vorjahr sämtlich eine Laufzeit von bis zu einem Jahr.

Latente Steuern

Im Geschäftsjahr ergab sich insgesamt eine - nicht bilanzierte - aktive latente Steuer. Latente Steuern werden nicht ausgewiesen, da der bestehende Aktivüberhang unter Ausnutzung des Wahlrechts des § 274 HGB bilanziell nicht angesetzt wird. Die Ermittlung der latenten Steuern erfolgt auf Basis des kombinierten Ertragssteuersatzes der Gesellschaft von 30 %, der sich voraussichtlich im Zeitpunkt der Umkehrung der Differenzen ergibt und beruhen auf temporären Unterschieden zwischen der Handels- und der Steuerbilanz der französischen und der britischen Betriebsstätte sowie den Verlustvorträgen der spanischen Betriebsstätte. Der kombinierte Ertragssteuersatz umfasst Körperschaftsteuer, Gewerbesteuer und Solidaritätszuschlag.

IV. Erläuterungen zur Gewinn- und Verlustrechnung

Umsatzerlöse

Die geographische Verteilung der Umsatzerlöse stellt sich wie folgt dar:

	1.04.2014 - 31.03. 2015	1.01.2014 – 31.03.2014
	TEUR	TEUR
Europäische Union	109.412	20.661
Russland	40.076	10.789
Übriges Europa	9.646	8.292
Asien	312	62
Sonstige	5.241	1.704
	164.687	41.508

Alle Umsätze resultieren aus dem Verkauf von Kfz-Ersatzteilen.

Sonstige betriebliche Erträge

Sonstige betriebliche Erträge (TEUR 10.661) beinhalten im Wesentlichen Wechselkursgewinne (TEUR 1.252) sowie Erträge aus dem Verkauf unserer Beteiligungen an die KYB Corporation Ltd. (TEUR 8.830). Darüber hinaus sind periodenfremde Erträge in Höhe von TEUR 14 (i. Vj. TEUR 51) enthalten. Diese resultieren wie im Vorjahr aus der Auflösung von Rückstellungen sowie von Wertberichtigungen auf Forderungen.

Sonstige betriebliche Aufwendungen

Die sonstigen betrieblichen Aufwendungen enthalten wie im Vorjahr keine periodenfremden Aufwendungen.

Erträge aus Beteiligungen

Erträge aus Beteiligungen enthalten eine am 28. Oktober 2014 erhaltene Dividende (TEUR 3.366) für das Geschäftsjahr 2013/2014 der KYB Middle East FZE, Dubai/Vereinigte Arabische Emirate, an der wir bis zum 2. Februar 2015 mit 100 % beteiligt waren.

Sonstige Zinsen und ähnliche Erträge sowie Zinsen und ähnliche Aufwendungen

Zinsaufwendungen in Höhe von TEUR 2 (i. Vj. TEUR 2) betreffen die Aufzinsung langfristiger Rückstellungen.

V. Sonstige Angaben

Sonstige finanzielle Verpflichtungen und außerbilanzielle Geschäfte

Die sonstigen finanziellen Verpflichtungen stellen sich wie folgt dar:

	2015/16	2016/17	2017/18	2018/19 und danach	Gesamt
	TEUR	TEUR	TEUR	TEUR	TEUR
Mieten und Leasing- verpflichtungen	2.370	2.421	2.271	3.316	10.378

Die wesentlichen sonstigen finanziellen Verpflichtungen betreffen Mietverträge für die Hauptverwaltung in Krefeld und die weiteren Niederlassungsstandorte in Europa. Bei den Mietobjekten für die Betriebe ist die Anmietung einem Erwerb vorzuziehen, um im Falle der Beendigung von Leistungsverträgen einzelner Objekte nicht das Verwertungsrisiko der jeweiligen Immobilie tragen zu müssen. Ein weiterer Vorteil liegt in der geringeren Kapitalbindung. Risiken können sich aus der jeweiligen Vertragsbindung ergeben, sofern einzelne Objekte nicht mehr wirtschaftlich genutzt werden könnten. Verhandlungen über eine Vertragslaufzeitverlängerung beinhalten Chancen sowie Risiken für die Preisgestaltung.

Insgesamt betragen die sonstigen finanziellen Verpflichtungen für diese Mietverträge TEUR 9.643, davon sind TEUR 1.909 im Geschäftsjahr 2015/2016 und TEUR 7.734 darüber hinaus fällig. Die anderen sonstigen Verpflichtungen aus Leasing und Mietverträgen betreffen sonstige Anlagen und andere Büroeinrichtungen. Insgesamt betragen die sonstigen finanziellen Verpflichtungen aus diesen Verträgen TEUR 735, davon sind innerhalb des Geschäftsjahres 2015/2016 TEUR 461 und danach TEUR 273 fällig.

Mitarbeiter

Die Anzahl der Mitarbeiter in den Niederlassungen war während des Geschäftsjahres wie folgt:

Niederlassung/Verkaufsbüro	Durchschnitt	
	2014/2015	31.03.2015
Deutschland	66	64
Frankreich	43	42
Großbritannien	34	35
Spanien	23	23
Italien	8	8
Gesamt	174	172

Geschäfte mit nahe stehenden Unternehmen und Personen

Außer den Vergütungen für die Geschäftsführung bestehen keine Geschäftsbeziehungen zu nahe stehenden Personen.

Im Rahmen der normalen Geschäftstätigkeit unterhält die Gesellschaft Geschäftsbeziehungen zu zahlreichen Unternehmen, darunter auch verbundene Unternehmen, die als nahe stehende Unternehmen gelten.

Zusammenfassung der wesentlichen Geschäfte mit nahe stehenden Unternehmen nach Geschäftsarten (in TEUR):

Art der Beziehung Art des Geschäfts	Direktes Mutter- unternehmen	Tochterunternehmen	Übrige verbundene Unternehmen / sonstige
Käufe von Vermögensgegenständen	-	-	111.197
Verkäufe von Vermögensgegenständen	-	18.999	29.781
Bezug von Dienstleistungen	-	-	540
Erbringung von Dienstleistungen	-	-	-
Nutzungsüberlassung an Vermögensgegenständen (Pacht, Miete, Leasing)	-	-	-
Erhaltene Finanzierungen (inkl. Cash Pooling)	-	-	-

Honorar des Abschlussprüfers

Das Gesamthonorar des Abschlussprüfers belief sich im abgeschlossenen Geschäftsjahr auf TEUR 146 und resultiert ausschließlich aus Honoraren für Abschlussprüfungsleistungen.

Geschäftsführer

Mitglieder der Geschäftsführung waren im Geschäftsjahr:

- Michael Howarth, Kaufmann, Düsseldorf /Deutschland
- Tadao Ogoshi, Kaufmann, Düsseldorf/Deutschland
- Hajime Sato, Kaufmann, Tokio/Japan
- Kenji Ogino, Kaufmann, Düsseldorf/Deutschland (bis 31. Juli 2014)
- Osamu Kuniyara, Kaufmann, Tokio/Japan (ab 31. Juli 2014)

Die Gesamtbezüge der Geschäftsführung belaufen sich im Geschäftsjahr 2014/2015 auf TEUR 237.

Im Geschäftsjahr 2015 wurden keine Pensionszahlungen an ehemalige Mitglieder der Geschäftsführung vorgenommen; Rückstellungen für Pensionsverpflichtungen für diesen Personenkreis waren nicht erforderlich.

Konzernabschluss

Die KYB Europe GmbH wird in den nach allgemein anerkannten japanischen Grundsätzen der Rechnungslegung (accounting principles generally accepted in Japan) aufgestellten Konzernabschluss der KAYABA Industry Co. Ltd., Tokio/Japan, einbezogen, die den Konzernabschluss für den größten Kreis von Unternehmen aufstellt. Dieser ist am Sitz der Gesellschaft erhältlich und wird im japanischen EDINET (Electric Disclosure for Investor's NETwork) unter der Nummer EO2147 veröffentlicht.

Darüber hinaus wird die KYB Europe GmbH seit dem Jahr 2012 in den nach den in der Europäischen Union geltenden International Financial Reporting Standards (IFRS) aufgestellten Konzernabschluss der KYB Europe Headquarters B.V., Roermond/Niederlande, (kleinster Kreis) einbezogen. Dieser Konzernabschluss ist am Sitz der KYB Europe GmbH erhältlich.

Ergebnisverwendung

Die Geschäftsführung schlägt vor, den Bilanzgewinn von TEUR 51.522 der sich aus dem Jahresüberschuss von TEUR 13.006 und dem Gewinnvortrag von TEUR 38.516 ergibt, auf neue Rechnung vorzutragen.

Krefeld, 6. Juli 2015

KYB Europe GmbH

Michael Howarth
Geschäftsführer

Tadao Ogoshi
Geschäftsführer

Hajime Sato
Geschäftsführer

Osamu Kuniyara
Geschäftsführer

KYB Europe GmbH, Krefeld

Entwicklung des Anlagvermögens im Geschäftsjahr 2014/2015

	Anschaffungskosten				
	1.4.2014	Kurs- differenzen	Zugänge	Abgänge	31.3.2015
	EUR	EUR	EUR	EUR	EUR
I. Immaterielle Vermögensgegenstände					
Entgeltlich erworbene Software	378.976,51	6.492,82	6.152,25	-15.585,55	376.036,03
II. Sachanlagen					
Andere Anlagen, Betriebs- und Geschäftsausstattung	6.484.821,00	86.828,92	549.433,54	-286.734,74	6.834.348,72
III. Finanzanlagen					
Anteile an verbundenen Unternehmen	1.925.803,28	0,00	0,00	-1.925.803,28	0,00
	8.789.600,79	93.321,74	555.585,79	-2.228.123,57	7.210.384,75

Kumulierte Abschreibungen				Buchwerte		
1.4.2014	Kurs- differenzen	Zugänge	Abgänge	31.3.2015	31.3.2015	31.3.2014
EUR	EUR	EUR	EUR	EUR	EUR	EUR
340.859,57	6.492,82	15.671,57	-14.966,95	348.057,01	27.979,02	38.116,94
4.124.042,81	64.346,60	842.255,19	-282.129,74	4.748.514,86	2.085.833,86	2.360.778,19
0,00	0,00	0,00	0,00	0,00	0,00	1.925.803,28
4.464.902,38	70.839,42	857.926,76	-297.096,69	5.096.571,87	2.113.812,88	4.324.698,41

KYB Europe GmbH, Krefeld

Lagebericht für das Geschäftsjahr 2014/2015

A. Grundlagen des Unternehmens

KYB Europe GmbH vertreibt Stoßdämpfer, Federn und Mounting-Kits als Ersatzteile ("Aftermarket") im Wesentlichen an die europäische und, über die Belieferung des verbundenen Unternehmens KYB Eurasia LLC, an die russische Automobilwirtschaft. Die Produkte werden im Wesentlichen von der Konzernobergesellschaft der KYB Gruppe, KAYABA Industry Co. Ltd., Tokio/Japan, die den OEM-Markt beliefert, hergestellt, aber auch bei Konzerngesellschaften in Spanien, Thailand, Tschechien und Brasilien. Unser Sortiment wird in geringerem Umfang durch Produkte von Fremdherstellern abgerundet.

Neben der KYB Europe GmbH beherrschen noch zwei andere große Marken das Aftermarketgeschäft für Stoßdämpfer in Europa. Die KYB Europe GmbH besitzt dabei den zweitgrößten Marktanteil in Europa. Um die Umsätze und Marktanteile der KYB Gruppe, insbesondere auf den fünf größten Märkten in Europa weiter zu steigern, hat die KAYABA Industry Co., Ltd. 1989 die KYB Europe GmbH und unsere Niederlassungen in Großbritannien (1997), Frankreich (1998), Italien (2002) und Spanien (2003) gegründet. Ferner haben wir, um die Umsätze in Afrika, im Mittleren und im Nahen Osten zu steigern in 2005 die KYB Middle East FZE, Dubai/Vereinigte Arabische Emirate, gegründet. Bis zum 02. Februar 2015 hielten wir an dieser Gesellschaft eine Beteiligung über 100 %. In 2012 wurde darüber hinaus die KYB Eurasia LLC, Moskau/Russland, gegründet, an der wir bis zum 29. August 2014 mit 99 % beteiligt waren. Die Gesellschaft belieferte im Wesentlichen Russland und die angrenzenden GUS-Staaten. Die Anteile an diesen Gesellschaften wurden im Berichtsjahr an die Konzernobergesellschaft veräußert.

Im Geschäftsjahr 2010 wurden die ausländischen Niederlassungen in Frankreich, Spanien und Italien, wie bereits die Niederlassung in Großbritannien seit 2005, auf Kommissionsagenten umgestellt. Seit Beginn des Geschäftsjahres 2013 werden nunmehr alle Niederlassungen als eigenständige Vertriebsorganisationen geführt.

B. Wirtschaftsbericht

Gesamtwirtschaftliche und branchenbezogene Rahmenbedingungen

Die zu Anfang 2014 getroffene Prognose des BMWI für das Wachstum des Bruttoinlandsproduktes für 2014 mit 1,8 % konnte mit dem tatsächlichen Wert des Jahres 2014 von 1,5 % nicht erreicht werden. Auch die Wachstumsprognose der Europäischen Kommission für Europa in 2014 über ein Wachstum der Wirtschaft um 2,0 % überstieg die tatsächliche Entwicklung des Jahres 2014 (Wachstum um 1,7 %). Im Einklang mit der gesamtwirtschaftlichen Entwicklung kann die Entwicklung des Stoßdämpfermarktes 2014/2015 als stabil, jedoch unter unseren Erwartungen bleibend, bezeichnet werden.

Geschäftsverlauf: Ertrags-, Finanz- und Vermögenslage

Im Geschäftsjahr 2014/2015 lagen unsere Verkaufserlöse und unser Gewinn vor Steuern über den Erwartungen im Rumpfgeschäftsjahr 2014. Unter Berücksichtigung der Effekte, durch die erhaltene Dividende sowie des erhaltenen Veräußerungsgewinns unserer Beteiligungen, liegt allerdings ein deutlicher Rückgang unserer Verkaufserlöse und unseres Gewinns vor Steuern vor. Der Grund hierfür ist neben der weiterhin negativen Wechselkurssituation in Russland, die andauernden politischen Unruhen in der Ukraine sowie die hinter der Vorjahresprognose zurückbleibende Konjunkturentwicklung in Europa.

Der Umsatz der KYB Europe GmbH ist um TEUR 123.179 (296,8 %) von TEUR 41.508 im Vorjahr auf TEUR 164.687 im Geschäftsjahr gestiegen. Der Umsatz lässt sich tabellarisch wie folgt darstellen:

	2014/2015		2014 (Jan-März)		Veränderung	
	TEUR	%	TEUR	%	TEUR	%
Europäische Union	109.412	66,4	20.661	49,8	88.751	429,6
Russland	40.076	24,3	10.789	26,0	29.287	271,4
Übriges Europa	9.646	5,9	8.292	20,0	1.354	16,3
Asien	312	0,2	62	0,2	250	403,2
Sonstige	5.241	3,2	1.704	4,1	3.537	207,6
	164.687	100,0	41.508	100,0	123.179	296,8

Unsere Umsätze konnten, unter Eliminierung der Effekte des verkürzten Vorjahres, auf einigen Märkten weiter gesteigert werden. Besonders in der Europäischen Union konnten unsere Umsätze deutlich gesteigert werden, während Russland auf niedrigem Niveau stagnierte und die Umsätze im übrigen Europa rückläufig waren. Insgesamt gesehen liegt ein Umsatzanstieg im Vergleich zum Vorjahr um 296,8 % vor.

Die Bruttomarge (Umsatzerlöse abzüglich Aufwendungen für bezogene Waren in Relation zu den Umsatzerlösen) sank von 18,9 % im Vorjahr auf nunmehr 18,3 % und liegt damit leicht unter den Erwartungen des Vorjahres. Der Rohgewinn (Umsatzerlöse abzüglich Aufwendungen für bezogene Waren) stieg insgesamt um TEUR 22.314 (283,9 %) auf TEUR 30.175.

Das Ergebnis der gewöhnlichen Geschäftstätigkeit stieg um TEUR 13.807 auf TEUR 13.993. Grund hierfür ist in besonderem Maße der Erlös aus den Verkäufen unserer Beteiligungen an die KAYABA Industry Co. Ltd. Die Personalaufwendungen erhöhten sich um TEUR 6.795 (271,5 %) leicht unterproportional zum verlängerten Berichtszeitraum auf TEUR 9.298. Gleiches gilt für die sonstigen betrieblichen Aufwendungen, die um TEUR 14.662 (293,1 %) auf TEUR 19.666 gestiegen sind. Grund hierfür ist in besonderem Maße der verlängerte Berichtszeitraum.

Auf Grund der positiven JPY/EUR Wechselkursentwicklung ergab sich nach dem Netto-Währungsverlust des Vorjahresrumpfgeschäftsjahres von TEUR -121 im Berichtsjahr ein Netto-Währungsgewinn von TEUR 375.

Die Steuern vom Einkommen und vom Ertrag (TEUR 933) entfallen im Wesentlichen auf die deutsche Niederlassung sowie ferner auf die Niederlassungen in UK, Italien und Frankreich.

Der Jahresüberschuss für das Geschäftsjahr 2014/2015 beträgt TEUR 13.006 (i.Vj. Rumpfgeschäftsjahr TEUR 80) und entspricht damit den Erwartungen des Vorjahres.

Die Bilanzsumme verminderte sich um TEUR 16.182 auf TEUR 112.708.

Über das Wirtschaftsjahr gesehen, haben sich die Vorräte um TEUR 5.135 auf TEUR 47.945 verringert. Die Forderungen aus Lieferungen und Leistungen erhöhten sich um TEUR 3.861 auf TEUR 33.400; die Forderungen gegen verbundene Unternehmen gingen um TEUR 14.522 auf TEUR 18.787 zurück.

Auf der Aktivseite hat sich die Position Finanzanlagen um TEUR 1.926 auf TEUR 0 verringert. Grund hierfür ist der Verkauf unserer Beteiligungen an der KYB Middle East FZE sowie der KYB Eurasia LLC an die KAYABA Industry Co. Ltd. Der Forderungsrückgang gegenüber verbundener Unternehmen ist zu erklären durch die Begleichung offener Forderungen durch KYB Eurasia LLC sowie durch die rückläufige Belieferung, aufgrund der Währungskursentwicklung, an die KYB Eurasia LLC.

Auf der Passivseite haben sich die Rückstellungen um TEUR 597 auf TEUR 10.709 reduziert. Dies ist im Rückgang der ausstehenden Rechnungen, teilweise kompensiert durch höhere Kundenboni, zu begründen. Die Verbindlichkeiten aus Lieferungen und Leistungen haben sich gegenüber dem Vorjahr um TEUR 6.118 auf TEUR 4.418 verringert. Ebenfalls verringert haben sich entsprechend der Entwicklung der Vorräte, die Verbindlichkeiten gegenüber verbundenen Unternehmen um TEUR 2.129 auf TEUR 27.764.

KYB Europe GmbH finanziert sich über laufende Einkünfte, kurzfristige Bankdarlehen sowie das von der Muttergesellschaft KYB Europe Headquarters BV, Roermond/Niederlande, zur Verfügung gestellte Eigenkapital.

Zum 31. März 2015 betrugen die kurzfristigen Bankverbindlichkeiten TEUR 12.000. Während des Wirtschaftsjahres ging das Bankendarlehen von TEUR 33.000 um TEUR 21.000 auf TEUR 12.000 zurück. Die Tilgung erfolgte im Wesentlichen aus

Mittelzuflüssen aus der Begleichung von Forderungen durch KYB Eurasia LLC sowie aus dem Mittelzufluss aus der Beteiligungsveräußerung und Dividendenzahlung.

Im Berichtsjahr waren wir jederzeit in der Lage, unsere finanziellen Verpflichtungen zu erfüllen. Insgesamt bewerten wir den Geschäftsverlauf im Berichtsjahr als zufriedenstellend. Zum Zeitpunkt der Aufstellung des Lageberichts beurteilen wir die wirtschaftliche Lage der Gesellschaft als gesund.

Finanzielle Leistungsindikatoren

Die KYB Europe GmbH ist eine reine Vertriebsgesellschaft für PKW-Stoßdämpfer und Zubehörteile, die im Wesentlichen vom KYB-Konzernverbund beschafft werden.

Unverändert zum Vorjahr umfasst unser Lieferumfang 95 % aller in Europa vertretenen PKW-Fabrikate. In 2014/2015 waren über 90 % der angebotenen Artikel täglich lieferbar. Wie in den vergangenen Jahren ist die Fluktuationsrate als gering einzustufen.

Unsere finanziellen Leistungsindikatoren sind die Bruttomarge, die Umsatzerlöse sowie der Jahresüberschuss.

C. Nachtragsbericht

Nach dem Bilanzstichtag haben sich keine Ereignisse ergeben, die einen materiellen Einfluss auf die Vermögenswerte, das Ergebnis oder die finanzielle Situation der Gesellschaft haben.

D. Prognose-, Chancen- und Risikobericht

Prognosebericht

Das BMWI geht für 2015 von einem Wachstum des deutschen Bruttoinlandsproduktes von 1,5 % aus. Für 2015 erwartet die Europäische Kommission für die EU ein weiteres Wachstum um 2,1 %. Für 2015 wird demgemäß auch ein stabiles Wachstum des Stoßdämpfermarktes erwartet.

Die Krise in der Ukraine hatte bereits einen nicht geringen Einfluss auf unseren Umsatz in dieser Region. Dies zeigte sich bereits im laufenden Geschäftsjahr. Für das folgende

Geschäftsjahr 2015/2016 erwarten wir allerdings wieder einen leicht positiven Einfluss aus dieser Region auf KYB Europas Umsätze.

Zusätzlich haben sich, aufgrund der Abwertung des Rubels, die Verkaufserlöse an unsere Tochtergesellschaft KER verringert. Da es nicht abzusehen ist, wann oder ob sich der Rubelkurs wieder komplett erholen wird, werden zukünftig keine Waren mehr an das Lager der KYB Eurasia LLC geliefert. Nach dem Abverkauf der Bestände ist geplant, das Lager in Russland zu schließen. Die KYB Eurasia LLC als Vertriebsgesellschaft für Russland und die ehemaligen GUS-Staaten bleibt jedoch weiterhin bestehen. Um unsere Umsätze im Osten weiter steigern zu können, ist die Eröffnung eines Lagers in Riga, Lettland, geplant. Von hier aus werden die Waren direkt an unsere Endkunden in Russland geliefert.

Gemäß unseren Erwartungen ist der westeuropäische Markt sehr stabil. Unsere Strategie ist es, unsere Absatzwege für Produkte mit hohem Gewinn (Federn, Montage-Kit und Schutz-Kit) zu verbessern sowie durch die Erhöhung der Verkaufspreise, speziell für Stoßdämpfer, unsere Profitabilität zu verbessern. Da wir in Deutschland immer noch einen sehr geringen Anteil (15 %) am Stoßdämpfermarkt halten, haben wir besonders in Deutschland noch viel Raum unsere Absätze zu erhöhen (z.B. durch Neukundengewinnung). In der Türkei versuchen wir den Markt besser zu beliefern und planen die Eröffnung eines eigenen Lagers, um unsere Absätze deutlich steigern zu können.

In Osteuropa, besonders aber in Polen, besteht ein harter Wettbewerb. Da KYB einen durchaus hohen Marktanteil von über 25 % hält, versuchen unsere Konkurrenten unseren Marktanteil zu verringern. Daher sind wir um ein stabilisierendes Preismanagement bemüht.

Für das Geschäftsjahr 2015/2016 erwarten wir einen moderaten Umsatzrückgang sowie eine niedrigere Bruttomarge gegenüber dem Geschäftsjahr 2014/2015. Aufgrund unserer verkauften Beteiligung an der KYB Middle East FZE, erhalten wir für das abgelaufene Geschäftsjahr keine Dividende. Unter Berücksichtigung der soeben genannten Prämisse sowie des Sondereffekts aus der Beteiligungsveräußerung im Geschäftsjahr 2014/2015, erwarten wir einen deutlichen Rückgang für den Gewinn vor Steuern. Des Weiteren erwarten wir bezüglich des Lieferumfangs in 2015/2016 konstante Werte.

Unverändert beurteilen wir die Erwartungen für die Entwicklung im kommenden Jahr als leicht verbessert.

Risikobericht

KYB Europe GmbH ist Konzerngesellschaft der in Japan börsennotierten KYB Gruppe und als solche in das Internal Control over Financial Reporting (ICOFOR) nach J-SOX eingebunden. Im Rahmen des Group Reportings bestehen wirksame Budgetierungs-, Reporting- und Controllingprozesse. Diese sind auf Unternehmensebene für unsere Branches implementiert.

Die Geschäftsführung ist stark in das laufende Geschäft sowie die Risiko-Kommunikation eingebunden. Wachstums- und Marktinformationen werden kontinuierlich überwacht.

Durch die weiterhin günstige Wechselkursituation gegenüber dem japanischen Yen sind unsere Einkaufspreise auf dem Niveau des Vorjahres geblieben. Weitere Preissenkungen erwarten wir erst im Geschäftsjahr 2015/2016 (01.04.2015-31.03.2016) von dem in 2013 gegründeten Federnwerk in der Tschechischen Republik.

Ein Wechselkursrisiko auf der Kundenseite wird vermieden, indem alle Verkäufe in Euro erfolgen. Das Zahlungsausfallrisiko begrenzen wir durch die Verwendung kundenspezifischer Kreditlimits. Aktuell und auch in Zukunft, nach der Eröffnung unseres neuen Lagers in Riga, erfolgen die Verkäufe in Russland und den ehemaligen GUS-Staaten durch die KYB Eurasia LLC. Durch diese Vorgehensweise haben wir kein Ausfallrisiko mehr, allerdings müssen wir eine geringere Marge in Kauf nehmen, da wir nur noch als Zwischenhändler agieren.

Als Unternehmen des KYB-Konzernverbunds sind wir von den strategischen Entscheidungen der Konzernzentrale in Japan abhängig.

Soweit die kurzfristigen Bankkredite nicht verlängert werden, ist der Fortbestand der Gesellschaft von der Aufrechterhaltung der Finanzierung durch die Gesellschafter abhängig.

Insgesamt erwarten wir jetzt und in der Zukunft keine weiteren materiellen Risiken, die den Fortbestand unserer Gesellschaft beeinträchtigen könnten.

Chancenbericht

In Westeuropa wächst der Marktanteil von KYB bei Ersatz-Stoßdämpfern für Fahrzeuge durch die hohe Produktqualität und unseren hervorragenden Kundendienst weiter. In den europäischen Märkten, konnten wir im Geschäftsjahr 2014/2015 hohe Umsatzzuwächse verzeichnen. KYB genießt in diesen Märkten eine sehr hohe Reputation auf Grund der hohen Produktqualität und der großen Produktpalette für europäische, russische und asiatische Kraftfahrzeuge.

Neben dem Verkauf von Stoßdämpfern zeigt sich der Verkauf von Federn in Großbritannien, bereits im Jahr 2002 eingeführt, und auf dem kontinentaleuropäischen Festland bzw. in Russland auch in 2009 als grundsätzlich positiv. Der Federnverkauf soll in Zukunft weiter ausgebaut werden, da in der im Jahre 2013 gegründeten Federnfabrik in der Tschechischen Republik die Produktion in 2014 aufgenommen wurde.

Krefeld, 6. Juli 2015

KYB Europe GmbH

Michael Howarth	Tadao Ogoshi	Hajime Sato	Osamu Kuniara
Geschäftsführer	Geschäftsführer	Geschäftsführer	Geschäftsführer

Bestätigungsvermerk des Abschlussprüfers

Wir haben den Jahresabschluss – bestehend aus Bilanz, Gewinn- und Verlustrechnung sowie Anhang – unter Einbeziehung der Buchführung und den Lagebericht der KYB Europe GmbH, Krefeld, für das Geschäftsjahr vom 1. April 2014 bis 31. März 2015 geprüft. Die Buchführung und die Aufstellung von Jahresabschluss und Lagebericht nach den deutschen handelsrechtlichen Vorschriften liegen in der Verantwortung der Geschäftsführung der Gesellschaft. Unsere Aufgabe ist es, auf der Grundlage der von uns durchgeführten Prüfung eine Beurteilung über den Jahresabschluss unter Einbeziehung der Buchführung und über den Lagebericht abzugeben.

Wir haben unsere Jahresabschlussprüfung nach § 317 HGB unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze ordnungsmäßiger Abschlussprüfung vorgenommen. Danach ist die Prüfung so zu planen und durchzuführen, dass Unrichtigkeiten und Verstöße, die sich auf die Darstellung des durch den Jahresabschluss unter Beachtung der Grundsätze ordnungsmäßiger Buchführung und durch den Lagebericht vermittelten Bildes der Vermögens-, Finanz- und Ertragslage wesentlich auswirken, mit hinreichender Sicherheit erkannt werden. Bei der Festlegung der Prüfungshandlungen werden die Kenntnisse über die Geschäftstätigkeit und über das wirtschaftliche und rechtliche Umfeld der Gesellschaft sowie die Erwartungen über mögliche Fehler berücksichtigt. Im Rahmen der Prüfung werden die Wirksamkeit des rechnungslegungsbezogenen internen Kontrollsystems sowie Nachweise für die Angaben in Buchführung, Jahresabschluss und Lagebericht überwiegend auf der Basis von Stichproben beurteilt. Die Prüfung umfasst die Beurteilung der angewandten Bilanzierungsgrundsätze und der wesentlichen Einschätzungen der Geschäftsführung sowie die Würdigung der Gesamtdarstellung des Jahresabschlusses und des Lageberichts. Wir sind der Auffassung, dass unsere Prüfung eine hinreichend sichere Grundlage für unsere Beurteilung bildet.

Unsere Prüfung hat zu keinen Einwendungen geführt.

Nach unserer Beurteilung aufgrund der bei der Prüfung gewonnenen Erkenntnisse entspricht der Jahresabschluss den gesetzlichen Vorschriften und vermittelt unter Beachtung der Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft. Der Lagebericht steht in Einklang mit dem Jahresabschluss, vermittelt insgesamt ein zutreffendes Bild von der Lage der Gesellschaft und stellt die Chancen und Risiken der zukünftigen Entwicklung zutreffend dar.

Ohne diese Beurteilung einzuschränken, verweisen wir auf die Ausführungen im Lagebericht. Dort ist in dem Abschnitt „Risikobericht“ dargestellt, dass der Fortbestand der Gesellschaft von der finanziellen Unterstützung der Gesellschafter abhängig ist, falls die kurzfristigen Bankkredite nicht verlängert werden.

Düsseldorf, den 6. Juli 2015

KPMG AG
Wirtschaftsprüfungsgesellschaft



Kuntz
Wirtschaftsprüfer

Dr. Widmayer
Wirtschaftsprüfer



Appendix 6

General Engagement Terms

General Engagement Terms

for
Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften
[German Public Auditors and Public Audit Firms]
as of January 1, 2002

This is an English translation of the German text, which is the sole authoritative version

1. Scope

(1) These engagement terms are applicable to contracts between Wirtschaftsprüfer [German Public Auditors] or Wirtschaftsprüfungsgesellschaften [German Public Audit Firms] (hereinafter collectively referred to as the "Wirtschaftsprüfer") and their clients for audits, consulting and other engagements to the extent that something else has not been expressly agreed to in writing or is not compulsory due to legal requirements.

(2) If, in an individual case, as an exception contractual relations have also been established between the Wirtschaftsprüfer and persons other than the client, the provisions of No. 9 below also apply to such third parties.

2. Scope and performance of the engagement

(1) Subject of the Wirtschaftsprüfer's engagement is the performance of agreed services – not a particular economic result. The engagement is performed in accordance with the Grundsätze ordnungsmäßiger Berufsausübung [Standards of Proper Professional Conduct]. The Wirtschaftsprüfer is entitled to use qualified persons to conduct the engagement.

(2) The application of foreign law requires – except for financial attestation engagements – an express written agreement.

(3) The engagement does not extend – to the extent it is not directed thereto – to an examination of the issue of whether the requirements of tax law or special regulations, such as, for example, laws on price controls, laws limiting competition and Bewirtschaftungsrecht [laws controlling certain aspects of specific business operations] were observed; the same applies to the determination as to whether subsidies, allowances or other benefits may be claimed. The performance of an engagement encompasses auditing procedures aimed at the detection of the defalcation of books and records and other irregularities only if during the conduct of audits grounds therefor arise or if this has been expressly agreed to in writing.

(4) If the legal position changes subsequent to the issuance of the final professional statement, the Wirtschaftsprüfer is not obliged to inform the client of changes or any consequences resulting therefrom.

3. The client's duty to inform

(1) The client must ensure that the Wirtschaftsprüfer – even without his special request – is provided, on a timely basis, with all supporting documents and records required for and is informed of all events and circumstances which may be significant to the performance of the engagement. This also applies to those supporting documents and records, events and circumstances which first become known during the Wirtschaftsprüfer's work.

(2) Upon the Wirtschaftsprüfer's request, the client must confirm in a written statement drafted by the Wirtschaftsprüfer that the supporting documents and records and the information and explanations provided are complete.

4. Ensuring independence

The client guarantees to refrain from everything which may endanger the independence of the Wirtschaftsprüfer's staff. This particularly applies to offers of employment and offers to undertake engagements on one's own account.

5. Reporting and verbal information

If the Wirtschaftsprüfer is required to present the results of his work in writing, only that written presentation is authoritative. For audit engagements the long-form report should be submitted in writing to the extent that nothing else has been agreed to. Verbal statements and information provided by the Wirtschaftsprüfer's staff beyond the engagement agreed to are never binding.

6. Protection of the Wirtschaftsprüfer's intellectual property

The client guarantees that expert opinions, organizational charts, drafts, sketches, schedules and calculations – especially quantity and cost computations – prepared by the Wirtschaftsprüfer within the scope of the engagement will be used only for his own purposes.

7. Transmission of the Wirtschaftsprüfer's professional statement

(1) The transmission of a Wirtschaftsprüfer's professional statements (long-form reports, expert opinions and the like) to a third party requires the Wirtschaftsprüfer's written consent to the extent that the permission to transmit to a certain third party does not result from the engagement terms.

The Wirtschaftsprüfer is liable (within the limits of No. 9) towards third parties only if the prerequisites of the first sentence are given.

(2) The use of the Wirtschaftsprüfer's professional statements for promotional purposes is not permitted; an infringement entitles the Wirtschaftsprüfer to immediately cancel all engagements not yet conducted for the client.

8. Correction of deficiencies

(1) Where there are deficiencies, the client is entitled to subsequent fulfillment [of the contract]. The client may demand a reduction in fees or the cancellation of the contract only for the failure to subsequently fulfill [the contract]; if the engagement was awarded by a person carrying on a commercial business as part of that commercial business, a government-owned legal person under public law or a special government-owned fund under public law, the client may demand the cancellation of the contract only if the services rendered are of no interest to him due to the failure to subsequently fulfill [the contract]. No. 9 applies to the extent that claims for damages exist beyond this.

(2) The client must assert his claim for the correction of deficiencies in writing without delay. Claims pursuant to the first paragraph not arising from an intentional tort cease to be enforceable one year after the commencement of the statutory time limit for enforcement.

(3) Obvious deficiencies, such as typing and arithmetical errors and formelle Mängel [deficiencies associated with technicalities] contained in a Wirtschaftsprüfer's professional statements (long-form reports, expert opinions and the like) may be corrected – and also be applicable versus third parties – by the Wirtschaftsprüfer at any time. Errors which may call into question the conclusions contained in the Wirtschaftsprüfer's professional statements entitle the Wirtschaftsprüfer to withdraw – also versus third parties – such statements. In the cases noted the Wirtschaftsprüfer should first hear the client, if possible.

9. Liability

(1) The liability limitation of § ["Article"] 323 (2) ["paragraph 2"] HGB ["Handelsgesetzbuch": German Commercial Code] applies to statutory audits required by law.

(2) Liability for negligence; An individual case of damages

If neither No. 1 is applicable nor a regulation exists in an individual case, pursuant to § 54a (1) no. 2 WPO ["Wirtschaftsprüferordnung": Law regulating the Profession of Wirtschaftsprüfer] the liability of the Wirtschaftsprüfer for claims of compensatory damages of any kind – except for damages resulting from injury to life, body or health – for an individual case of damages resulting from negligence is limited to € 4 million; this also applies if liability to a person other than the client should be established. An individual case of damages also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty without taking into account whether the damages occurred in one year or in a number of successive years. In this case multiple acts or omissions of acts based on a similar source of error or on a source of error of an equivalent nature are deemed to be a uniform breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the Wirtschaftsprüfer is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(3) Preclusive deadlines

A compensatory damages claim may only be lodged within a preclusive deadline of one year of the rightful claimant having become aware of the damage and of the event giving rise to the claim – at the very latest, however, within 5 years subsequent to the event giving rise to the claim. The claim expires if legal action is not taken within a six month deadline subsequent to the written refusal of acceptance of the indemnity and the client was informed of this consequence.

The right to assert the bar of the preclusive deadline remains unaffected. Sentences 1 to 3 also apply to legally required audits with statutory liability limits.

10. Supplementary provisions for audit engagements

- (1) A subsequent amendment or abridgement of the financial statements or management report audited by a Wirtschaftsprüfer and accompanied by an auditor's report requires the written consent of the Wirtschaftsprüfer even if these documents are not published. If the Wirtschaftsprüfer has not issued an auditor's report, a reference to the audit conducted by the Wirtschaftsprüfer in the management report or elsewhere specified for the general public is permitted only with the Wirtschaftsprüfer's written consent and using the wording authorized by him.
- (2) If the Wirtschaftsprüfer revokes the auditor's report, it may no longer be used. If the client has already made use of the auditor's report, he must announce its revocation upon the Wirtschaftsprüfer's request.
- (3) The client has a right to 5 copies of the long-form report. Additional copies will be charged for separately.

11. Supplementary provisions for assistance with tax matters

- (1) When advising on an individual tax issue as well as when furnishing continuous tax advice, the Wirtschaftsprüfer is entitled to assume that the facts provided by the client – especially numerical disclosures – are correct and complete; this also applies to bookkeeping engagements. Nevertheless, he is obliged to inform the client of any errors he has discovered.
 - (2) The tax consulting engagement does not encompass procedures required to meet deadlines, unless the Wirtschaftsprüfer has explicitly accepted the engagement for this. In this event the client must provide the Wirtschaftsprüfer, on a timely basis, all supporting documents and records – especially tax assessments – material to meeting the deadlines, so that the Wirtschaftsprüfer has an appropriate time period available to work therewith.
 - (3) In the absence of other written agreements, continuous tax advice encompasses the following work during the contract period:
 - a) preparation of annual tax returns for income tax, corporation tax and business tax, as well as net worth tax returns on the basis of the annual financial statements and other schedules and evidence required for tax purposes to be submitted by the client
 - b) examination of tax assessments in relation to the taxes mentioned in (a)
 - c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
 - d) participation in tax audits and evaluation of the results of tax audits with respect to the taxes mentioned in (a)
 - e) participation in Einspruchs- und Beschwerdeverfahren [appeals and complaint procedures] with respect to the taxes mentioned in (a).
- In the afore-mentioned work the Wirtschaftsprüfer takes material published legal decisions and administrative interpretations into account.
- (4) If the Wirtschaftsprüfer receives a fixed fee for continuous tax advice, in the absence of other written agreements the work mentioned under paragraph 3 (d) and (e) will be charged separately.
 - (5) Services with respect to special individual issues for income tax, corporate tax, business tax, valuation procedures for property and net worth taxation, and net worth tax as well as all issues in relation to sales tax, wages tax, other taxes and dues require a special engagement. This also applies to:
 - a) the treatment of nonrecurring tax matters, e. g. in the field of estate tax, capital transactions tax, real estate acquisition tax
 - b) participation and representation in proceedings before tax and administrative courts and in criminal proceedings with respect to taxes, and
 - c) the granting of advice and work with respect to expert opinions in connection with conversions of legal form, mergers, capital increases and reductions, financial reorganizations, admission and retirement of partners or shareholders, sale of a business, liquidations and the like.

(6) To the extent that the annual sales tax return is accepted as additional work, this does not include the review of any special accounting prerequisites nor of the issue as to whether all potential legal sales tax reductions have been claimed. No guarantee is assumed for the completeness of the supporting documents and records to validate the deduction of the input tax credit.

12. Confidentiality towards third parties and data security

- (1) Pursuant to the law the Wirtschaftsprüfer is obliged to treat all facts that he comes to know in connection with his work as confidential, irrespective of whether these concern the client himself or his business associations, unless the client releases him from this obligation.
- (2) The Wirtschaftsprüfer may only release long-form reports, expert opinions and other written statements on the results of his work to third parties with the consent of his client.
- (3) The Wirtschaftsprüfer is entitled – within the purposes stipulated by the client – to process personal data entrusted to him or allow them to be processed by third parties.

13. Default of acceptance and lack of cooperation on the part of the client

If the client defaults in accepting the services offered by the Wirtschaftsprüfer or if the client does not provide the assistance incumbent on him pursuant to No. 3 or otherwise, the Wirtschaftsprüfer is entitled to cancel the contract immediately. The Wirtschaftsprüfer's right to compensation for additional expenses as well as for damages caused by the default or the lack of assistance is not affected, even if the Wirtschaftsprüfer does not exercise his right to cancel.

14. Remuneration

- (1) In addition to his claims for fees or remuneration, the Wirtschaftsprüfer is entitled to reimbursement of his outlays: sales tax will be billed separately. He may claim appropriate advances for remuneration and reimbursement of outlays and make the rendering of his services dependent upon the complete satisfaction of his claims. Multiple clients awarding engagements are jointly and severally liable.
- (2) Any set off against the Wirtschaftsprüfer's claims for remuneration and reimbursement of outlays is permitted only for undisputed claims or claims determined to be legally valid.

15. Retention and return of supporting documentation and records

- (1) The Wirtschaftsprüfer retains, for ten years, the supporting documents and records in connection with the completion of the engagement – that had been provided to him and that he has prepared himself – as well as the correspondence with respect to the engagement.
- (2) After the settlement of his claims arising from the engagement, the Wirtschaftsprüfer, upon the request of the client, must return all supporting documents and records obtained from him or for him by reason of his work on the engagement. This does not, however, apply to correspondence exchanged between the Wirtschaftsprüfer and his client and to any documents of which the client already has the original or a copy. The Wirtschaftsprüfer may prepare and retain copies or photocopies of supporting documents and records which he returns to the client.

16. Applicable law

Only German law applies to the engagement, its conduct and any claims arising therefrom.