

000895/20

In accordance with
Regulation 32 of the
Overseas Companies
Regulations 2009

OS AA01

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



Companies House

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

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You cannot use this form to register
an alteration of manner of company
with accounting requirements.

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COMPANIES HOUSE

Part 1 Corporate company name

Corporate name of
overseas company ①

TAKENAKA Europe GmbH

UK establishment
number

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→ 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,
if applicable, the legislation under which the accounts have been audited

Legislation ②

German GAAP, German Commercial Code

② This means the relevant rules or
legislation which regulates the
preparation and, if applicable, the
audit 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

German Accounting Governing Body

A3 Accounts

Accounts

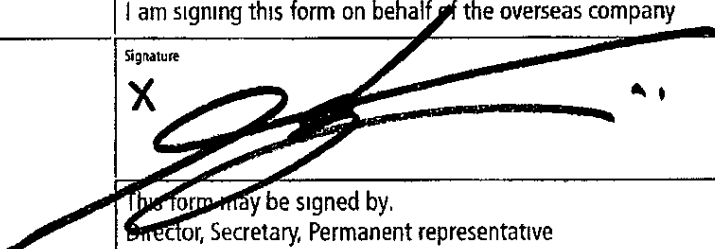
Have the accounts been audited? Please tick the appropriate box

☐ No Go to Section A5

☒ Yes. Go to Section A4

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

A4 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'	❶ Please insert the name of the appropriate accounting organisation or body
Name of organisation or body ❶		
A5 Unaudited accounts		
Unaudited accounts	Is the company required to have its accounts audited? Please tick the appropriate box ☐ No. ☐ Yes	
Part 3 Signature		
Signature	I am signing this form on behalf of the overseas company	
	Signature 	
	This form may be signed by: Director, Secretary, Permanent representative	

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



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Contact name Elsa Steiner

Company name Finance Associates

Address 65 London Wall

Post town London

County/Region London

Postcode E C 2 M 5 T U

Country UK

DX

Telephone 020 7374 4933



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- ☐ You have completed all sections of the form, if appropriate.
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AUDIT REPORT

Financial Statements as of 31 December 2015 and Management Report

Takenaka Europe GmbH
Dusseldorf

Section 6 of the report and appendices 1.1 to 1.4 are translations provided for information purposes only. The 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 arise from the translation.

KPMG AG Wirtschaftsprüfungsgesellschaft

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We would like to draw attention to the fact that there could be rounding differences compared to the mathematically accurate values (monetary units percentages etc.)

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1 Audit Engagement

At the shareholders' meeting held on 14 December 2015 of

Takenaka Europe GmbH, Dusseldorf,

– hereinafter also referred to as "Takenaka" or "Company" –

we were appointed as auditors of the financial statements for the financial year 2015. Accordingly, the management board has engaged us to audit the financial statements for the year ended 31 December 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 Engagement Terms for German Public Auditors and Public Audit 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 management report are noteworthy

- Sales increased by EUR 121.0 million and net result improved considerably from a net loss of EUR 2,470k in the previous year to a net income of EUR 5,499k. The increase of sales is mainly caused by the increased number of finished projects during 2015 as compared to 2014.
- The gross profit margin compared to the previous year slightly decreased to 8.9 % (prior year 9.1 %).
- The equity ratio increased from 28.3 % to 33.5 % due to the income in 2015 and the decrease of the balance sheet sum by EUR 26,456k. The reduction of total assets is mainly caused by decreased inventories (unfinished projects) by EUR 35,399k.
- For 2016, the company forecasts sales amounting to EUR 205 million and a positive net result of EUR 2 million.

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 legal status.

2.2 Violations of regulations not concerning accounting

Delayed approval of last year's financial statements

In violation of Section 42a (2) sentence 1 of the German law concerning limited liability companies [GmbHG] the financial statements as of 31 December 2014 were not approved by the shareholders within eight months after the balance sheet date. The respective resolution has been passed in the shareholders' meeting on 14 December 2015.

Delayed disclosure of last year's financial statements

In violation of Section 325 (1) sentence 2 HGB, the company has not published the financial statements and management report as of 31 December 2014 within twelve months after the balance sheet date. The disclosure was made on 25 February 2016.

3 Performance of the Audit

3.1 Scope of the audit

We have audited the financial statements of Takenaka Europe GmbH, Dusseldorf, including the accounting records, and management report for the financial year ended 31 December 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 the 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 Takenaka 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

- audit of the process of preparing the financial statements
- compliance of the accounting principles followed by the foreign branches being part of Takenaka with German accounting principles
- valuation of unfinished projects
- revenue recognition
- completeness of liabilities due to subcontractors regarding completed projects
- plausibility of the forecast made in the management report

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 from customers and suppliers on a sample basis

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 the audit results

Reporting in the audit report and the auditor's report

Detailed oral presentation of audit results to the management

We performed our audit (with interruptions) in the months of November 2015 to July 2016 until 29 July 2016. We carried out a preliminary audit in the month November 2015.

All explanations and evidence requested by us were provided. The management confirmed in writing that the accounting records, 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 measures taken by the Company to ensure the security of processed accounting-related data were appropriate.

4.2 Financial statements

The financial statements as of 31 December 2015, presented to us for audit, were properly derived from the Company's accounting records and related documents. 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.

We point out that we were not in a position to audit the compliance with the formal requirements for non-disclosure of the auditor's fee under Section 285 item 17 HGB by the end of our audit because the consolidated financial statements of the ultimate parent company required for this exemption were not yet available.

4.3 Management report

The management report prepared by the management complies with the 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

Unfinished projects

Unfinished projects are valued according to Section 255 (2) sentence 2 HGB based on costs of production (mainly including subcontractor costs) Using the option of Section 255 (2) sentence 3 HGB, no overheads for general and administrative expenses have been capitalized as of 31 December 2015, which is consistent with the handling in the previous year

Payments received on account of orders

The payments received on account of orders in the amount of EUR 108,326k (previous year EUR 136,948k) are disclosed as liabilities Alternatively Section 268 (5) sentence 2 HGB allows to set off the payments received on account of orders against the capitalized unfinished projects to the amount that unfinished projects are capitalized In that case, the balance sheet total would be reduced by EUR 103,402k, the equity-ratio (equity in relation to balance sheet total) would be 57 0% instead of 33 5%

Deferred taxes

In accordance with Section 274 (2) HGB the Company capitalized deferred tax assets amounting to EUR 1,384k and recorded deferred tax liabilities amounting to EUR 18k The deferred taxes are associated with tax loss carry forwards and timing differences mainly concerning the revenue recognition of projects Under German GAAP there is no obligation but only an option to account for deferred tax assets which exceed the deferred tax liabilities

Apart from the accounting policy options, valuations also depend on **estimates** made with regard to certain valuation components

The valuation of assets and liabilities in accordance with Section 253 HGB requires the assessment of future developments and assumptions on the realization of economic values in the future, which are subject to risks and uncertainties

The orientation on future developments bears room for judgment which has to be exercised in the due preparation of the financial statements. The auditor, of course, can only assess the plausibility of the judgments made

The **exercise of judgment** by the company is relevant in the following areas

Area	Judgment
■ Financial assets	■ Assessment of sustainability of impairments and estimation of future cash flows as well as of calculation parameters for the DCF calculation
■ Reserves for expected losses on unfinished projects	■ Estimation of project result
■ Project-related accruals	■ Assessment of likelihood of occurrence and impact of risks

Financial assets comprise amongst others the investment in Takenaka India Private Ltd, Gurgaon-Haryana/India, which was originally recorded at cost of EUR 4,298k. Due to additional capital contributions in February 2012 and September 2012 the gross book value of the investment amounted to EUR 12,276k as of 31 December 2012.

Based on a discounted cash flow (DCF) analysis which was undertaken at the end of 2012 management identified a probably sustained impairment in value of EUR 11,129k resulting in a net book value of the investment of EUR 1,147k as of 31 December 2012. Already in 2010, an impairment loss of EUR 2,544k was recorded in the financial statements. An additional impairment loss amounting to EUR 8,585k was recorded in accordance with Section 253 (3) sentence 3 HGB in the financial statements as of 31 December 2012. As of 31 December 2015 the DCF analysis was updated and revealed no further impairment or any appreciation in value.

The expected future free cash flows were derived from the three year's forecasted budget for the Indian subsidiary. The applied WACC as of 31 December 2015 was calculated with 13.61% considering a risk free rate of 1.5%, an inflation differential for India with 3.9%, a market risk premium of 6.75% and a country risk premium of 2.0%. The used beta for the Indian construction industry is 0.92.

The Company maintains a detailed project controlling which enables to monitor the profitability and the current status of the individual projects. The project controlling provides information for the calculation of the **reserves for expected losses on unfinished projects** as well as for the **project-related accruals**.

Reserves for expected losses on unfinished projects are recognized for those projects where the total expected direct costs (direct labor and material costs as well as subcontractor costs) plus an unchanged mark-up of 3.0 % for general and administrative costs exceed the contracted amount. As per 31 December 2015, the Company records a reserve amounting to EUR 0k (previous year: EUR 5k).

Project-related accruals comprise accruals for services not yet invoiced by subcontractors and for warranties.

The **accrual for services not yet invoiced by subcontractors** of EUR 17,647k (previous year: EUR 16,332k) generally covers expected charges from subcontractors for completed projects and has been calculated on an individual basis taking into consideration the difference between the finally updated cost budgets and the actual project costs recorded until year-end.

Warranty accruals in the total amount of EUR 13,078k (previous year: EUR 11,965k) have been built to cover uncertain warranty claims raised by clients after completion of the projects. Apart from warranty accruals which have been recognized for individual warranty claims of EUR 11,767k (previous year: EUR 9,015k), the Company also recorded a lump sum provision amounting to EUR 1,595k (previous year: EUR 2,950k), which has been calculated with 0.3 % (previous year: 0.3 %) on the basis of the average of the annual sales of the last five years which are not individually reserved for.

The individual warranty claims mainly relate to the projects KIA Factory and Foxconn (former Sony) in Slovakia, Makita Ph. 1-3 in Romania and newly Sekisui in the Netherlands.

The provision for the KIA Factory of EUR 1,945k (previous year: EUR 2,011k) concerns water leakages of the roof. Management intends to repair all defects as they appear until the end of the warranty period in 2017.

The provision Foxconn (former Sony) of EUR 2.0m was set up as of 31 December 2014 and remains unchanged as of 31 December 2015 to cover repair works until the end of the remaining warranty term in 2017. Due to a possible design mistake, serious problems with an unstable floor occur because of inadequate groundwork. However, during 2015 the floor swinging decreased and in addition it might be possible to counter-claim against the city Zilina who sold the land, but did not inform about the critical ground situation caused by the former river bed.

Regarding the project Makita Ph. 1-3 in Romania, an amount of EUR 1.6m (31 Dec. 2014: EUR 1.7m) relates to the repair of roof water leakages and the repair of the drainage waste water tank and further repairs and maintenance works.

With regard to the project Sekisui Phase 2 (construction period: October 2008 until March 2010), the customer claims the unsatisfactory performance of a technical unit (a so-called "BA-

scriber") to eliminate production exhaust. The subcontractor HVR denies to be responsible. A provision amounting to EUR 0.8m has been newly recorded in the second half of 2015. It considers the cost of the exchange of the scriber.

5.2 Conclusion on the overall assertion 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 Takenaka Europe GmbH, Düsseldorf, for the financial year from 1 January to 31 December 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.

"

Dusseldorf, 29 July 2016

KPMG AG
Wirtschaftsprüfungsgesellschaft



Glunz
Wirtschaftsprüfer



Sperling
Wirtschaftsprüfer



Appendix 1

Financial Statements as of 31 December 2015 and Management Report

1.1 Balance Sheet

1.2 Income Statement

1.3 Notes

1.4 Management Report

Takenaka Europe GmbH, Düsseldorf

Balance Sheet as of 31 December 2015 (Translation)

Assets

	31/12/2015	31/12/2014
	EUR	EUR
A Fixed Assets		
I Intangible assets		
Acquired EDP software	420,177 54	95 646 30
II Property and equipment		
1 Buildings including leasehold improvements	210,149 15	44,156 33
2 Other equipment, office equipment and fixtures	489,873 80	530,850 62
	<u>700,022 95</u>	<u>575,006 95</u>
III Financial assets		
Shares in affiliated companies	35 630,142 35	35,630,142 35
	<u>36,750,342 84</u>	<u>36,300,795 60</u>
B Current Assets		
I Inventories		
1 Unfinished projects	103,402,057 37	139,379,392 68
2 Prepayments	733 703 93	154,921 84
	<u>104,135 761 30</u>	<u>139,534,314 52</u>
II Accounts receivable and other assets		
– Numbers 2 with a residual term of up to one year –		
1 Trade receivables	14,959 787 83	7,197,846 42
– thereof with a residual term of more than one year EUR 1 385 622 18 (previous year EUR 0 00) –		
2 Receivables due from affiliated companies	18 269 35	20,886 94
– thereof trade receivables EUR 18 269,35 (previous year EUR 20,886 94) –		
3 Other assets	5 881 456 40	4 821 412 40
– thereof with a residual term of more than one year EUR 280,291 86 (previous year EUR 272,828 22) –		
	<u>20 859,513 58</u>	<u>12,040 145 76</u>
III Cash balances and bank deposits	<u>86,305 948 81</u>	<u>87,100,638 65</u>
	<u>211,301,223 69</u>	<u>238,675,098 93</u>
C Prepaid expenses	932 678 09	178 799 45
D Deferred tax assets	1 383,634 24	1,668,929 59
	<u>250,367,878 86</u>	<u>276,823,623 57</u>

Liabilities and Shareholders' Equity

	31/12/2015	31/12/2014
	EUR	EUR
A Shareholders' equity		
I Capital subscribed	9 200 000 00	9,200,000 00
II Capital surplus	7 669 337 62	7,669,337 62
III Earning reserves		
Other earnings	3,728 459 41	3,728,459 41
IV Accumulated income	63 164 807 12	57 665 911 37
	<u>83,762,604 15</u>	<u>78,263 708 40</u>
B Accruals		
1 Tax accruals	1 086 025 25	234 240 75
2 Other accruals	32,243,937 34	29 643 511 95
	<u>33,329,962 59</u>	<u>29,877,752 70</u>
C Liabilities		
– Numbers 1 3, 4 with a residual term of up to one year –		
1 Payments received on account of orders	108 326 359 43	136 948,005 89
2 Trade payables	21 492,600 64	30,454,037 30
– thereof with a residual term of more than one year and up to five years EUR 11,932,920 56 (previous year EUR 7 353 728 46) –		
3 Payables due to affiliated companies	0 00	3,755 37
– all from trade –		
4 Other liabilities	3 438,505 62	1,213,585 95
– thereof for taxes EUR 2,126 907 85 (previous year EUR 408,938 57) –		
– thereof relating to social security EUR 449,341 29 (previous year EUR 369,696 12) –		
	<u>133,257 465 69</u>	<u>168 619 384 51</u>
D Deferred tax liabilities	17,846 43	62,777 96
	<u>250,367,878 86</u>	<u>276,823,623 57</u>

Takenaka Europe GmbH, Düsseldorf

Income Statement for the period from 1 January to 31 December 2015 (Translation)

	2015	2014
	EUR	EUR
1 Sales	225 330,296 17	104,328,137 91
2 Cost of sales	-205,324,070 30	-94,869,631 71
3 Gross profit	20,006,225 87	9,458,506 20
4 Selling expenses	-918 592 47	-692,228 92
5 General and administrative expenses	-13,123,181 12	-12,766,241 38
6 Other operating income	4,218,376 98	6,236,774 00
7 Other operating expenses	-4,112,903 56	-3,123,306 67
8 Other interest and similar income	347,786 42	444,244 75
9 Interest and similar expenses	-34 909 00	-101,423 71
10 Result from ordinary operations	6,382,803 12	-543,675 73
11 Income taxes	-763,537 92	-1,866,087 90
- thereof from changes in deferred taxes		
EUR -243,917 79		
(previous year EUR -143,070 16) -		
12 Other taxes	-120,369 45	-60,636 39
13 Net profit (previous year net loss) for the year	5,498,895 75	-2,470,400 02
14 Profit carried forward	57 665,911 37	60,136,311 39
15 Accumulated income	63,164,807 12	57,665,911 37

Takenaka Europe GmbH, Düsseldorf

Notes to the Financial Statements for the financial year 2015 (Translation)

(1) General remarks

At the balance sheet date Takenaka Europe GmbH is a large incorporated company as defined in Section 267 (3) of the German Commercial Code (HGB)

The applied accounting and valuation policies comply with the German Commercial Code and the Code for Private Limited Liabilities Companies (GmbHG)

The accounting and valuation policies have been consistently applied in the financial statements as of 31 December 2015 compared to the previous year

For the presentation of the statement of income the cost of sales method is applied

(2) Accounting and valuation policies

Intangible assets acquired from third parties are capitalized at acquisition cost and are amortized straight line over the useful life

Property and equipment are stated at acquisition cost less regular depreciation and write-downs due to impairment, where necessary. The depreciation is recognized over the estimated useful life of the assets. Low value items with acquisition cost up to EUR 410 are fully depreciated in the year of acquisition and are shown for reasons of simplification in the fixed assets movement as additions and disposals in the same year

Financial assets are recognized at acquisition cost net of impairment in case of a permanent decrease in value

Unfinished projects included in inventories are capitalized at production cost referring to Section 255 (2) sentence 2 HGB. Using the option of Section 255 (2) sentence 3 HGB overheads for general and administrative expenses are not capitalized. Expected losses from unfinished projects are set off against the gross value of the unfinished projects

Accounts receivable and other assets are stated at nominal value or lower fair value on the balance sheet date. For receivables bearing obvious collectability risks, appropriate value discounts are made, bad debts are written off.

Other accruals are generally recognized with the settlement amount deemed necessary under prudent business judgment, to cover all contingent liabilities on the balance sheet date. Accruals with a residual maturity above one year are discounted at the average market rate corresponding to their maturity.

For completed projects included in sales, accruals are set-up for services not yet invoiced by sub-contractors.

The value of the lump sum warranty provision represents 0.3 % (previous year 0.3 %) of the average turnover of the last five years for which no individual guarantee provisions were recognized.

Liabilities are stated at their settlement amount.

The translation of **foreign currency assets and liabilities** in EUR considers spot exchange rates at balance sheet date in accordance with Section 256a HGB.

The assets and liabilities of the **branches in the Czech Republic, Poland, Hungary, Romania and in the United Kingdom** were converted at the spot exchange rates on the balance sheet date and the items in statement of income were converted at the annual average exchange rates.

Deferred tax assets on tax loss carry forwards and on temporary differences have been accounted for based on the selection of the accounting policy choice of Section 274 (1) sentence 2 HGB.

(3) Notes to the balance sheet and to the statement on income

Fixed Assets

The development of fixed asset categories is shown in a separate appendix to the notes.

Deferred tax assets

In accordance with Section 274 HGB the company capitalized deferred taxes.

Deferred taxes were netted at the level of individual taxpayers

Branch	Tax Rate	Deferred Tax Assets for Tax Loss-Carry-forwards	Deferred Tax Assets for Temporary Differences	Deferred Tax Liabilities for Temporary Differences	Deferred Tax Assets	Deferred Tax Liabilities
	%	EURk	EURk	EURk	EURk	EURk
Poland	19.0	112	872	337	647	-
Germany	31.2	1,114	17	543	588	-
Slovakia	22.0	83	10	-	93	-
Belgium	34.0	43	-	-	43	-
Hungary	10.0	-	336	323	13	-
Czech Republic	19.0	-	-	18	-	18
		1,352	1,235	1,221	1,384	18

The temporary differences mainly regard different tax bases of warranty provisions

Deferred tax assets of the German, the Polish, the Slovakian and the Belgian branch amounting in total to EUR 1,352k regard tax loss carry forwards, which are expected to be used within the next three years

Equity

According to Section 268 (8) HGB the amount of deferred tax assets less deferred tax liabilities amounting to EUR 1,366k, is excluded from profit distribution. This applies unless, freely available reserves plus retained earnings and less a potential loss carry-forward are available in at least the same amount.

Tax accruals

The tax accruals mainly result from accruals for Taxes on income and profit of the Hungarian branch (EUR 327k), the Czech Republic branch (EUR 220k), the French branch (EUR 190k) and the Romanian branch (EUR 149k).

Other accruals

Other accruals in the amount of EUR 32,244k mainly relate to subcontractor services not yet invoiced for finished projects (EUR 17,647k) and to warranty (EUR 13,078k).

Sales

Sales split-up according to regional markets as follows

Country	2015	2014
	EURk	EURk
Hungary	94,638	14,314
Germany	36,665	21,103
Czech Republic	27,881	17,454
Poland	22,523	18,045
France	18,288	1,514
Slovakia	11,983	986
Belgium	4,779	11,346
United Kingdom	3,494	8,476
Romania	2,565	7,795
The Netherlands	1,705	3,152
Spain	809	113
Italy	0	30
	225,330	104,328

Cost of materials

For the fiscal year 2015, the cost of materials amount to EUR 205,324k (2014 EUR 94,870k)

The cost of materials relate solely to expenses for purchased services

Personnel expenses

Total personnel expenses included in selling expenses and general and administrative expenses for the year 2015 amount to EUR 7,215k (thereof wages and salaries EUR 4,847k, social security EUR 2,243k and old age pension EUR 125k) In fiscal year 2014 total personnel expenses amounted to EUR 6,318k (thereof wages and salaries EUR 4,501k, social security EUR 1,746k and old age pension EUR 71k)

Income relating to prior periods

Other operating income includes income relating to prior period of EUR 2,914k This results mainly from the reversal of other accruals (EUR 2,780k), thereof mainly regarding the release of warranty provisions in the German, Polish and Romanian branch amounting to EUR 843k, EUR 604k respectively EUR 467k

Exchange gains and losses

Invoices in foreign currency for acquired or manufactured assets are converted at the respective applicable monthly rate (average rate of the previous month) of the transaction into the functional currency. Income or expenses which result from the subsequent payment in foreign currency are included in the income statement in other income or expenses.

The assets and liabilities of the foreign branches whose functional currency is not EUR are converted from local currency into EUR using the spot exchange rate on the balance sheet date. The statements of income of foreign branches whose functional currency is not EUR are translated at average rates of the reporting period just as the annual results. The resulting exchange differences are recognized in the statement of income.

Overall, exchange rate gains in the amount of EUR 1,065k (previous year EUR 4,344k) and exchange rate losses in the amount of EUR 2,794k (previous year EUR 2,514k) were recognized in other operating income respectively expenses.

(4) Other notes

Other financial commitments

The future expenses for rent and lease contracts split-up as follows:

	2015
	EURk
Due within the next year	1,341
Due within two to five years	2,471
Due after five years	290
	4,102

Number of employees

In 2015 the average number of employees, excluding general managers, was 256 (previous year 251). Thereof in average 66 employees were employed at the German branch and 190 employees at the other European branches.

General management

The general managers of the company – except Mr Beom-Yong Sung – have an individual right of representation and were

- Masayuki Takinami, businessman, Dusseldorf, Chairman of the Company's board,
- Beom-Yong Sung, businessman, Bad Homburg,
- Shoichiro Shibuta, businessman, Yokohama/Japan, from 1 March 2016,
- Takeshi Yanagi, businessman, Dusseldorf, from 24 March 2016,
- Yutaka Kawashima, businessman, Tokio/Japan, until 29 February 2016
- Kazuhiko Maruyama, businessman, Dusseldorf, until 23 March 2016

The remuneration of the members of the general management in the reporting period was EUR 763k

Shares in affiliated companies

At balance sheet date the company holds the following shares in affiliated companies

Affiliated companies	Share	Local currency	Nominal share capital	Equity as of 31/12/2015	Result for the year 2015
	%		In local currency	In local currency	In local currency
Takenaka Corp USA, Delaware/USA	90.0	USDk	3,000	6,511	667
Takenaka Belgium N V , Machelen/Belgium	99.9	EURk	62	7,057	-34
Takenaka Netherlands B V , Amsterdam/Netherlands	100.0	EURk	1,361	662	0
Takenaka India Private Ltd , Gurgaon-Haryana/India ¹	99.999	INRk	750,000	136,589	-38,491
TAK Realty UK Ltd , London/UK ²	51.61	GBPk	46,500	45,449	-605

The information regarding equity and annual result are based on the respective financial statements, which were prepared in accordance with local GAAPs

¹ Information is based on the financial statements for the period from 1 April 2014 to 31 March 2015

² As of the date of the preparation of the notes the financial statements as of 31 December 2015 were not available. The data given refer to the latest available annual financial statement as of 31 December 2014

Appropriation of net income

The general management proposes to the shareholder to carry forward the net income amounting to EUR 5,498,895.75

Consolidated financial statements

Takenaka Europe GmbH, Düsseldorf, is a 100 % subsidiary of Takenaka Corporation, Osaka/ Japan, which prepares and publishes consolidated financial statements for the smallest and largest group of companies. These consolidated financial statements are available at the premises of the parent company.

Making use of the exemption rules of Section 292 HGB in connection with the Act to exempt consolidated financial statements ("Konzernabschlussbefreiungsverordnung"), Takenaka Europe GmbH does not prepare consolidated financial statements and a group management report.

Takenaka Europe GmbH publishes the IFRS Consolidated financial statements of its ultimate parent company translated into the German language according to Section 325 HGB.

Professional fees of the auditor

The information on the total fee charged by the auditor will be included in the consolidated financial statements translated into German language of the ultimate parent including the company. The group financial statements will be published in Germany.

Düsseldorf, 29 July 2016

Takenaka Europe GmbH

Masayuki Takinami

Shoichiro Shibuta

Beom-Yong Sung

Takeshi Yanagi

Takenaka Europe GmbH, Düsseldorf

Fixed assets movements for the financial year 2015 (Translation)

	Acquisition costs				
	1/1/2015	Foreign exchange adjustments	Additions	Disposals	31/12/2015
	EUR	EUR	EUR	EUR	EUR
I Intangible assets					
Acquired EDP software	1,256,600 74	3,427 73	402 130 90	35,498 40	1 626 660 97
II Property and equipment					
1 Buildings including leasehold improvements	181,682 33	0 00	236,945 24	0 00	418 627 57
2 Other equipment, office equipment and fixtures	3,571,704 87	16,113 30	307,592 40	757,737 82	3,137 672 75
	<u>3,753,387 20</u>	<u>16 113 30</u>	<u>544,537 64</u>	<u>757,737 82</u>	<u>3,556,300 32</u>
III Financial assets					
Shares in affiliated companies	46 759 142 35	0 00	0 00	0 00	46,759,142 35
	<u>51,769,130 29</u>	<u>19,541 03</u>	<u>946,668 54</u>	<u>793,236 22</u>	<u>51,942,103 64</u>

Accumulated depreciation				Net book values		
1/1/2015	Foreign exchange adjustments	Depreciation	Disposals	31/12/2015	31/12/2015	31/12/2014
EUR	EUR	EUR	EUR	EUR	EUR	EUR
1,160 954 44	6,999 86	74,026 13	35 497 00	1 206 483 43	420,177 54	95 646 30
137 526 00	0 00	70,952 42	0 00	208 478 42	210 149 15	44,156 33
3,040,854 25	23,042 60	198,780 10	614,878 00	2 647 798 95	489,873 80	530,850 62
<u>3 178 380 25</u>	<u>23 042 60</u>	<u>269 732 52</u>	<u>614,878 00</u>	<u>2,856,277 37</u>	<u>700,022 95</u>	<u>575,006 95</u>
11 129 000 00	0 00	0 00	0 00	11,129,000 00	35 630 142 35	35 630,142 35
<u>15,468,334 69</u>	<u>30,042 46</u>	<u>343,758 65</u>	<u>650,375 00</u>	<u>15,191,760 80</u>	<u>36,750,342 84</u>	<u>36,300,795 60</u>

Takenaka Europe GmbH, Düsseldorf

Management Report for the financial year 2015 (Translation)

A. Purpose of the company

Takenaka Europe GmbH, Düsseldorf ("the company") is a service provider in the construction sector focusing on consulting, planning, and engineering services. Furthermore, the company functions as a general contractor with activities such as the supervision of construction services performed by other firms or services relating to building management. The company also engages in project management and project development activities.

The company is wholly-owned by Takenaka Corporation, Osaka/Japan, one of Japan's oldest companies in the construction industry with a corporate history of over 400 years.

Takenaka Europe GmbH operates branches in Belgium, the Netherlands, Italy, Spain, Czech Republic, Slovakia, Poland, Hungary, France, Romania and Great Britain.

Takenaka Europe GmbH participates in the following companies:

- Takenaka Corporation USA (90 % of the shares)
- Takenaka India Private Ltd. (99.999 % of the shares)
- Takenaka Belgium N.V. (99.9 % of the shares)
- Takenaka Netherlands B.V. (100 % of the shares) and
- TAK Realty UK Ltd.¹ (51.61 % of the shares)

B. Economic Report

1 Macro Economy and Industry related matters

The business of Takenaka Europe GmbH is directly impacted by the development of the markets in Germany and Europe. In addition, the business of our subsidiaries in the US and India are impacted by the development in those markets. The main driving force for the development of the global economy remains the USA, where the gross domestic product (GDP) increased in 2015 and 2016 around 2.4 % and 3.0 %. The strongest dynamism in the world

¹ The company has an indirect shareholding in the office complex "One Fleet Place" in London.

economy goes out furthermore from threshold countries. The biggest growth driver remains however in 2015 and 2016 the People's Republic of China with 6.8 % and 6.3 %. Also the growth of India and the ASEAN countries stay considerably above the world average with +7.5 % and +4.7 %.

Germany: The German economy has continued its moderate growth also to the end of the year 2015. As the Federal Statistical Office of Germany (Destatis) has informed, the GDP in the fourth quarter in 2015 increased by 0.3 % compared by the previous quarter. The economic situation in Germany was marked in 2015 by a respectable and steady economic growth. For whole 2015 an average increase arises from +1.7 % (calendar-adjusted +1.4 %). Positive impetus for the continuing growth economy came from the domestic market. The state raised his consumption expenses clearly to 1.0 %, in addition, the private households once again easily increased about 0.2 %. Therefore also the investments developed positively. The construction investments rose by 3.3 %, in particular in residential constructions was invested clearly more than a year before. Also the investments in constructions have risen but the commercial construction had stronger increased than the public construction. The building industry remains a key sector for Germany.

Europa: The development in the euro area is marked furthermore by a moderate growth. In 2015 the real GDP rose by 1.6 %. The forecasts on the further development in 2016 expect stable growth of about 1.7 % per annum. Beside the Ukraine crisis also the refugee's topic leads to an uncertainty in the population which could also affect the business development. Impulses in the EU come above all from Ireland where the GDP has risen in 2015 by 5.5 %. Besides also Luxembourg (4.1 %) and Slovakia (3.6 %) are other growth drivers. The economic development in the United Kingdom is still assessed as sturdy (in 2015 +2.2 %, in 2016 +2.2 %). After a longer recession phase the European construction market could continue in 2015 its moderate growth from the year before. The investment volume of the construction market shows again an upward trend with a 2.1-percent growth. An increase of 3.5 % is expected for 2016. The main reason for the increase was the mild winter, which allowed a continuous work. Moreover, for the first time since the beginning of the financial and economic crisis more jobs are created in the construction sector again.

USA: The GDP of the United States increased approximately by 2.4 % in 2015. Economic growth was thus at the same value of 2014 and higher than in 2013 (1.5 %). This accretion was driven almost entirely by private consumption, a traditional mainstay of the US economy. However, the property sector is no longer the engine of the United States rebound and remains volatile, despite the overall good development in 2015. Especially in non-residential buildings an increasing trend can be seen with an environmentally friendly and energy efficient construction. While the desire of investors for this is primarily responsible for commercial construction, but for the public sector there are administrative requirements.

India: The growth of the GDP of India has changed only slightly compared to 2014 (7.17 %) to 7.46 % in 2015. The recession in the added value of the industry has improved, with regard to the service sector about 10.6 %, which has grown up substantially in 2014/15. In industry and services, various knock-on effects of the global financial and economic crisis (for example, weak external demand) are likely now increasing, but nationally the unusually high profit margins in recent years cannot be maintained without a new investment cycle. To reach this

objective India relies on the support of the manufacturing trade ("Make in India") Deficiencies in infrastructure impede (furthermore) the growth prospect To solve this problem the government promotes huge infrastructure projects and Public-Private-Partnerships (PPP) Between Delhi and Mumbai it will be built a new high-speed line for high-speed freight trains In addition, the "Delhi-Mumbai Industrial Corridor", a transport and industrial corridor with modern, ecologically thoughtful town settlements ("Smart Cities") is to be built More "corridors" should connect from west to east through the Gangetic Plain Delhi and Calcutta as well as Mumbai with the economic centres Bangalore and Chennai in the south

2 Business Trends

2.1 Results of Operations

The company can be satisfied with the development in the financial year due to the increase in revenues by EUR 121.0 million to EUR 225.3 million and the net profit to EUR 5.5 million (previous year: net loss of EUR 2.5 million)

During 2015, the following major projects were completed

- Bridgestone Ph2 (Hungary)
- KUBOTA Farm Renovation (France)
- IBIDEN Hungary Ph4-2 (design & construction) (Hungary)
- SMC Czech Factory Ph2 (Czech Republic)
- Bridgestone Ph2 (utility) (Hungary)
- Akebono design and build (Slovakia)
- Sysmex Construction Neumunster (Germany)
- NIFCO Ph3 (Poland)
- Denso Munich R&D Extension (Germany)
- Donaldson Poland New Factory (Poland)
- IBIDEN Utility Construction (Hungary)
- Denso Aachen office extension (Germany)

The raw margin (gross profit of the turnover in proportion to the sales proceeds) decreased slightly by 0.2 % in comparison to the previous year to 8.9 %

General administrative expenses increased by EUR 357k to EUR 13,123k

The other operating expenses increased by EUR 990k to EUR 4,113k and mainly include losses from exchange rate differences

Other operating income decreased by EUR 2,018k to EUR 4,218k, essentially caused by the decline of the exchange rate profits

Due to the declining interest rates in 2015 the interest income decreased by EUR 96k compared to previous year to EUR 348k in spite of nearly the same average of bank balances

The result from ordinary operations in the business year amounts to EUR 6,383k and increased in comparison to the year before by EUR 6,927k. This change was mainly attributable to higher sales

Income taxes decreased by EUR 1,103k to EUR 764k, mainly due to the lower payable for corporation tax in Hungary

The net income amounts to EUR 5,499k (previous year deficit of EUR 2,470k)

2.2 Net Assets and Financial Position

The balance sheet total at the end of the fiscal year 2015 amounts to EUR 250,368k (2014 EUR 276,824k). The decline in total assets by EUR 26,456k is mainly caused by the reduction of inventories by EUR 35,399k. On the other hand the trade accounts receivable increased by EUR 7,762k to EUR 14,960k. In the business year 2015 the cash balance slightly decreased by EUR 795k to EUR 86,306k.

The decrease in liabilities is mainly caused by the reduction of the payments received by EUR 28,622k.

The Shareholder's equity increased by EUR 5,499k to EUR 83,763k. No dividend was paid out in 2015.

The equity ratio (total equity in relation to total assets) grew from 28.3 % in 2014 to 33.5 % in 2015.

The return on equity (net result in relation to total equity) amounts to 6.6 % (previous year -3.2 %).

Takenaka Corporation U.S.A. (90 % participation) showed in 2015 a net income of USD 667k (previous year USD 1,106k).

Takenaka India Private Ltd. (99.999 % participation) realized a loss of INR 38,491k as of 31 March 2015 (previous year loss of INR 53,631k). Since 2011 the business in India was continuously built up. The situation improves because the losses decrease and for the half-year ended 30 September 2015 the first positive result amounting to INR 8,058k has been gained.

Takenaka Belgium N.V. (99.9 % participation) realized a loss of EUR 34k in 2015 (loss during the previous year EUR 51k).

Takenaka Netherlands B V (wholly-owned subsidiary) realized a net income of EUR 0k (previous year EUR 0k) since the organization ceased operations

TAK Realty UK Ltd (51.61 % participation) realized a loss of GBP 62k in 2015 according to the unapproved financial statements (loss during previous year GBP 605k)

Overall, the company can look back on a successful financial year. The earnings situation has developed positively over the expectations. The in the previous year forecasted sales of EUR 178 million and forecasted net profit of EUR 1 million were significantly exceeded.

3 Financial and Non-financial performance indicators

Takenaka Europe GmbH focuses on the financial performance indicators sales and net profit.

The most significant non-financial performance indicator is embedded in the quality of employees of the company and the expert knowledge in construction projects, which has a significant impact on the company's business development. However, the company does not make use of this indicator to monitor its business.

C. Subsequent Events

Britain voted on 23 June 2016 to exit the European Union. The overall micro- and macro-economic impacts of this event are hard to estimate reliably at this point in time. Therefore a reliable assessment of the valuation of Takenaka Europe's investment in TAK Realty UK Ltd in the amount of EUR 27,845k is currently not possible. TAK Realty UK Ltd owns 100 % of the shares in One Fleet Realty Ltd. Its main asset is a real estate in London, which was acquired for a consideration of GBP 112.5m in 2013. An impairment of the investment in TAK Realty UK Ltd would be required if the fair value of the property decreases by roughly 29 %. The shareholders' equity of TAK Realty UK Ltd would be fully lost if the fair value of the property needed to be devaluated by roughly 58 %. In this case the investment in TAK Realty UK Ltd would be fully impaired.

D. Forecast, Opportunities and Risk Report

1 Forecast

According to the main association of the German building industry (Hauptverband der Deutschen Bauindustrie HDB) industry revenues are expected to increase by 3 % in Germany during the year 2016. On European level, a slight industry growth is expected. The increase for investments is estimated by 3.5 % in 2016.

Based on the order backlog at the beginning of 2016, we are expecting sales of about EUR 205 million in 2016

From those sales, the company expects to generate a positive net income of EUR 2 million for the fiscal year 2016

The biggest ongoing projects are NGK Second factory Ph2 und Mubea new factory in Poland, Sungwoo WMU Bavaria new factory in Germany and Jarden (Yankee Candle) New factory, KYB Czech Factory Ph3 and Mobis Lamp Shop in the Czech Republic

2 Opportunities and Risk Report

The foreign currency risks arise from the fact that some of the construction project contracts are concluded in EUR, while the majority of the subcontractor contracts are concluded in local currency. However, in most cases, the construction project and the subcontractor contracts are concluded in the same currency.

Project-related risks, such as delays in the execution of the construction projects, rising material and subcontractor costs in turn-key-projects as well as construction or design quality issues, are regularly observed and controlled and if necessary adequate counter-measures are taken.

The company operates in twelve countries with eleven branches and pursues the target to improve constantly the company's business model and result from construction projects. With the objective of being accepted as a global market player, the company persistently expands the activities throughout Europe as well as maintaining current markets.

The general market situation in the German construction industry is currently good, but is still showing a high competition from other general contractors for a limited number of new projects in the market.

The company believes that the high volume of construction in the past and having branches all over Europe are a competitive advantage and expects to further strengthen its market position.

Overall the company believes that the opportunities exceed the risks.

Dusseldorf, 29 July 2016

Takenaka Europe GmbH

Masayuki Takinami

Shoichiro Shibuta

Beom-Yong Sung

Takeshi Yanagi

Business Profile

General

The Company is engaged in the accomplishment of all kind of businesses as a general building contractor, especially construction of projects for private companies on a turn-key basis, including design and engineering, planning, constructions, site supervision and control of services allocated to subcontractors. Additionally, the Company offers maintenance and management services.

The Company is a subsidiary of Takenaka Corporation, Osaka/Japan. Takenaka Corporation is Japan's oldest architecture, engineering and construction firm with a long history of roughly 400 years. Since 1960, Takenaka has established subsidiaries outside Japan. The subsidiary in Germany was established in 1974.

Takenaka Europe GmbH mainly deals with Japanese multinationals which do have activities in Europe. The main projects for Japanese customers concern the construction of office buildings, production facilities, factories and warehouses. Takenaka intends to expand the business with multinationals from other Asian and European countries.

For the construction work Takenaka engages subcontractors. The design and engineering as well as the project controlling are mainly performed by Takenaka itself.

Branches

The Company operates the following foreign branches outside Germany:

Western/Middle Europe	Eastern Europe	Southern Europe
France	Czech Republic	Italy
United Kingdom	Hungary	Spain
Netherlands	Romania	
Belgium	Slovakia	
	Poland	

The development of the sales of the individual branches during the last five years can be summarized as follows

Branch	2015	2014	2013	2012	2011
	EUR k	EUR k	EUR k	EUR k	EUR k
Hungary	94,638	14,314	6,295	2,269	3,146
Germany	36,665	21,103	65,363	18,867	27,253
Czech Republic	27,881	17,454	31,861	42,487	21,223
Poland	22,523	18,045	23,155	24,592	3,883
France	18,288	1,514	693	588	10,423
Slovakia	11,983	986	669	14,266	107,129
Belgium	4,779	11,346	6,971	14,806	6,143
United Kingdom	3,494	8,476	3,657	1,628	1,877
Romania	2,565	7,795	27,474	50	59
Netherlands	1,705	3,152	2,394	8,556	2,759
Spain	809	113	542	10	128
Italy	0	30	157	446	701
	225,330	104,328	169,231	128,565	184,724

Subsidiaries

The Company is parent company of Takenaka Corporation U S A , Delaware/USA (90 0%-participation) The subsidiary in the U S was founded in 2001 and runs independently from the business activities in Europe In 2010, the subsidiary Takenaka India Private Ltd , Gurgaon-Haryana/India (99 999%-participation), was founded The subsidiary also runs independently from the business activities in Europe In addition, the Company is parent company to Takenaka Belgium N V , Machelen/Belgium (99 9%-participation), and Takenaka Netherlands B V , Amsterdam/Netherlands (100%-participation) In 2013, the Company acquired an interest in TAK Realty UK Ltd , London/UK (51 61%-participation)

Employees

The average number of employees developed as follows

	2015	2014
Domestic	66	65
Foreign branches	190	186
	256	251

As of 31 December 2015 the number of employees in the foreign branches mainly concerns with 51 employees the Polish branch, with 46 employees the branch in the Czech Republic, with 36 employees the branch in Hungary and with 17 employees the Slovakian branch

Legal Status

Formation of the company	25 July 1974
Company name	Takenaka Europe GmbH
Place of registration	Dusseldorf
Articles of association	The articles of association were passed on 19 December 1973. The latest version of the articles of association is dated 17 June 2003.
Trade Register	Commercial Register Dusseldorf, Department B, No. 4453, date of the latest extract is 10 May 2016
Company's purpose	The company provides consultancy, planning and engineering services in the construction business, third party construction services as main contractor, all kinds of facility management services, imports and exports of construction materials, provides project management and project development services, delegates graduated engineers to solve clients' technical problems, but does not assign qualified personnel according to the German Law on Labour Leasing (AUG)
Business year	From 1 January to 31 December
Share capital	EUR 9,200,000.00
Ownership of shares	All shares are held by Takenaka Corporation, Osaka/Japan
Previous year's financial statements	At the shareholder's meeting held on 14 December 2015 (1) the financial statements as of 31 December 2014, and the management report which were prepared by the management, audited by us and given an unqualified opinion, were presented, and the financial statements were approved, (2) it was resolved that the accumulated income of EUR 57,665,911.37 will be carried forward, (3) the general management was exonerated for the financial year 2014

Size of the company	The Company is a large-sized corporation as defined by Section 267 (3) HGB (German Commercial Code)
Affiliated companies	The Company is considered as affiliated company to Takenaka Corporation, Osaka/Japan, and its direct and indirect subsidiaries. We refer to the information disclosed in the notes to the financial statements according to Section 285 (14) HGB. The Company is parent company in the sense of Section 290 HGB of Takenaka Corporation U S A , Delaware/USA, Takenaka Netherlands B V , Amsterdam/Netherlands, Takenaka Belgium N V , Maelen/Belgium, Takenaka India Private Ltd , Gurgaon-Haryana/India and TAK Realty UK Ltd , London/UK, which are accordingly considered also as affiliated companies in the sense of Section 271 (2) HGB. The Company publishes exempting consolidated financial statements of the ultimate parent company Takenaka Corporation, Osaka/Japan, which are translated into German language.
Management board	The members of the board of management are listed in the Company's notes to the financial statements (Appendix 1.3)
Tax status	The latest tax field audit in Germany on corporate and trade tax covered the fiscal years 2010 to 2012 and was finalized in 2014.

Appendix 4

Jahresabschluss zum 31. Dezember 2015 und Lagebericht

4.1 Bilanz

4.2 Gewinn- und Verlustrechnung

4.3 Anhang

4.4 Lagebericht

Takenaka Europe GmbH, Düsseldorf

Bilanz zum 31. Dezember 2015

Aktiva

	31.12.2015	31.12.2014
	EUR	EUR
A Anlagevermögen		
I Immaterielle Vermögensgegenstände		
Entgeltlich erworbene EDV-Software	420 177,54	95 646,30
II Sachanlagen		
1 Bauten einschließlich Mietereinbauten	210 149,15	44 156,33
2 Andere Anlagen, Betriebs- und Geschäftsausstattung	489 873,80	530 850,62
	<u>700 022,95</u>	<u>575 006,95</u>
III Finanzanlagen		
Anteile an verbundenen Unternehmen	35 630 142,35	35 630 142,35
	<u>36 750 342,84</u>	<u>36 300 795,60</u>
B Umlaufvermögen		
I Vorräte		
1 Unfertige Leistungen	103 402 057,37	139 379 392,68
2 Geleistete Anzahlungen	733 703,93	154 921,84
	<u>104 135 761,30</u>	<u>139 534 314,52</u>
II Forderungen und sonstige Vermögensgegenstände		
– Nummer 2 mit einer Restlaufzeit von bis zu einem Jahr –		
1 Forderungen aus Lieferungen und Leistungen	14 959 787,83	7 197 846,42
– davon mit einer Restlaufzeit von mehr als einem Jahr EUR 1 385 622,18 (i. Vj. EUR 0,00) –		
2 Forderungen gegen verbundene Unternehmen	18 269,35	20 886,94
– davon aus Lieferungen und Leistungen EUR 18 269,35 (i. Vj. EUR 20 886,94) –		
3 Sonstige Vermögensgegenstände	5 881 456,40	4 821 412,40
– davon mit einer Restlaufzeit von mehr als einem Jahr EUR 280 291,86 (i. Vj. EUR 272 828,22) –		
	<u>20 859 513,58</u>	<u>12 040 145,76</u>
III Kassenbestand und Guthaben bei Kreditinstituten	<u>86 305 948,81</u>	<u>87 100 638,65</u>
	<u>211 301 223,69</u>	<u>238 675 098,93</u>
C Rechnungsabgrenzungsposten	932 678,09	178 799,45
D Aktive latente Steuern	<u>1 383 634,24</u>	<u>1 668 929,59</u>
	<u>250 367 878,86</u>	<u>276 823 623,57</u>

Passiva

	31.12.2015	31.12.2014
	EUR	EUR
A Eigenkapital		
I Gezeichnetes Kapital	9 200 000,00	9 200 000,00
II Kapitalrücklage	7 669 337,62	7 669 337,62
III Gewinnrücklagen		
Andere Gewinnrücklagen	3 728 459,41	3 728 459,41
IV Bilanzgewinn	63 164 807,12	57 665 911,37
	<u>83 762 604,15</u>	<u>78 263 708,40</u>
B Rückstellungen		
1 Steuerrückstellungen	1 086 025,25	234 240,75
2 Sonstige Rückstellungen	32 243 937,34	29 643 511,95
	<u>33 329 962,59</u>	<u>29 877 752,70</u>
C Verbindlichkeiten		
– Nummer 1 3 4 mit einer Restlaufzeit von bis zu einem Jahr –		
1 Erhaltene Anzahlungen	108 326 359,43	136 948 005,89
2 Verbindlichkeiten aus Lieferungen und Leistungen – davon mit einer Restlaufzeit von mehr als einem und weniger als fünf Jahren EUR 11 932 920,56 (i. Vj. EUR 7 353 728,46) –	21 492 600,64	30 454 037,30
3 Verbindlichkeiten gegenüber verbundenen Unternehmen – sämtlich aus Lieferungen und Leistungen –	0,00	3 755,37
4 Sonstige Verbindlichkeiten – davon aus Steuern EUR 2 126 907,85 (i. Vj. EUR 408 938,57) – – davon im Rahmen der sozialen Sicherheit EUR 449 341,29 (i. Vj. EUR 369 696,12) –	3 438 505,62	1 213 585,95
	<u>133 257 465,69</u>	<u>168 619 384,51</u>
D Passive latente Steuern	17 846,43	62 777,96
	<u>250 367 878,86</u>	<u>276 823 623,57</u>

Takenaka Europe GmbH, Düsseldorf

Gewinn- und Verlustrechnung für die Zeit vom 1. Januar bis 31. Dezember 2015

	2015	2014
	EUR	EUR
1 Umsatzerlöse	225 330 296,17	104 328 137,91
2 Herstellungskosten der zur Erzielung der Umsatzerlöse erbrachten Leistungen	-205 324 070,30	-94 869 631,71
3 Bruttoergebnis vom Umsatz	20 006 225,87	9 458 506,20
4 Vertriebskosten	-918 592,47	-692 228,92
5 Allgemeine Verwaltungskosten	-13 123 181,12	-12 766 241,38
6 Sonstige betriebliche Erträge	4 218 376,98	6 236 774,00
7 Sonstige betriebliche Aufwendungen	-4 112 903,56	-3 123 306,67
8 Sonstige Zinsen und ähnliche Erträge	347 786,42	444 244,75
9 Zinsen und ähnliche Aufwendungen	-34 909,00	-101 423,71
10 Ergebnis der gewöhnlichen Geschäftstätigkeit	6 382 803,12	-543 675,73
11 Steuern vom Einkommen und vom Ertrag – davon aus Änderungen in latenten Steuern EUR -243 917,79 (i. Vj. EUR -143 070,16) –	-763 537,92	-1 866 087,90
12 Sonstige Steuern	-120 369,45	-60 636,39
13 Jahresüberschuss (i. Vj. Jahresfehlbetrag)	5 498 895,75	-2 470 400,02
14 Gewinnvortrag	57 665 911,37	60 136 311,39
15 Bilanzgewinn	63 164 807,12	57 665 911,37

Takenaka Europe GmbH, Düsseldorf

Anhang für das Geschäftsjahr 2015

(1) Allgemeine Angaben

Die Takenaka Europe GmbH ist zum Bilanzstichtag eine große Kapitalgesellschaft im Sinne des § 267 Absatz 3 HGB

Die Takenaka Europe GmbH stellt ihren Jahresabschluss nach den Vorschriften des Handelsgesetzbuches (HGB) und des GmbHG auf

Die dem Jahresabschluss zum 31. Dezember 2015 zugrunde liegenden Bilanzierungs- und Bewertungsmethoden wurden unverändert zum Vorjahr angewandt

Für die Gewinn- und Verlustrechnung wird das Gliederungsschema des Umsatzkostenverfahrens angewandt

(2) Bilanzierungs- und Bewertungsgrundsätze

Entgeltlich von Dritten erworbene **immaterielle Vermögensgegenstände des Anlagevermögens** werden zu Anschaffungskosten aktiviert und über den Zeitraum der Nutzung planmäßig abgeschrieben

Sachanlagen werden zu Anschaffungskosten vermindert um planmäßige Abschreibungen und, wenn notwendig, vermindert um außerplanmäßige Abschreibungen angesetzt. Die Abschreibungen werden nach der wirtschaftlichen Nutzungsdauer ermittelt. Geringwertige Vermögensgegenstände mit Anschaffungskosten bis zu EUR 410 werden im Jahr ihrer Anschaffung vollständig abgeschrieben und aus Vereinfachungsgründen im Anlagespiegel als Zugang und Abgang gezeigt

Die **Finanzanlagen** sind zu Anschaffungskosten und bei dauernder Wertminderung vermindert um außerplanmäßige Abschreibungen angesetzt

Die im Vorratsvermögen ausgewiesenen **unfertigen Leistungen** werden gemäß § 255 Abs. 2 Satz 2 HGB zu Herstellungskosten angesetzt. In Ausübung des Wahlrechtes gemäß § 255 Abs. 2 Satz 3 HGB werden im Rahmen der Vorratsbewertung keine allgemeinen Verwaltungsgemeinkosten aktiviert. Erwartete Verluste aus laufenden Projekten wurden durch Bewertungsabschläge bei den Vorräten berücksichtigt

Forderungen und sonstige Vermögensgegenstände werden mit dem Nennwert bzw. mit dem am Bilanzstichtag beizulegenden niedrigeren Wert angesetzt. Bei Forderungen, deren Einbringlichkeit mit erkennbaren Risiken behaftet ist, werden angemessene Wertabschläge vorgenommen, uneinbringliche Forderungen werden abgeschrieben.

Die **sonstigen Rückstellungen** werden grundsätzlich in Höhe des Erfüllungsbetrages angesetzt, der nach vernünftiger kaufmännischer Beurteilung notwendig ist, um alle zum Bilanzstichtag ungewissen Verbindlichkeiten abzudecken. Sofern Rückstellungen mit einer Restlaufzeit von mehr als einem Jahr bestehen, so werden diese mit dem ihrer Restlaufzeit entsprechenden durchschnittlichen Marktzins abgezinst.

Hinsichtlich fertiggestellter abgerechneter Projekte werden für die ausstehenden Rechnungen von Sublieferanten Rückstellungen gebildet.

Der Wert der pauschalen Garantierückstellung entspricht 0,3 % (i. Vj. 0,3 %) des durchschnittlichen Umsatzes der letzten fünf Jahre, für den keine individuellen Garantierückstellungen gebildet worden sind.

Verbindlichkeiten werden mit dem Erfüllungsbetrag angesetzt.

Die Umrechnung der **Fremdwährungsforderungen und -verbindlichkeiten** in EUR erfolgt zum Devisenkassamittelkurs am Stichtag gemäß § 256a HGB.

Für die **Zweigniederlassungen Tschechien, Polen, Ungarn, Rumänien und Großbritannien** wurden die im Jahresabschluss enthaltenen Aktiva und Passiva mit dem Devisenkassamittelkurs zum Bilanzstichtag sowie die Posten der Gewinn- und Verlustrechnung mit dem Jahresdurchschnittskurs umgerechnet.

Aktive **latente Steuern** auf steuerliche Verlustvorträge und abweichende Wertansätze in der Handels- und Steuerbilanz sind entsprechend des Wahlrechts nach § 274 Abs. 1 Satz 2 HGB angesetzt worden.

(3) Angaben zur Bilanz und zur Gewinn- und Verlustrechnung

Anlagevermögen

Die Entwicklung des Anlagevermögens (Anlagespiegel) ist in einer separaten Aufstellung als Anlage zum Anhang enthalten.

Latente Steuern

Die Gesellschaft hat latente Steuern gemäß § 274 HGB bilanziert.

Die latenten Steuern wurden auf Ebene der einzelnen Steuersubjekte saldiert wie folgt ausgewiesen

Betriebsstätte	Steuersatz	Aktive latente Steuern auf Verlustvorträge	Aktive latente Steuer auf temporäre Differenzen	Passive latente Steuern auf temporäre Differenzen	Aktive latente Steuern	Passive latente Steuern
	%	TEUR	TEUR	TEUR	TEUR	TEUR
Polen	19,0	112	872	337	647	-
Deutschland	31,2	1 114	17	543	588	-
Slowakei	22,0	83	10	-	93	-
Belgien	34,0	43	-	-	43	-
Ungarn	10,0	-	336	323	13	-
Tschechien	19,0	-	-	18	-	18
		1 352	1 235	1 221	1 384	18

Die aktiven latenten Steuern auf temporäre Differenzen betreffen im Wesentlichen abweichende Ansätze von Garantierückstellungen für steuerliche Zwecke

Aktive latente Steuern der deutschen, der polnischen, der slowakischen und der belgischen Betriebsstätte betreffen mit insgesamt TEUR 1 352 steuerliche Verlustvorträge, bei denen mit einer Nutzung innerhalb der nächsten drei Jahre gerechnet wird

Eigenkapital

Gemäß § 268 Abs 8 HGB ist der Betrag der aktiven latenten Steuern abzüglich der passiven latenten Steuern in Höhe von insgesamt TEUR 1 366 zur Ausschüttung gesperrt. Dies gilt, soweit nicht in zumindest derselben Höhe jederzeit frei verfügbare Rücklagen zuzuglich eines Gewinnvortrags und abzüglich eines möglichen Verlustvortrags zur Verfügung stehen

Steuerrückstellungen

Die Steuerrückstellungen betreffen im Wesentlichen Rückstellungen für Steuern vom Einkommen und vom Ertrag der ungarischen (TEUR 327), tschechischen (TEUR 220), französischen (TEUR 190) und rumänischen (TEUR 149) Zweigniederlassung

Sonstige Rückstellungen

Die sonstigen Rückstellungen in Höhe von TEUR 32 244 betreffen im Wesentlichen noch nicht berechnete Subunternehmerleistungen für abgeschlossene Projekte (TEUR 17 647) und Garantieleistungen (TEUR 13 078)

Umsatzerlöse

Die geographische Aufteilung der Umsatzerlöse stellt sich wie folgt dar

Land	2015	2014
	TEUR	TEUR
Ungarn	94 638	14 314
Deutschland	36 665	21 103
Tschechien	27 881	17 454
Polen	22 523	18 045
Frankreich	18 288	1 514
Slowakei	11 983	986
Belgien	4 779	11 346
Großbritannien	3 494	8 476
Rumanien	2 565	7 795
Niederlande	1 705	3 152
Spanien	809	113
Italien	0	30
	225 330	104 328

Materialaufwand

Die Materialaufwendungen belaufen sich im Geschäftsjahr 2015 auf TEUR 205 324 (2014 TEUR 94 870)

Die Materialaufwendungen betreffen ausschließlich Aufwendungen für bezogene Leistungen

Personalaufwand

Die in den Vertriebs- und allgemeinen Verwaltungskosten enthaltenen Personalaufwendungen belaufen sich im Geschäftsjahr 2015 auf TEUR 7 215 (davon Löhne und Gehälter TEUR 4 847, soziale Abgaben TEUR 2 243 und Altersversorgung TEUR 125). Im Geschäftsjahr 2014 beliefen sich die Personalaufwendungen auf TEUR 6 318 (davon Löhne und Gehälter TEUR 4 501, soziale Abgaben TEUR 1 746 und Altersversorgung TEUR 71).

Periodenfremde Erträge

In den sonstigen betrieblichen Erträgen sind periodenfremde Erträge in Höhe von TEUR 2 914 enthalten, die im Wesentlichen aus der Auflösung von sonstigen Rückstellungen (TEUR 2 780) resultieren, davon insbesondere aus der Auflösung von Garantierückstellungen.

der deutschen, der polnischen und der rumänischen Betriebsstätte in Höhe von TEUR 843, TEUR 604 bzw. TEUR 467

Kursgewinne und -verluste

Die angeschafften oder hergestellten Vermögensgegenstände sind, bei Rechnungen in Fremdwährung, mit dem jeweils gültigen Monatskurs (Durchschnittskurs des Vormonats) der Transaktion in die funktionale Währung umgerechnet. Erträge oder Aufwendungen, die im Nachhinein aus der späteren Zahlung der Forderung in Fremdwährung entstehen, sind in den sonstigen Erträgen oder Aufwendungen enthalten.

Die Vermögenswerte und Schulden der ausländischen Niederlassungen, deren funktionale Währung nicht der Euro ist, werden von der jeweiligen Landeswährung in Euro mit den Devisenkassamittelkursen am Abschlussstichtag umgerechnet. Die Gewinn- und Verlustrechnungen der ausländischen Niederlassungen, deren funktionale Währung nicht der Euro ist, werden wie die entsprechenden Jahresergebnisse zu Durchschnittskursen des Jahres umgerechnet. Die sich daraus ergebenden Umrechnungsdifferenzen werden ergebniswirksam in der Gewinn- und Verlustrechnung erfasst.

Insgesamt wurden Kursgewinne in Höhe von TEUR 1 065 (i. Vj. TEUR 4 344) in den sonstigen betrieblichen Erträgen sowie Kursverluste in Höhe von TEUR 2 794 (i. Vj. TEUR 2 514) in den sonstigen betrieblichen Aufwendungen ergebniswirksam berücksichtigt.

(4) Sonstige Angaben

Sonstige finanzielle Verpflichtungen

Die zukünftigen Aufwendungen aus Miet- und Leasingverträgen setzen sich wie folgt zusammen:

	TEUR
Fällig innerhalb des nächsten Jahres	1 341
Fällig innerhalb des zweiten bis fünften Jahres	2 471
Fällig nach fünf Jahren	290
	4 102

Anzahl Mitarbeiter

Im Geschäftsjahr 2015 betrug die durchschnittliche Anzahl der Mitarbeiter ohne Geschäftsführer 256 (i. Vj. 251). Davon waren durchschnittlich 66 Mitarbeiter in der deutschen Niederlassung und 190 Mitarbeiter in den übrigen europäischen Niederlassungen angestellt.

Mitglieder der Geschäftsführung

Der Geschäftsführung gehörten folgende Mitglieder an, die mit Ausnahme von Herrn Beom-Yong Sung einzelvertretungsberechtigt sind

- Masayuki Takinami, Kaufmann, Dusseldorf, Vorsitzender der Geschäftsführung
- Beom-Yong Sung, Kaufmann, Bad Homburg,
- Shoichiro Shibuta, Kaufmann, Yokohama/Japan (ab dem 01.03.2016)
- Takeshi Yanagi, Kaufmann, Dusseldorf (ab dem 24.03.2016)
- Yutaka Kawashima, Kaufmann, Tokio/Japan (bis 29.02.2016)
- Kazuhiko Maruyama, Kaufmann, Dusseldorf, (bis 23.03.2016)

Die Gesamtbezüge der Mitglieder der Geschäftsführung für 2015 betrugen TEUR 763

Anteile an verbundenen Unternehmen

Zum Bilanzstichtag hält die Gesellschaft die folgenden Anteile an verbundenen Unternehmen

Verbundenes Unternehmen	Anteil	Lokale Währung	Nennkapital	Eigenkapital zum 31.12.2015	Ergebnis 2015
	%		in lokaler Währung	in lokaler Währung	in lokaler Währung
Takenaka Corporation U S A Delaware/USA	90,0	TUSD	3 000	6 511	667
Takenaka Belgium N V , Machelen/Belgien	99,9	TEUR	62	7 057	-34
Takenaka Netherlands B V , Amsterdam/Niederlande	100,0	TEUR	1 361	662	0
Takenaka India Private Ltd , Gurgaon-Haryana/Indien ¹	99,999	TINR	750 000	136 589	-38 491
TAK Realty UK Ltd London/UK ²	51,61	TGBP	46 500	45 449	-605

Die Angaben zu Eigenkapital und Ergebnis beziehen sich auf die jeweiligen Jahresabschlüsse, die nach lokalen Rechnungslegungsgrundsätzen aufgestellt wurden

Ergebnisverwendung

Die Geschäftsführung schlägt der Gesellschafterin vor, den Jahresüberschuss in Höhe von EUR 5 498 895,75 auf neue Rechnung vorzutragen

¹ Angaben basieren auf dem Abschluss für den Zeitraum vom 1. April 2014 bis zum 31. März 2015

² Zum Zeitpunkt der Erstellung des Anhangs lag der Jahresabschluss zum 31. Dezember 2015 noch nicht vor. Die angegebenen Daten beziehen sich auf den letzten verfügbaren Jahresabschluss vom 31. Dezember 2014

Konzernabschluss

Takenaka Europe GmbH, Düsseldorf, ist ein 100%iges Tochterunternehmen der Takenaka Corporation, Osaka/Japan, die in Japan einen Konzernabschluss für den kleinsten und größten Konsolidierungskreis aufstellt und veröffentlicht. Dieser Konzernabschluss ist in den Geschäftsräumen der Muttergesellschaft einsehbar.

Unter Anwendung der Ausnahmeregelung des § 292 HGB in Verbindung mit der Konzernabschlussbefreiungsverordnung sieht Takenaka Europe GmbH von der Erstellung eines Konzernabschlusses und Konzernlageberichtes ab.

Die Takenaka Europe GmbH veröffentlicht den in die deutsche Sprache übersetzten IFRS-Konzernabschluss ihrer obersten Muttergesellschaft im Sinne des § 325 HGB.

Honorar des Abschlussprüfers

Die Angaben zum vom Abschlussprüfer berechneten Gesamthonorar werden in dem das Unternehmen einbeziehenden und in die deutsche Sprache übersetzten Konzernabschluss der obersten Muttergesellschaft enthalten sein. Der Konzernabschluss wird in Deutschland offengelegt.

Düsseldorf, den 29. Juli 2016

Takenaka Europe GmbH

Masayuki Takinami

Shoichiro Shibuta

Beom-Yong Sung

Takeshi Yanagi

Takenaka Europe GmbH, Düsseldorf

Entwicklung des Anlagevermögens im Geschäftsjahr 2015

	Anschaffungskosten				
	1.1.2015	Fremd- währungs- anpassung	Zugänge	Abgänge	31.12.2015
	EUR	EUR	EUR	EUR	EUR
I Immaterielle Vermögens- gegenstände					
Entgeltlich erworbene EDV-Software	1 256 600,74	3 427,73	402 130,90	35 498,40	1 626 660,97
II Sachanlagen					
1 Bauten einschließlich Mieterereinbauten	181 682,33	0,00	236 945,24	0,00	418 627,57
2 Andere Anlagen, Betriebs- und Geschäfts- ausstattung	3 571 704,87	16 113,30	307 592,40	757 737,82	3 137 672,75
	<u>3 753 387,20</u>	<u>16 113,30</u>	<u>544 537,64</u>	<u>757 737,82</u>	<u>3 556 300,32</u>
III Finanzanlagen					
Anteile an verbundenen Unternehmen	46 759 142,35	0,00	0,00	0,00	46 759 142,35
	<u>51 769 130,29</u>	<u>19 541,03</u>	<u>946 668,54</u>	<u>793 236,22</u>	<u>51 942 103,64</u>

1.1.2015	Kumulierte Abschreibungen			Buchwerte		
	Fremd- währungs- anpassung	Ab- schreibungen	Abgänge	31.12.2015	31.12.2015	31.12.2014
EUR	EUR	EUR	EUR	EUR	EUR	EUR
1 160 954,44	6 999,86	74 026,13	35 497,00	1 206 483,43	420 177,54	95 646,30
137 526,00	0,00	70 952,42	0,00	208 478,42	210 149,15	44 156,33
3 040 854,25	23 042,60	198 780,10	614 878,00	2 647 798,95	489 873,80	530 850,62
3 178 380,25	23 042,60	269 732,52	614 878,00	2 856 277,37	700 022,95	575 006,95
11 129 000,00	0,00	0,00	0,00	11 129 000,00	35 630 142,35	35 630 142,35
15 468 334,69	30 042,46	343 758,65	650 375,00	15 191 760,80	36 750 342,84	36 300 795,60

Takenaka Europe GmbH, Düsseldorf

Lagebericht für das Geschäftsjahr 2015

A. Grundlagen des Unternehmens

Die Takenaka Europe GmbH, Düsseldorf (im Folgenden „das Unternehmen“), befasst sich mit der Erbringung von Beratungs-, Planungs- und Ingenieurleistungen im Baubereich sowie Bauleistungen durch Dritte mit den Leistungsbildern eines Generalübernehmers oder -unternehmers und allen Tätigkeiten im Zusammenhang mit dem Gebäudemanagement. Des Weiteren bietet das Unternehmen Leistungen in Bereichen des Projektmanagements und der Projektentwicklung an.

Das Unternehmen ist eine 100%ige Tochtergesellschaft der Takenaka Corporation, Osaka/Japan, eines der ältesten Unternehmen Japans in der Baubranche mit einer langjährigen Unternehmensgeschichte von über 400 Jahren.

Das Unternehmen betreibt Niederlassungen in Belgien, den Niederlanden, Italien, Spanien, der Tschechischen Republik, der Slowakei, Polen, Ungarn, Frankreich, Rumänien und Großbritannien.

Die Takenaka Europe GmbH ist an folgenden Tochterunternehmen beteiligt:

- Takenaka Corporation U S A (90,0%ige Beteiligung),
- Takenaka India Private Ltd (99,999%ige Beteiligung),
- Takenaka Belgium N V (99,9%ige Beteiligung),
- Takenaka Netherlands B V (100%ige Beteiligung) und
- TAK Realty UK Ltd ¹ (51,61%ige Beteiligung)

B. Wirtschaftsbericht

1 Gesamtwirtschaftliche und branchenbezogene Rahmenbedingungen

Die Geschäftstätigkeit des Unternehmens ist direkt beeinflusst durch die Entwicklung der Märkte in Deutschland und Europa. Zudem ist die Geschäftstätigkeit unserer Tochter in den USA und in Indien beeinflusst durch die Entwicklung dieser Märkte. Ein wesentlicher Impulsgeber für die Weltwirtschaft bleiben die USA, wo das BIP 2015 und 2016 um real 2,4 %

¹ Die Gesellschaft hält mittelbare Anteile an dem in London befindlichen Bürokomplex „One Fleet Place“

zugelegt hat bzw. um 3,0 % zulegen soll. Die stärkste Dynamik in der Weltwirtschaft geht weiterhin von Schwellenländern aus. Größter Wachstumstreiber bleibt 2015 und 2016 mit real allerdings nur noch 6,8 % bzw. 6,3 % die VR China. Auch Indien und die ASEAN-Staaten liegen mit +7,5 % bzw. +4,7 % erheblich über dem Weltdurchschnitt.

Deutschland Die deutsche Wirtschaft hat ihren moderaten Wachstumskurs auch zum Jahresende 2015 fortgesetzt. Wie das Statistische Bundesamt (Destatis) mitgeteilt hat, war das Bruttoinlandsprodukt (BIP) im vierten Quartal 2015 um 0,3 % höher als im Vorquartal. Die konjunkturelle Lage in Deutschland war damit im Jahr 2015 durch ein solides und stetiges Wirtschaftswachstum gekennzeichnet. Für das gesamte Jahr 2015 ergibt sich daraus ein durchschnittlicher Anstieg von +1,7 % (kalenderbereinigt +1,4 %). Positive Impulse kamen wiederum aus dem Inland. Der Staat erhöhte seine Konsumausgaben deutlich um 1,0 %, die privaten Haushalte noch einmal leicht um 0,2 %. Darüber hinaus entwickelten sich auch die Investitionen positiv. Die Bauinvestitionen stiegen um 3,3 %, insbesondere in Wohnbauten wurde deutlich mehr investiert als ein Jahr zuvor. Auch die Investitionen in Nichtwohnbauten sind gestiegen, wobei der gewerbliche Bau starker zulegte als der öffentliche Bau. Die Bauwirtschaft bleibt eine Schlüsselbranche für Deutschland.

Europa Die Entwicklung im Euro-Raum ist weiterhin durch ein moderates Wachstum gekennzeichnet. In 2015 stieg das reale BIP um 1,6 %. Die Prognosen für 2016 gehen von einem Wachstum in Höhe von 1,7 % aus. Neben der Ukraine-Krise führt die Flüchtlingsthematik zu einer Verunsicherung in der Bevölkerung, die sich auch auf die wirtschaftliche Entwicklung auswirken kann. Impulse im Euro-Raum kommen vor allem aus Irland, wo das BIP 2015 um 5,5 % gestiegen ist. Daneben sind Luxemburg (4,1 %) und die Slowakei (3,6 %) weitere Wachstumstreiber. Als robust wird weiterhin die Wirtschaftsentwicklung im Vereinigten Königreich eingeschätzt (2015 +2,2 %, 2016 +2,2 %). Nach einer längeren Rezessionsphase konnte die europäische Baubranche 2015 ihr moderates Wachstum aus dem Vorjahr fortsetzen. Das Investitionsvolumen der Branche zeigt mit einem 2,1-prozentigen Wachstum wieder einen Aufwärtstrend. Es wird mit einem Investitionsanstieg von 3,5 % für 2016 gerechnet. Grund für den Anstieg war vor allem der milde Winter, der ein durchgehendes Arbeiten ermöglichte. Erstmals seit Beginn der Finanz- und Wirtschaftskrise werden außerdem in der Europäischen Union wieder mehr Arbeitsplätze im Bausektor geschaffen.

USA Das Bruttoinlandsprodukt (BIP) der USA wuchs im Jahr 2015 um 2,4 %. Das Wirtschaftswachstum lag damit auf dem gleichen Wert von 2014 und über dem Wert von 2013 (1,5 %). Getrieben wurde dieses Wachstum nahezu vollständig vom privaten Konsum, einer traditionellen Stütze der US-Wirtschaft. Der Immobiliensektor hingegen ist nicht mehr Motor des US-Aufschwungs und bleibt, trotz insgesamt guter Entwicklung im Jahr 2015, volatil. Vor allem bei Nichtwohngebäuden sind umweltfreundliche und energieeffiziente Bauweisen ein zunehmender Trend. Während im Wirtschaftsbau der Wunsch von Investoren dafür hauptverantwortlich ist, sind es im öffentlichen Sektor Verwaltungsvorgaben.

Indien Das Wachstum des realen Bruttoinlandsprodukts (BIP) in Indien veränderte sich nur geringfügig im Vergleich zu 2014 (7,17 %) auf 7,46 % in 2015. Der Abwärtstrend im Bereich der Wertschöpfung des Industriesektors hat sich umgekehrt, der Dienstleistungssektor wuchs 2014/15 signifikant um 10,6 %. Bei Industrie und Dienstleistungen durften sich verschiedene Folgeeffekte der globalen Finanz- und Wirtschaftskrise (z. B. schwache externe Nachfrage)

zunehmend abschwachen, national können die ungewöhnlich hohen Gewinnmargen der letzten Jahre jedoch ohne einen neuen Investitionszyklus nicht gehalten werden. Indien setzt hierfür auf die Förderung des verarbeitenden Gewerbes („Make in India“). Defizite im Infrastrukturbereich erschweren (weiterhin) die Wachstumsaussichten. Hier setzt die Regierung mit gigantischen Infrastrukturprojekten und Public-Private-Partnerships (PPP) an. Zwischen Delhi und Mumbai soll eine neue Hochgeschwindigkeitsstrecke für Hochgeschwindigkeitsgüterzüge entstehen. Zusätzlich soll der „Delhi-Mumbai Industrial Corridor“, ein Verkehrs- und Industriekorridor mit modernen, ökologisch durchdachten Stadtansiedlungen („Smart Cities“) entstehen. Weitere „Korridore“ sollen von West nach Ost durch die Ganges-Ebene Delhi und Kalkutta sowie Mumbai mit den wirtschaftlichen Zentren Bangalore und Chennai im Süden verbinden.

2 Geschäftsverlauf

2.1 Ertragslage

Das Unternehmen kann aufgrund des Anstiegs der Umsatzerlöse um EUR 121,0 Mio. auf EUR 225,3 Mio. und wegen des Jahresüberschusses von EUR 5,5 Mio. (i. Vj. Jahresfehlbetrag von EUR 2,5 Mio.) mit der Entwicklung im Geschäftsjahr zufrieden sein.

Während des Geschäftsjahres 2015 wurden folgende große Projekte fertiggestellt:

- Bridgestone Ph2 (Ungarn)
- KUBOTA Farm Renovation (Frankreich)
- IBIDEN Hungary Ph4-2 (design & construction) (Ungarn)
- SMC Czech Factory Ph2 (Tschechische Republik)
- Bridgestone Ph2 (utility) (Ungarn)
- Akebono design and build (Slowakei)
- Sysmex Construction Neumunster (Deutschland)
- NIFCO Ph3 (Polen)
- Denso Munich R&D Extension (Deutschland)
- Donaldson Poland New Factory (Polen)
- IBIDEN Utility Construction (Ungarn)
- Denso Aachen office extension (Deutschland)

Die Rohmarge (Bruttoergebnis vom Umsatz im Verhältnis zu den Umsatzerlösen) sinkt geringfügig um 0,2 % im Vergleich zum Vorjahr auf 8,9 %.

Die allgemeinen Verwaltungskosten erhöhten sich um TEUR 357 auf TEUR 13 123.

Die sonstigen betrieblichen Aufwendungen erhöhten sich um TEUR 990 auf TEUR 4 113 und beinhalten im Wesentlichen Wechselkursverluste

Die sonstigen betrieblichen Erträge sanken um TEUR 2 018 auf TEUR 4 218, im Wesentlichen bedingt durch den Rückgang der Wechselkursgewinne

Trotz des etwa gleichgebliebenen durchschnittlichen Bankguthabens sank der Zinsertrag im laufenden Geschäftsjahr um TEUR 96 auf TEUR 348, bedingt durch gesunkene Zinsen im Vergleich zum Vorjahr

Das Ergebnis aus der gewöhnlichen Geschäftstätigkeit beträgt im Geschäftsjahr TEUR 6 383 und stieg im Vergleich zum Vorjahr um TEUR 6 927. Diese Änderung resultiert maßgeblich aus den gestiegenen Umsatzerlösen.

Die Steuern vom Einkommen und vom Ertrag sanken um TEUR 1 103 auf TEUR 764, im Wesentlichen bedingt durch die niedrige Zahllast der Körperschaftsteuer in Ungarn.

Der Jahresüberschuss beträgt TEUR 5 499 (i. Vj. Jahresfehlbetrag TEUR 2 470).

2.2 Vermögens- und Finanzlage

Die Bilanzsumme beläuft sich am Ende des Geschäftsjahres 2015 auf TEUR 250 368 (2014 TEUR 276 824). Der Rückgang der Bilanzsumme um TEUR 26 456 ist auf der Aktivseite im Wesentlichen verursacht durch die Verringerung des Vorratsvermögens um TEUR 35 399. Im Gegensatz dazu erhöhten sich die Forderungen aus Lieferungen und Leistungen um TEUR 7 762 auf TEUR 14 960. Nur geringfügig sanken die flüssigen Mittel im Geschäftsjahr 2015 um TEUR 795 auf TEUR 86 306.

Auf der Passivseite betrifft die Abnahme vorrangig die Verringerung der erhaltenen Anzahlungen um TEUR 28 622.

Das Eigenkapital stieg um TEUR 5 499 auf TEUR 83 763. Im Jahr 2015 wurde keine Dividende an den Gesellschafter ausbezahlt.

Die Eigenkapitalquote (Eigenkapital im Verhältnis zur Bilanzsumme) wuchs von 28,3 % in 2014 auf 33,5 % in 2015.

Die Eigenkapitalrentabilität (Jahresergebnis im Verhältnis zum Eigenkapital) beträgt 6,6 % (i. Vj. -3,2 %).

Takenaka Corporation U.S.A. (90,0%ige Beteiligung) verzeichnete im Geschäftsjahr 2015 einen Gewinn von TUSD 667 (i. Vj. Gewinn von TUSD 1 106).

Takenaka India Private Ltd. (99,999%ige Beteiligung) erwirtschaftete per 31. März 2015 einen Verlust in Höhe von TNR 38 491 (i. Vj. Verlust in Höhe von TNR 53 631). Seit 2011 wurde

kontinuierlich die Geschäftstätigkeit in Indien aufgebaut. Die Situation verbessert sich, da die Verluste zurückgehen und zum Halbjahresabschluss 30. September 2015 erstmalig ein positives Ergebnis von TNR 8 058 erwirtschaftet worden ist.

Takenaka Belgium N.V. (99,9%ige Beteiligung) realisierte in 2015 einen Verlust in Höhe von TEUR 34 (i. Vj. Jahresfehlbetrag von TEUR 51).

Takenaka Netherlands B.V. (100%ige Beteiligung) realisierte unverändert zum Vorjahr ein Ergebnis von TEUR 0, da das Unternehmen derzeit keine operative Geschäftstätigkeit betreibt.

TAK Realty UK Ltd. (51,61%ige Beteiligung) realisierte im Geschäftsjahr 2015 einen Verlust von TGBP 62 gem. des nicht festgestellten Jahresabschlusses (i. Vj. Jahresfehlbetrag von TGBP 605).

Insgesamt kann das Unternehmen auf ein erfolgreiches Geschäftsjahr zurückblicken. Die Ergebnislage hat sich über die Erwartungen positiv entwickelt. Die im Vorjahr prognostizierten Umsatzerlöse von EUR 178 Mio. sowie der prognostizierte Jahresüberschuss von EUR 1 Mio. wurden deutlich übertroffen.

3. Finanzielle und nichtfinanzielle Leistungsindikatoren

Das Unternehmen konzentriert sich auf die finanziellen Leistungsindikatoren Umsatz und Jahresüberschuss.

Der wesentliche nicht-finanzielle Leistungsindikator des Unternehmens besteht in den Mitarbeitern des Unternehmens und dem Fachwissen bei der Durchführung von Bauprojekten, die einen erheblichen Einfluss auf die geschäftliche Entwicklung haben, jedoch nicht zur Unternehmenssteuerung genutzt werden.

C. Nachtragsbericht

Großbritannien stimmte am 23. Juni 2016 für einen Austritt aus der Europäischen Union. Die mikro- und makroökonomischen Auswirkungen dieses Ereignisses sind derzeit nicht verlässlich bestimmbar. Daher ist eine verlässliche Beurteilung des Wertansatzes der Beteiligung an der TAK Realty UK Ltd. in Höhe von TEUR 27 845 zurzeit nicht möglich. Die TAK Realty UK Ltd. hält alle Anteile an der One Fleet Realty Ltd., deren wesentlicher Vermögensgegenstand eine Immobilie in London ist, die 2013 zum Kaufpreis von GBP 112,5 Mio. erworben wurde. Ab einer potenziell erforderlichen Abwertung der Immobilie in Höhe von ca. 29 % wäre auch der Beteiligungsansatz abzuwerten. Bei einer potenziell erforderlichen Immobilienabwertung in Höhe von ca. 58 % wäre das anteilige Eigenkapital der TAK Realty UK Ltd. aufgebraucht und demnach der Beteiligungsansatz komplett abzuwerten.

D. Prognose-, Chancen- und Risikobericht

1 Prognosebericht

Dem Hauptverband der Deutschen Bauindustrie (HDB) zufolge wird für das Geschäftsjahr 2016 in Deutschland mit einem Umsatzplus von 3 % gerechnet. Europaweit wird für die Baubranche für 2016 ein moderates Wachstum prognostiziert. Es wird mit einem Investitionsanstieg von 3,5 % in 2016 gerechnet.

Aufgrund des Auftragsbestandes am Anfang des Geschäftsjahres 2016 erwartet das Unternehmen einen Umsatz von rd. EUR 205 Mio. in 2016.

Darauf basierend erwartet das Unternehmen einen Jahresüberschuss für 2016 von EUR 2,0 Mio.

Die größten laufenden Projekte 2016 sind NGK Second factory Ph2 und Mubea new factory in Polen, Sungwoo WMU Bavaria new factory in Deutschland sowie Jarden (Yankee Candle) New factory, KYB Czech Factory Ph3 und Mobis Lamp Shop in der Tschechischen Republik.

2 Chancen- und Risikobericht

Währungsrisiken entstehen dadurch, dass teilweise Verträge über Bauprojekte in EUR, die Verträge mit Subunternehmern jedoch in der abweichenden Landeswährung geschlossen werden. In den meisten Fällen werden jedoch die Verträge über die Bauprojekte und die Subunternehmerverträge in der gleichen Währung abgeschlossen.

Projektbezogene Risiken, wie Verzögerungen bei der Erstellung der Bauprojekte, steigende Material- und Subunternehmerkosten bei schlussfertigen Projekten sowie Qualitätsmängel in der Bauausführung oder dem Design, werden kontinuierlich überwacht und kontrolliert, und bei Bedarf werden geeignete Gegenmaßnahmen ergriffen.

Das Unternehmen ist derzeit in zwölf Ländern mit elf Betriebsstätten tätig und hat die Absicht, ständig das Geschäftsmodell des Unternehmens und das Ergebnis der Bauprojekte zu verbessern. Mit dem Ziel, als ein globaler Marktteilnehmer akzeptiert zu werden, wertet das Unternehmen neben der Weiterführung der laufenden Tätigkeit konsequent seine Aktivitäten in ganz Europa aus.

Derzeit ist die generelle Marktsituation in der deutschen Baubranche gut, aber weiterhin besteht ein hoher Wettbewerb mit anderen Generalunternehmern um eine begrenzte Zahl neuer Projekte auf dem Markt.

Das Unternehmen glaubt, dass es aufgrund des hohen Bauvolumens in der Vergangenheit und seinen Niederlassungen überall in Europa einen Wettbewerbsvorteil hat, und erwartet dadurch eine Stärkung seiner Marktposition

Insgesamt schätzt das Unternehmen die Chancen höher ein als die Risiken

Düsseldorf, den 29. Juli 2016

Takenaka Europe GmbH

Masayuki Takinami

Shoichiro Shibuta

Beom-Yong Sung

Takeshi Yanagi

Bestätigungsvermerk des Abschlussprüfers

Wir haben den Jahresabschluss – bestehend aus Bilanz, Gewinn- und Verlustrechnung sowie Anhang – unter Einbeziehung der Buchführung und den Lagebericht der Takenaka Europe GmbH, Dusseldorf, für das Geschäftsjahr vom 1. Januar bis 31. Dezember 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 ordnungsmaßiger 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 ordnungsmaßiger 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 ordnungsgemäßer 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.

Düsseldorf, den 29. Juli 2016

KPMG AG
Wirtschaftsprüfungsgesellschaft



Glunz
Wirtschaftsprüfer



Sperling
Wirtschaftsprüfer



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.