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information for an overseas company

Companies House

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COMPANIES HOUSE

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

☐ **What this form is NOT for**
You cannot use this form
for an alteration of manner of
with accounting requirements.

Part 1 Corporate company nameCorporate name of
overseas company ①

Takenaka Europe GmbH

UK establishment
number

B R 0 0 8 6 3 6

→ **Filling in this form**Please complete in typescript or in
bold black capitals.All fields are mandatory unless
specified or indicated by *① This is the name of the company in
its home state.**Part 2 Statement of details of parent law and other
information for an overseas company****A1****Legislation**Please give the legislation under which the accounts have been prepared and
audited.

Legislation ②

German GAAP, German Commercial Code

② This means the relevant rules or
legislation which regulates the
preparation of accounts.**A2****Accounting principles**

Accounts

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

Please tick the appropriate box.

☐ **No.** Go to **Section A3**.☒ **Yes.** Please enter the name of the organisation or other
body which issued those principles below, and then go to **Section A3**.Name of organisation
or body ③

German Accounting Governing Body

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

OS AA01

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

A3

Audited accounts

Audited accounts

Have the accounts been audited in accordance with a set of generally accepted auditing standards?

Please tick the appropriate box.

☐ No. Go to **Part 3 'Signature'**.

☒ Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to **Part 3 'Signature'**.

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

Name of organisation or body ❶

German Institute of Public Auditors

Part 3

Signature

I am signing this form on behalf of the overseas company.

Signature

Signature

X



X

This form may be signed by:
Director, Secretary, Permanent representative.

OS AA01

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



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You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

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Company name

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



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Annual financial statements as at 31 December 2020 and management report

AUDIT REPORT

Takenaka Europe GmbH
Düsseldorf

*I certify this to be a true
and accurate translation
of the original document.*

*Permanent Representative
of the company,*

Masaaki Oshimbe

KPMG AG Wirtschaftsprüfungsgesellschaft

A handwritten signature in black ink, appearing to be 'Masaaki Oshimbe', with a large, stylized flourish at the end.

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To Takenaka Europe GmbH, Düsseldorf

1 Audit engagement

At the shareholders' meeting held on 8 October 2020 of

Takenaka Europe GmbH, headquartered in Düsseldorf,
– hereinafter also referred to as 'Takenaka' or 'Company' –

we were elected as auditor for the financial year 2020. Accordingly, management engaged us to audit the annual financial statements for the year ended 31 December 2020, together with the accounting records and the management report.

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 2017, 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 Reproduction of the Independent Auditor's Report (translation)

For the annual financial statements and management report we have issued a qualified auditor's report. The English language text below is a translation of the independent auditor's report.:



Independent Auditor's Report

To Takenaka Europe GmbH, Düsseldorf

Qualified Opinions

We have audited the annual financial statements of Takenaka Europe GmbH, Düsseldorf, which comprise the balance sheet as at 31 December 2020, and the income statement for the financial year from 1 January to 31 December 2020 and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of Takenaka Europe GmbH for the financial year from 1 January to 31 December 2020.

In our opinion, on the basis of the knowledge obtained in the audit,

- except for the possible effects of the matter described in the 'Basis for the Qualified Opinions' section of our report, the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and, except for these possible effects, give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2020 and of its financial performance for the financial year from 1 January to 31 December 2020, in accordance with German Legally Required Accounting Principles, and

- except for the possible effects of the matter described in the 'Basis for the Qualified Opinions' section of our report, the accompanying management report as a whole provides an appropriate view of the Company's position. Except for the possible effects of this matter, in all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Section 322 (3) sentence 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that, except for the qualifications of the opinions on the annual financial statements and on the management report noted, our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Qualified Opinions

The valuation of the investment in TAK Realty NY Inc., New York/USA, in the amount of kEUR 26.434 could not be verified with reasonable assurance, due to the fact, that no sufficient information is available for a reasonable fair value determination of the investment. Therefore, it cannot be suspended that changes should have been made, in particular with regard to adjustments to the investment, depreciation on financial assets, net income and equity. This matter also possibly affects the view, provided in the management report, of the development of the business, including the results of the business, and the position of the Company as well as the presentation of the opportunities and risks of future development.

We conducted our audit of the annual financial statements and of the management report in accordance with Section 317 HGB and the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the 'Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report' section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinions on the annual financial statements and on the management report.

Responsibilities of Management for the Annual Financial Statements and the Management Report

Management is responsible for the preparation of annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, management is responsible for the preparation of a management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- perform audit procedures on the prospective information presented by management in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Düsseldorf, 17 November 2021

KPMG AG
Wirtschaftsprüfungsgesellschaft

[signature] Kuntz
Wirtschaftsprüfer
[German Public Auditor]

[signature] Fielenbach
Wirtschaftsprüferin
[German Public Auditor]

“

3 Basic findings

3.1 Basis for the qualified opinions

The valuation of the investment in TAK Realty NY Inc., New York/USA, in the amount of kEUR 26.434 could not be verified. Sufficient audit evidence regarding the valuation of the investment amount was not provided.

We would like to point out that our statements below are to be read in conjunction with the qualification of our audit opinion.

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

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

- The company's sales increased by EUR 196.5 million to EUR 438.0 million, while the result for the year grew by EUR 44.0 million to EUR 15.5 million. The main reason for the rise in sales and the profit margin (revenues minus cost of sales/revenues) in 2020 was the completion of certain large-scale projects, which went unrealized in the previous year. The result was also positively impacted by the reversal of EUR 6.2 million in provisions for projects completed in previous years.
- On the assets side, the decline in the balance sheet total of kEUR 79,467 was largely caused by a kEUR 91,828 decrease in work in progress. On the liabilities side, the reduction was largely attributable to advance payments received, which fell by kEUR 78,564, as well as the other accruals, which declined by kEUR 14,912.
- According to management the main risks concern product-related risks, such as delays in the completion of construction projects, increases in the costs for materials and sub-contractors in turnkey projects, as well as quality deficiencies in the execution of the build or the design. These risks are continuously monitored and analysed, and appropriate countermeasures are initiated where necessary.
- The Company believes that the high volume of construction completed by it to date, combined with its permanent business establishments throughout Europe give it a competitive advantage, on the basis of which it expects to strengthen its market position. Overall the Company views its opportunities to be greater than the risks.

- Takenaka Europe GmbH's current order balance for the 2021 financial year amounts to around EUR 571 million. The completion of projects expected in 2021 means that Takenaka is anticipating sales to increase in comparison to the previous year, and to amount to around EUR 400-450 million in 2021. The largest projects ongoing in 2021 are Toyo Tire New Factory in Serbia, but which the customer is only scheduled to accept in 2022, alongside the projects TORAY BSF Factory Main Construction Works in Hungary and Hirotec New Factory in Germany, which is scheduled for completion in 2021. Possible impacts on the forecast as a result of a renewed outbreak wave of covid are not regarded as serious at this moment.

As a result of our audit, with the exception of the qualification described in Section 3.1, we found that the management report, as a whole, provides an appropriate view of the Company's position. In all material respects, with the exception of the qualification described in Section 3.1, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

3.3 Violations of regulations not concerning accounting

3.3.1 Late preparation of the financial statements

Contrary to the requirements of Section 264 (1) HGB, the Company did not prepare the annual financial statements and the management report as at 31 December 2020 within three months after the end of the financial year.

3.3.2 Late adoption of the financial statements

In contrast to the requirements of Section 42a (2) sentence 1 of the German Limited Liability Companies Act [GmbHG], the financial statements as at 31 December 2019 were not adopted by the shareholders within eight months after the end of the financial year. They were adopted on 8 October 2020.

3.3.3 Late disclosure of the financial statements

Contrary to the requirements set out in Section 325 (1a) HGB, the Company did not disclose the 'previous years' financial statements and management report as at 31 December 2019, within twelve months after the end of the financial year.

4 Performance of the audit

4.1 Scope of the audit

We have audited the annual financial statements of Takenaka Europe GmbH, Düsseldorf, which comprise the balance sheet, the income statement and the notes to the financial statements, including the accounting records, and the management report, for the financial year ended 31 December 2020.

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

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

Pursuant to Section 317 (4a) HGB, an audit is not intended to extend to whether the Company's ability to continue as a going concern or the effectiveness and efficiency of management can be assured.

4.2 Nature and scope of the audit procedures

The general principles of our audit approach are already presented in the Independent Auditor's Report (see Section 2 of this report). In addition, we provide the following information on our audit approach and audit performance:

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:

- valuation of shares in affiliated companies and investments
- compliance of the accounting principles followed by the foreign branches being part of Takenaka with German accounting principles
- existence, accuracy and valuation of unfinished projects
- valuation, existence and accuracy of accounts receivable
- the existence and accuracy of revenue recognition
- completeness and accuracy of accruals and liabilities due to subcontractors regarding completed projects

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 annual financial statements

Performance of analytical reviews of items in the annual financial statements

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

- obtaining confirmations from lawyers, tax consultants and credit institutions
- obtaining confirmations from customers and suppliers on a random sample

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 Independent Auditor's Report

Oral presentation of audit results to the management

We performed our audit (with interruptions) in the months of January to November 2021 until 17 November 2021. We carried out a preliminary audit in November 2020.

With exception of the qualification regarding the valuation of the investment in TAK Realty NY Inc., New York/USA, all explanations and evidence requested by us were provided. The management confirmed in writing that the accounting records, the annual financial statements and the management report are complete.

5 Findings on accounting and financial reporting

5.1 Accounting records and related documents

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

Based on our audit, we found that the organisational and technical measures taken by the Company are appropriate to ensure the security of IT systems and accounting-related data processed.

5.2 Annual financial statements

The annual financial statements as at 31 December 2020, presented to us for audit, were derived from the Company's accounting records and related documents. The opening balance sheet figures were properly carried forward from prior year's annual financial statements. Except for the qualification described in Section 3.1 of this report, the German legal recognition, presentation and measurement requirements have been observed, in all material respects.

Except for the qualification described in Section 3.1 of this report, the balance sheet and the income statement have been prepared, in all material respects, in accordance with the provisions of German commercial law applicable to business corporations including the German Legally Required Accounting Principles. The notes to the financial statements include all legally required information.

Please note that we were unable to audit compliance with the formal requirements for non-disclosure of the auditor's fee under Section 285 (17) HGB by the end of our audit because the annual financial statements of the parent company required for this exemption were not yet available.

5.3 Management report

Except for the qualification described in Section 3.1 of this report, the management report prepared by management, in all material respects, complies with German legal requirements.

6 Opinion on the overall presentation of the annual financial statements

6.1 Comments on the overall presentation

The accounting policies applied to the annual financial statement items comply, in all material respects, with the requirements of German commercial law applicable to corporations. These are described in the notes to the financial statements (see Appendix 1.3 Section 2).

The exercise of accounting and valuation options as well as accounting judgements with regard to the following annual financial statement items has a material effect on the Company's assets, liabilities, financial position and financial performance:

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 capitalised as at 31 December 2020, 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 kEUR 232,866 (prior year kEUR 311,430) are disclosed as liabilities. Alternatively, Section 268 (5) sentence 2 HGB allows to set off the payments received on account of orders against the capitalised unfinished projects to the amount that unfinished projects are capitalised. In that case, the balance sheet total would be reduced by kEUR 175,796; the equity-ratio (equity in relation to balance sheet total) would be 41,7 % instead of 24,6 %.

Deferred taxes

In accordance with Section 274 (2) HGB the Company capitalised deferred tax assets amounting to kEUR 2,765 and recorded deferred tax liabilities amounting to kEUR 573. 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 realisation of economic values in the future, which are subject to risks and uncertainties.

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

The **exercise of judgement** by the Company is relevant in the following areas:

Area	Judgement
– 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
– Impairment of Accounts Receivables	– Assessment of impairment of accounts receivables

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 recognised 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 2020, the Company records no reserve.

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 kEUR 19,479 (previous year: kEUR 33,916) 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 kEUR 11.211 (previous year: kEUR 14,750) have been set up to cover uncertain warranty claims raised by clients after completion of the projects. Apart from warranty accruals which have been recognised for individual warranty claims of kEUR 10,215 (previous year: kEUR 13,860), the Company also recorded a lump sum provision amounting to kEUR 996 (previous year: kEUR 890), 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.

he individual warranty claims mainly relates to Jaguar Land Rover in Slovakia. The provision for Foxconn (former: Sony) und Kia Factory in Slovakia was released in 2020.

The provision for Foxconn (former: Sony) amounting to 2.4 million as of 31 December 2019 was set up as at 31 December 2014 to cover repair works. Due to a possible design mistake serious problems with an instable 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. The warranty period ended as at 31 December 2017. The provision was released as of 31 December 2020. The damage was caused by underground water which could have been identified if geological research (which was outsourced to an external company) had been performed more diligent. As Takenaka management assessed that it is no longer probable that a legal obligation is existing according to the Slovakia Commercial Code, it was decided to release the provision.

The provision for the KIA Factory of EUR 0 (previous year: EUR 1.7 million) concerns water leakages of the roof. Management intends to repair all defects as they appear. The warranty period also ended as at 31 December 2017 for the KIA factory. In 2020, Takenaka performed a deep investigation of the current roof condition with experts and fixed all weak places. Based on the assessment of the technicians, no other claims are probable. Due to this fact and the fact that warranty period has already expired, the management decided to release the remaining part of the provision.

For Jaguar Land Rover (JLR) provisions were recorded as at 31 December 2020 for two big projects with EUR 1.6 million (previous year: EUR 2.0 million) and with EUR 2.9 million (previous year: EUR 3.4 million). The calculation of the provisions is based on the takeover certificates and the list of defects which will be remediated by Takenaka within the periods agreed between Takenaka and JLR. Although the constructions were completed, those deficiencies are, based on management representation, difficult to trace back to the individual subcontractors as the causes of the defects are difficult to prove. There was a usage of part of these provisions in 2020, thereof an amount of EUR 442k for the BiW project and an amount of EUR 484k for the T&F project. As for other provisions, in most cases there are warranty periods lasting until 2021-2022.

6.2 Conclusion on the overall presentation of the annual financial statements

Based on an overall consideration of the accounting policies described above and except for the qualification described in Section 3.1 of this report we are of the opinion that the annual financial statements give a true and fair view of the assets, liabilities and financial position of the Company and of its financial performance in accordance with German Legally Required Accounting Principles.

7 Concluding remarks

This audit report has been prepared in accordance with the principles of Auditing Standard 450 (as amended), promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW).

We hereby confirm pursuant to Section 321 (4a) HGB that we have conducted our audit in accordance with the applicable independence regulations.

The Independent Auditor's Report is presented in Section 2.

Düsseldorf, 17 November 2021

KPMG AG
Wirtschaftsprüfungsgesellschaft

Signiert von
Robert Kuntz
am 18.11.2021

Kuntz
Wirtschaftsprüfer
[German Public Auditor]

Signiert von
Claudia Fielenbach
am 18.11.2021

Fielenbach
Wirtschaftsprüferin
[German Public Auditor]



Appendices

Appendix 1
Annual financial
statements as at
31 December 2020
and management report
(translation)

1.1 Balance sheet (translation)

1.2 Income statement (translation)

**1.3 Notes to the financial
statements (translation)**

**1.4 Management report
(translation)**

Takenaka Europe GmbH, Düsseldorf

Balance sheet as at 31 December 2020 (translation)

Assets

	31 Dec. 2020		31 Dec. 2019	
	EUR	EUR	EUR	EUR
A. Fixed Assets				
I. Intangible assets				
Acquired EDP software		55,237.91		124,031.50
II. Property and equipment				
1. Buildings including leasehold improvements	660,607.96		216,164.52	
2. Other equipment, office equipment and fixtures	938,232.05		836,598.24	
3. Advance payments and assets under construction	0	1,598,840.01	183,907.24	1,236,670.00
III. Financial assets				
1. Shares in affiliated companies	30,956,813.58		30,956,813.58	
2. Loans to affiliated companies	24,702,857.14		26,200,000.00	
3. Investments	26,434,046.05	82,093,716.77	49,090,023.74	106,246,837.32
		83,747,794.69		107,607,538.82
B. Current assets				
I. Inventories				
1. Unfinished projects	175,796,205.34		267,353,475.25	
2. Prepayments	422,235.05	176,218,440.39	692,648.61	268,046,123.86
II. Accounts receivable and other assets				
1. Trade receivables	34,839,872.14		13,557,872.72	
2. Receivables due from affiliated companies	1,406.19		1,158.35	
3. Other assets	6,596,979.03	41,438,257.36	13,865,887.67	27,424,918.74
– thereof with a residual term of more than one year: EUR 548,241.30 (previous year: EUR 550,226.43) –				
III. Cash balances and bank deposits		125,261,515.79		101,512,070.42
		342,918,213.54		396,983,113.02
C. Prepaid expenses		538,309.57		1,732,827.92
D. Deferred tax assets		2,765,390.13		3,113,214.10
		429,969,707.93		509,436,693.86

Liabilities and shareholders' Equity

	31 Dec. 2020	31 Dec. 2019
	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. Retained profit	85,388,003.63	69,894,211.90
	105,985,800.66	90,492,008.93
B. Accruals		
1. Tax accruals	2,538,174.91	919,306.31
2. Other accruals and provisions	35,366,551.61	50,278,722.65
	37,904,726.52	51,198,028.96
C. Short-term liabilities		
– Number 1, 3 and 4 with a residual term of up to one year –		
1. Payments received on account of orders	232,865,846.54	311,430,245.75
2. Trade payables	41,909,805.20	50,315,270.15
– thereof with a residual term of up to one year:		
EUR 20,401,559.35 (previous year: EUR 29,929,127.19) –		
– thereof with a residual term of more than one year		
and up to five years EUR 21,508,245.85		
(previous year: EUR 20,386,142.96) –		
3. Payables to affiliated companies	225,667.36	4,221.33
– all from deliveries and services –		
4. Other liabilities	10,505,206.78	3,825,119.34
– thereof taxes: EUR 9,386,313.44		
(previous year EUR 2,538,067.00) –		
– thereof relating to social security: EUR 651,099.02		
(previous year: EUR 715,255.96) –		
	285,506,525.88	365,574,856.57
D. Deferred tax liabilities	572,654.87	2,171,799.40
	429,969,707.93	509,436,693.86

Takenaka Europe GmbH, Düsseldorf

Income Statement for the period from 1 January to 31 December 2020 (translation)

	2020	2019
	EUR	EUR
1. Sales	438,050,332.33	241,500,417.77
2. Cost of Sales	-406,794,408.63	-240,756,307.09
3. Gross Profit	31,255,923.70	744,110.68
4. Selling expenses	-518,851.18	-1,074,922.59
5. General and administrative expenses	-20,846,848.60	-21,250,205.05
6. Other operating income	11,921,825.14	5,810,179.30
7. Other operating expenses	-4,952,686.58	-2,895,996.40
8. Income from investments		
– all from affiliated companies –	933,661.26	545,594.37
9. Income from long term loans		
– all from affiliated companies –	129,284.52	65,500.00
10. Other interest and similar income	168,861.75	388,245.42
11. Depreciation on financial assets	0.00	-6,758,828.43
12. Expenses from loss transfer	-202,943.27	0.00
13. Interest and similar expenses	-64,393.19	-16,484.25
14. Income Taxes	-2,303,139.48	-4,024,071.27
– thereof from changes in deferred taxes: EUR 959,367,36 (previous year EUR 737,550.50) –		
15. Result after taxes	15,520,694.07	-28,466,878.22
16. Other taxes	-26,902.34	-31,107.68
17. Net profit for the year (previous year: Net loss for the year)	15,493,791.73	-28,497,985.90
18. Profit carried forward	69,894,211.90	98,392,197.80
19. Retained Profit	85,388,003.63	69,894,211.90

Takenaka Europe GmbH, Düsseldorf

Notes for the 2020 Financial Year

(1) General information

Takenaka Europe GmbH, with registered address in Düsseldorf, is entered in the commercial register of Düsseldorf under the number HRB 4453.

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

Takenaka Europe GmbH prepares its annual financial statement in accordance with the provisions contained in the HGB and the German Limited Companies Act (GmbHG).

The accounting and valuation policies applied in the financial statements as of 31 December 2020 are consistent with those applied in the previous year.

The cost of sales method continues to be applied for the presentation of the income statement.

(2) Accounting and valuation policies

Intangible assets acquired from third parties are capitalized at acquisition cost and are amortized over their useful life on a straight-line basis.

Property, plant and equipment are recognised at acquisition cost less regular depreciation, with write-downs due to impairment, where necessary. The depreciation is recognised over the estimated useful life of the assets. Low value items with acquisition cost up to EUR 800 are fully depreciated in the year of acquisition and, for reasons of simplicity, are presented in the fixed assets movement schedule as additions and disposals taking place in the same year.

Financial assets are recognised at acquisition cost net of impairment on the fair value in case of a permanent decrease in value.

Works in progress included in inventories are capitalized at production cost in accordance with Section 255 (2) sentence 2 HGB. Applying the option contained in Section 255 (2) sentence 3 HGB, over-heads for general and administrative expenses are not capitalized. Anticipated losses from unfinished projects are set off against the gross value of the unfinished projects.

Accounts receivable and other assets are recognised at nominal value or lower fair value on the balance sheet date. Appropriate value discounts are performed on receivables with an obvious risk of default; bad debts are written off.

Cash at banks were recognised at the nominal value.

Deferred assets included outlays made prior to the balance sheet date if this represented expenses for a specific time period.

The **subscribed capital** is stated at par and fully paid in.

The tax and other accruals are generally recognised with the settlement amount deemed necessary according to prudent business judgement, to cover all contingent liabilities on the balance sheet date. Accruals with a residual maturity of more than one year are discounted at the average market rate corresponding to their maturity.

For completed projects included in sales, accruals are established 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 recognised.

Liabilities are recognised at their settlement amount.

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

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

Deferred tax assets on tax loss carry forwards and on different valuations applied in the commercial balance sheet and the tax balance sheet have been accounted for in accordance with the option provided in Section 274 (1) sentence 2 HGB. **Deferred tax liabilities** on different valuations applied in the commercial balance sheet and the tax balance sheet were recognised as liabilities in accordance with Section 274 (1) sentence 1 HGB.

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

Fixed assets

The changes in fixed assets (fixed assets movement schedule) are shown in a separate appendix to the notes.

The shareholding of 20 % in TAK Capital Inc., New York, U.S.A., Inc., was divested by way of the Purchase and Sale Agreement dated 7 August 2020.

The shareholding in Takenaka India Private Ltd., Gurgaon/India was changed from 99.99 % to 49.99 % on 2 May 2020 due to an additional investment by ultimate parent company, Takenaka Corporation, Osaka/Japan, in Japan.

Deferred taxes

The Company has capitalised deferred taxes in accordance with Section 274 HGB.

Deferred taxes were netted at the level of individual taxpayers as follows:

Permanent establishment	Tax rate	Deferred tax assets on loss carry forwards	Deferred tax assets on temporary differences	Deferred tax liabilities on temporary differences	Deferred tax assets	Deferred tax liabilities
	%	KEUR	KEUR	KEUR	KEUR	KEUR
Poland	19.0	-	3,869	2,518	1,350	-
Germany	31.2	-	847	259	588	-
Slovakia	21.0	202	-	-	202	-
The Netherlands	25.0	625	-	-	625	-
Hungary	9.0	-	-	35	-	35
Romania	16.0	-	-	-	-	-
The Czech Republic	19.0	-	168	706	-	538
		827	4,885	3,518	2,765	573

Totalling KEUR 2,765, deferred tax assets on temporary differences mainly refer to different tax bases of warranty provisions.

The deferred tax liabilities totalling KEUR 573 mainly concern the permanent establishment in the Czech Republic and relate to future tax liabilities for a project still in progress.

Equity

In accordance with Section 268 (8) HGB, the amount of deferred tax assets less deferred tax liabilities of kEUR 2,192 is blocked for profit distribution. This holds unless freely available reserves plus retained earnings and less a potential loss carry-forward of at least the same amount, are available.

Tax accruals

The tax accruals concern provisions made for income tax relating to the Romanian (kEUR 2,334), German (kEUR 200) and Belgian (kEUR 4) branches.

Other accruals

Other accruals and provisions amounting to kEUR 35,367 largely concern subcontractor services for completed projects (kEUR 22,048) that have not yet been billed as well as for warranty services (kEUR 11,211).

Sales

Sales were geographically distributed is as follows:

Country	2020	2019
	kEUR	kEUR
Poland	144,459	50,550
The Netherlands	93,865	6,702
Czech Republic	61,137	42,906
Romania	50,808	58
France	40,027	10,036
Slovakia	16,135	45,636
Hungary	14,873	45,095
Belgium	6,272	1,160
Germany	5,803	17,860
United Kingdom	4,450	21,238
Spain	142	259
Italy	79	0
Serbia	0	0
	438,050	241,500

Cost of materials

The cost of materials in the 2020 financial year amount to kEUR 406,794 (previous year kEUR 240,756).

The cost of materials solely relates to expenses for purchased services.

Personnel expenses

Personnel expenses forming part of the cost of sales and the general and administrative expenses amount to kEUR 11,881 in the 2020 financial year (of which wages and salaries account for kEUR 10,550, social security costs kEUR 1,039 and old-age pensions kEUR 292). In 2019, personnel expenses amounted to kEUR 11,119 (of which wages and salaries accounted for kEUR 10,132, social security costs kEUR 765 and old-age pensions kEUR 222).

Income relating to the prior periods

Other operating income includes income relating to prior periods amounting to kEUR 6,240 (prev. yr. kEUR 5,738), mainly resulting from the release of other accruals (kEUR 6,213), thereof mainly accounted for by the release of warranty provisions in the Slovakian (kEUR 3,652), German (kEUR 1,679), Polish (kEUR 742) and British (kEUR 140) permanent establishments.

Exchange gains and losses

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

Overall, exchange rate gains of kEUR 4,842 (previous year kEUR 327) were factored into other operating income, and exchange losses of kEUR 4,289 (previous year kEUR 2,067) into other operating expenses.

(4) Other notes

Other financial obligations

Future expenses for rent and lease contracts are as follows:

	kEUR
Due within the next year	2,580
Due within two to five years	2,679
Due after five years	311
	5,570

Number of employees

In 2020, the average number of employees excluding directors was 506 (previous year 513). Of these, on average 93 employees were employed in the German branch and 413 employees were employed in the other European branches.

Members of the management board

The management of the company consisted of the following members, who, with the exception of Mr. Beom-Yong Sung, are authorised to represent the Company alone:

- Masayuki Takinami, businessman, Düsseldorf, Chairman of the Management Board
- Beom-Yong Sung, businessman, Bad Homburg,
- Shoichiro Shibuta, business, Yokohama, Japan (until 19 April 2021)
- Masato Nishiguchi, businessman, Kashiwa-Shi, Japan (from 19 April 2021)
- Itsutsu Murakami, businessman, Düsseldorf (from 8 September 2020)
- Takeshi Yanagi, businessman, Düsseldorf (until 24 September 2020)

The total remuneration of the members of the management in 2020 amounted to kEUR 894.

Shares in affiliated companies

As of the balance sheet date, the Company holds shares in affiliated companies as follows:

Affiliated Companies	Share	Local currency	Subscribed capital	Shareholders' equity as of 31.12.2020	Result 2020
	%		in local currency	in local currency	in local currency
Takenaka Belgium N.V., Machelen, Belgium	99.99	KEUR	62	116	-24
Takenaka Netherlands B.V., Amsterdam, the Netherlands	100.00	KEUR	1,361	662	0
Takenaka India Private Ltd., Gurgaon-Haryana, India ¹	49.99	kiNR	1,500,000	82,322	-440,701
TAK Realty UK Ltd., London, UK	39.02	kGBP	61,500	61,543	-36
TAK Realty NY Inc., NY, U.S.A.	16.67	kUSD	180,000	154,983	-19,345

Shares in participations

As of the balance sheet date, the Company holds shares in affiliated companies as follows:

Equity investments	Share	Local currency	Subscribed capital	Shareholders' equity as of 31.12.2020	Result 2020
Neues Atrium Property GmbH, Düsseldorf, Germany ²	100	KEUR	1,000	2,996	0

Appropriation of profits

The management board recommends to the shareholder that the profit-carryforward of EUR 69,894,211.90 and the annual net profit of EUR 15,493,791.73 be carried forward to new account.

Consolidated financial statement

Takenaka Europe GmbH, Düsseldorf, is a 100 % subsidiary of Takenaka Corporation, Osaka, Japan, which prepares and publishes consolidated financial statements in Japan for the smallest and largest consolidated group. This consolidated financial statement can be viewed at the business premises of the parent company.

¹ Information based on the financial statement for the period from 1 April 2020 to 31 March 2021.

² On 1 August 2019, Neues Atrium Property GmbH and Takenaka Europe GmbH concluded a Control and Profit Transfer Agreement. The entry to the company register was made on 30 June 2020.

Applying the exemption provided in Section 292 HGB, Takenaka Europe GmbH waives the preparation of a consolidated financial statement and consolidated management report.

The exempting financial statement of the parent company, Takenaka Corporation, Osaka, Japan, is prepared based on the International Financial Reporting Standards (IFRS/IAS) as per Section 292 HGB. Under these standards the following accounting and valuation policies are applied in deviation from German law:

The degree to which large-sized contracts have been completed is considered using the Percentage of Completion Method. The application of this method with its criteria that vary from the Completed Contract Method in accordance with the provision of German commercial law, tends to result in an earlier realisation of revenue and profit, regardless of timing of the actual billing of customers. Takenaka Europe GmbH publishes a German translation of the IFRS consolidated financial statements of its ultimate parent company within the meaning of Section 325 HGB.

Auditor's fee

Information about the total fees billed by the auditor are included in the consolidated financial statement of the ultimate parent company, which includes this company. The consolidated financial statement is published in Germany.

Significant events after the end of the financial year

With the Share Sale and Purchase Agreement of 22 April 2021, Takenaka Europe GmbH acquired the outstanding 0.01 % of share in Takenaka Belgium B.V. for EUR 8.00. The liquidation of the company was approved by way of the shareholder resolution of 14 June 2020. The deletion was entered in the company register on 18 June 2020.

Since 2019 the corona virus continued to spread worldwide (corona virus epidemic) and triggered significant economic impacts in 2020. A further wave of COVID-19 could result in an adjustment of the current planning for the remaining months of the 2021 financial year.

No other significant transactions occurred after the end of the financial year.

Dusseldorf, 17 November 2021

Takenaka Europe GmbH

Masayuki Takinami

Masato Nishiguchi

Beom-Yong Sung

Itsutsu Murakami

Takenaka Europe GmbH, Düsseldorf

Fixed assets movements for the financial year 2020 (translation)

	Acquisition costs					
	1 Jan. 2020	Foreign exchange adjustments	Additions	Disposals	Reclassifications	31 Dec. 2020
	EUR	EUR	EUR	EUR	EUR	EUR
I. Intangible assets						
Acquired EDP software	1,844,312.71	-25,691.53	37,808.28	74,055.28	0.00	1,782,374.18
II. Property and equipment						
1. Building including leasehold improvements	381,368.75	-1,428.01	351,883.78	80,748.04	161,872.37	812,948.85
2. Other equipment, office equipments and fixtures	4,181,027.11	-99,655.43	485,129.61	249,343.82	22,034.87	4,339,192.34
3. Advance payments and assets under construction	183,907.24	0.00	0.00	0.00	-183,907.24	0.00
	4,746,303.10	-101,083.44	837,013.39	330,091.86	0.00	5,152,141.19
III. Financial assets						
1. Shares in affiliated companies	46,620,702.27	0.00	0.00	0.00	0.00	46,620,702.27
2. Loans to affiliated companies	26,200,000.00	0.00	0.00	1,497,142.86	0.00	24,702,857.14
3. Investments	49,090,023.74	0.00	0.00	22,655,977.69	0.00	26,434,046.05
	121,910,726.01	0.00	0.00	24,153,120.55	0.00	97,757,605.46
	128,501,341.82	-126,774.97	874,821.67	24,557,267.69	0.00	104,692,120.83

1 Jan. 2020	Foreign exchange adjustments	Accumulated depreciation			31 Dec. 2020	Net book values	
		Depreciation	Disposals	Transfer		31 Dec. 2020	31 Dec. 2019
EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<u>1,720,281.21</u>	<u>-24,938.14</u>	<u>92,061.69</u>	<u>62,564.49</u>	<u>2,296.00</u>	<u>1,727,136.27</u>	<u>55,237.91</u>	<u>124,031.50</u>
165,204.23	-1,970.19	88,881.89	80,748.04	-19,027.00	152,340.89	660,607.96	216,164.52
3,344,428.87	-85,733.64	375,052.63	249,518.57	16,731.00	3,400,960.29	938,232.05	836,598.24
0.00	0.00	0.00	0.00	0.00	0.00	0.00	183,907.24
<u>3,509,633.10</u>	<u>-87,703.83</u>	<u>463,934.52</u>	<u>330,266.61</u>	<u>-2,296.00</u>	<u>3,553,301.18</u>	<u>1,598,840.01</u>	<u>1,236,670.00</u>
15,663,888.69	0.00	0.00	0.00	0.00	15,663,888.69	30,956,813.58	30,956,813.58
0.00	0.00	0.00	0.00	0.00	0.00	24,702,857.14	26,200,000.00
0.00	0.00	0.00	0.00	0.00	0.00	26,434,046.05	49,090,023.74
<u>15,663,888.69</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>15,663,888.69</u>	<u>82,093,716.77</u>	<u>106,246,837.32</u>
<u>20,893,803.00</u>	<u>-112,641.97</u>	<u>555,996.21</u>	<u>392,831.10</u>	<u>0.00</u>	<u>20,944,326.14</u>	<u>83,747,794.69</u>	<u>107,607,538.82</u>

Takenaka Europe GmbH, Düsseldorf

Management Report for the 2020 Financial Year

A. The Fundamentals of the Company

Takenaka Europe GmbH, Düsseldorf ("the Company") is engaged in delivering consulting, planning and engineering services to the construction industry. Furthermore the Company functions as a general contractor performing activities such as the supervision of construction services performed by other firms or services relating to building management. It also delivers building management services. In addition, the Company also delivers services in the areas of project management and project development.

The Company is a 100%-owned subsidiary of the Takenaka Corporation, Osaka, Japan, one of the oldest companies in the construction industry in Japan with long-standing corporate experience and a company history that extends back over 400 years.

The Company maintains permanent establishments in Belgium, the Netherlands, Italy, Spain, the Czech Republic, Slovakia, Poland, Hungary, France, Romania and the United Kingdom. In 2020 a new permanent establishment was opened in Serbia.

Takenaka Europe GmbH has shareholdings in the following subsidiaries as of the balance sheet date 31 December 2020:

- Takenaka India Private Ltd. (49.99 % shareholding)¹,
- Takenaka Belgium N.V. (99.99 % shareholding),
- Takenaka Netherlands B.V. (100 % shareholding),
- TAK Realty UK Ltd. (39.02 % shareholding),
- TAK Realty NY Inc. (16.67 % shareholding),
- Neues Atrium Property GmbH (100 % shareholding).

¹ Takenaka India based on additional investment by Head Quarter in Japan with date of 2 May 2020 investment has changed from 99.99 to 49.99 %.

B. Economic Report

1. Macro-economic and industry-specific parameters

The Company's business operations are directly influenced by market developments in Germany and Europe. The business operations of our holdings in the USA and our subsidiaries in India are also influenced by developments in these markets.

2020 was shaped by the worldwide corona pandemic, which triggered a recession in the global economy. The global economy's rapid path to recovery following the historic slump in the second quarter of 2020, has flattened only slightly despite the lockdowns imposed around the world towards the end of the year. However, the renewed shutdown ordered in many places led to variations in performance as of the final quarter of 2020. Whereas the euro area's economic performance again declined (-0.7 percent), the economic catch-up continued in the United States (+1.0 percent) and China (+2.6 percent).

Global GDP fell by around 3.4 percent in 2020. Within the euro zone, this slowdown actually amounted to 6.6 percent, whereas China posted economic growth of around 2.3 percent. In view of this, the start to 2021 was variable. While the United States and China, in particular, actually raised their growth forecasts, economic activity in Europa continued to be hampered by measures aimed at combatting the pandemic.

In its updated forecast of January 2021, the International Monetary Fund (IMF) reckons that, once adjusted for inflation and purchasing power, global economic performance for the entire 2021 year will increase by 5.9 percent with 4.9 percent of growth predicted for the following year². However, the IMF factored in two scenarios in order to better quantify the risks and opportunities in the current environment. In the opportunity scenario, the development and availability of vaccines in the industrialised nations progresses better than expected. In this case, global growth could be three-quarters of a percentage point higher than in the baseline scenario. In a risk-based scenario with a low level of availability, effectiveness or a lack of vaccine acceptance, global growth could be lower by three-quarters of a ¾ percentage point.

Germany:

Following a decade of growth, the German economy fell into a deep recession during 2020, the year of the corona crisis. That was the announcement made by the German Federal Office of Statistics. In 2020, Germany's gross domestic product amounted to around 3.37 billion euro³. Compared to the previous year, the price-adjusted gross domestic product in Germany fell by 4.6 percent. The heavy slump in 2020 was prompted by the effects of the corona crisis and the economic shutdown this entailed.

² Siehe <https://www.handelsblatt.com/politik/konjunktur/nachrichten/world-economic-outlook-ifu-revidiert-wachstumsprognose-und-warnt-vor-inflationsspirale/27699100.html?ticket=ST-3658467-z9xvrx1kr1GieJ9daBtW-cas01.example.org>

³ Siehe „Statista Research Department.“

The corona pandemic clearly left its mark on practically every economic sector in 2020. Levels of production were hugely curtailed in parts of both the service sectors and production industries.

In the manufacturing industry without construction, which accounts for a good quarter of the economy as a whole, price-adjusted economic output fell by 9.7 percent compared to 2019, and in the manufacturing industry by as much as 10.4 percent. The industry was particularly affected by the consequences of the corona pandemic in the first half of the year, including the temporarily disrupted global supply.

There was a particularly clear economic collapse in the service sectors, some of which registered record downturns. One area that was nevertheless able to withstand the crisis was the construction industry: The price-adjusted gross value-added actually rose by 1.4 percent here. One aspect that paid dividends here was the extraordinarily high volume of orders on hand within the construction industry at the start of 2020. In addition, the construction industry did not experience any construction site shutdowns; work continued on the construction sites despite manpower restrictions and some interrupted supply chains.

Europe:

The overall market capitalisation of the world's 30 biggest construction undertakings was around USD 422 billion at the end of 2020, making it a total of 6.9 percent lower than 2019 – a consequence of the uncertainties triggered by the corona pandemic. However, the financial performance of the top 30 construction company was varied during 2020 because of the differing extents to which the sectors and countries in which these companies operate, were affected. Companies in Europe posted an average of -7 percent.

The negative growth rates in the construction industry evident almost everywhere in the Euroconstruct countries should not cause us to lose sight of the fact that the paths of recovery are very different. This is especially evident in the case of Ireland, Hungary, Slovakia, Spain and France, where very large declines in total construction output were registered, and which could only be partly offset. Ireland and Hungary in particular must expect further declines in 2021. There is a completely different situation in Portugal and the northern European countries (Denmark, Finland, Sweden and Norway): Following the highly robust results recorded in 2020, the positive performance should continue in 2021.

During the course of the worldwide recovery from corona, it is anticipated that construction volume will on average increase by 3.2 percent until 2023. According to current estimates, the value of global construction output will increase from USD 11.6 trillion in 2020 to around USD 14.8 trillion in 2030.

India:

In 2020, the change in India's real gross domestic product amounted to -8 percent in comparison to the previous year. Right at the start of the current financial year of 2021/22 (1. April to 31 March), India was shaken by a devastating second wave of infection during the course of the corona pandemic. However, there was no repeat of the nationwide uniform and extremely tough lockdown witnessed in the spring of 2020. For 2021, it was forecast that India's real gross domestic product will grow by around 12.55 % in comparison to the previous year. Economists have now adjusted their growth forecasts in the light of the second wave of infection - to between 9 and 10 percent in the majority of cases. The World Bank expects gross domestic product (GDP) to increase by 10.1 percent.

USA:

With a gross domestic product of EUR 18.3 trillion, the USA is the world's largest economy by some distance. It is followed in second place by China with a GDP that is still EUR 12.9 billion. Germany is likewise to the fore here internationally, ranking fourth in 2020.

In 2020, the US economy experienced its worst year since 1946, and has recently lost some of its momentum with its economic recovery. Over the full year of 2020, GDP shrank by 3.5 percent - the first minus since the recession during the global crisis from 2007 to 2009. The new government is seeking to push-start the economy with an economic package worth EUR 1.9 trillion.

This is reflected in how the International Monetary Fund's (IMF) significantly increased its growth forecast for the USA to 7.0 percent in July 2021. In April 2021, the IMF was still predicting economic growth of 4.6. The IMF raised its forecast for economic output (GDP) in 2022 from 3.5 percent to 4.9 percent.

2. Business Progress

2.1 Results of operations

The company's sales increased by EUR 196.5 million to EUR 438.0 million, while the result for the year grew by EUR 44.0 million to EUR 15.5 million. The main reason for the rise in sales and the profit margin (revenues minus cost of sales/revenues) in 2020 was the completion of certain large-scale projects, which went unrealised in the previous year. The result was also positively impacted by the reversal of EUR 6.2 million in provisions for projects completed in previous years.

The following large-scale projects were completed during the 2020 financial year:

- Sekisui NL Geleen Execution ER-300 (the Netherlands)
- Daimler New Factory (Poland)
- Makita EU Romania Factory Extension Ph4 (Romania)

- KUBOTA R&D Center (France)
- MARS New Factory (Poland)
- MEAC New Production & Warehouse (Czech Republic)
- Donaldson Poland Factory Extension (Poland)
- MUBEA PST (Czech Republic)
- TMMP-W-2019-Modification (Poland)
- Amazon Project (Slovakia)

The gross profit margin (gross profit from sales in relation to sales) increased by 3.2 % to 3.5 % in comparison to the previous year.

General administrative costs fell by kEUR 959 to kEUR 21,366 (prev. yr. kEUR 22,325). This was due not least to a reduction in travel and hospitality costs prompted by the corona pandemic.

Other operating income increased by kEUR 6,112 to kEUR 11,922 largely down to the reversal of provisions and higher exchange rate gains in comparison to the previous year.

Other operating expenses increased by kEUR 2,057 to kEUR 4,953 largely due to lower exchange rate losses.

The control and profit transfer agreement with "Neues Atrium Property GmbH" became effective with its registration on 30 June 2020. A loss of kEUR 203 was absorbed under this agreement for the first time in 2020.

Annual net profit of kEUR 15,494 was recorded after taking account of taxes on income and profits in the amount of kEUR 2,303 alongside other taxes amounting to kEUR 27.

2.2 Net assets and financial position

The balance sheet total at the end of the 2020 financial year is kEUR 429,970 (2019: kEUR 509,437).

On the assets side, the decline in the balance sheet total of kEUR 79,467 was largely caused by a kEUR 91,828 decrease in work in progress. On the liabilities side, the reduction was largely attributable advance payments received, which fell by kEUR 78,564, as well as the other accruals, which declined by kEUR 14,912.

The equity ratio (ratio of equity to the balance sheet total) increased from 17.8 % as of 31 December 2019, to 24.6 % as of 31 December 2020 by reason of the annual net profit of kEUR 15,494 in 2020 in combination with the reduced balance sheet total. The return on equity (ratio of annual result to the previous year's equity) amounts to 17.1 % (previous year: -24.0 %).

Takenaka India Private Ltd., Gurgaon, Haryana, India (49.99 % shareholding) generated a deficit of kINR -440,701 in its last annual financial statement as of 31 March 2021 (previous year: a deficit of kINR -368,369 as of 31 March 2020). The shareholding in Takenaka India was changed from 99.99 % to 49.99 % on 2 May 2020 due to an additional investment by the ultimate parent company, Takenaka Corp., Osaka/Japan, in Japan.

TAK Realty UK Ltd., London, UK (39.02 % shareholding) recorded a loss of kGBP -36 in 2020 (previous year: profit of kGBP 1,255). A dividend in the amount of kGBP 468 was paid to the Company on 24 March 2020.

TAK Realty NY INC, NY, U.S.A. (16.67 % shareholding) recorded a loss of kUSD -19,345 in the 2020 financial year (previous year: loss for the year amounting to kUSD 2,878).

Takenaka Belgium N.V., Machelen, Belgium (99.99 % shareholding) generated a loss of kEUR -24 in 2020 (previous year: loss for the year of kEUR -32).

Takenaka Netherlands B.V., Amsterdam, the Netherlands (100 % shareholding) - as in the previous year - achieved a result of kEUR 0, because that company does not engage in any operational business activities.

TAK CAPITAL USA INC, City of Wilmington/U.S.A. was divested effective as of 18 August 2020. The disposal resulted in a foreign currency loss of EUR 975 k. As of March 6, 2020, a dividend of USD 430 k was still paid to Takenaka Europe GmbH.

Neues Atrium Property GmbH, Düsseldorf (100 %) shareholding generated a loss of kEUR -203 in 2020, which was absorbed on the basis of the existing control and profit transfer agreement.

Compared with the outlook for the 2020 financial year based on our annual financial statements and management report as of 2019, the company's targets for sales (EUR 350-400 million) and positive net income were surpassed. On the one hand, this is down to the fact that certain large-scale projects were completed in 2020 rather than in 2019 as scheduled, meaning that a final statement of accounts could be issued in respect of them. On the other hand, the positive result for the year in 2020 was shaped in the main by the reversal of provisions for projects completed in previous years.

At the time of drafting the annual financial statement, the management board deems the company's position to be good.

3. Financial and Non-financial Performance Indicators

The Company's main financial performance indicators are sales and net profit.

The Company's primary non-financial performance factor is its workforce and its expertise in the execution of construction projects, which have a significant influence on its business development, but which are used in the governance of the Company.

C. Report on Outlook, Opportunities and Risks

1. Forecast Report

The European construction industry is recovering more quickly in 2021 than originally expected, and the assumption is that most of the losses sustained due to the corona pandemic, will be equalised again in 2021. According to the most recent estimates, the volume of construction in the Euroconstruct area will grow by 3.8 percent in 2021, following a slump of 5.1 percent in 2020⁴. Compared to the forecasts made at the time, the decline in 2020 was less than expected, meaning that the pre-crisis level can again be achieved by 2022 at the latest. In the light of the clearly more favourable economic conditions in the 19 Euroconstruct countries, the construction industry is similarly benefiting from a generally swift economic recovery.

However, in contrast to previous years, from 2022 the growth in the construction industry will be less dynamic than the economy as a whole: whereas the growth rates of the construction industry will be 3 percent and 2.1 percent in 2022 und 2023 respectively, the economy of the Euroconstruct area will grow by 4.4 percent and 2.0 percent in the same periods.

The significant increase in the prices of many construction materials is currently also a factor. Timber, metal and petroleum oil-based products have become considerably more expensive since the start of 2021, and there are insufficient amounts of construction material available in places. Surveyed as part of the ifo Business Climate Index in June 2021, 46 % of the construction firms reported an impediment to production caused by a shortage of materials, compared to just 4.4 % in March 2021. With existing contracts, it may well be difficult to pass these construction material price increases to customers in full⁵.

Takenaka Europe GmbH's current order balance for the 2021 financial year amounts to approx. EUR 571 million. Based on the completion of projects expected for 2021, Takenaka is anticipating a sales volume of approx. EUR 400-450 million on a par compared with the previous year. On this basis, Takenaka is forecasting a clearly more positiv annual net profit for the 2021 financial year compared to 2020. The largest projects ongoing in 2021 are Toyo Tire New Factory in Serbia, but which the customer is only scheduled to accept in 2022, alongside the projects TORAY BSF Factory Main Construction Works in Hungary and Hirotec New Factory in Germany, which is scheduled for completion in 2021. Possible impacts on the forecast as a result of a renewed outbreak wave of covid are not regarded as serious at this moment.

⁴ Siehe <https://www.baulinks.de/webplugin/2021> - Euroconstruct erwartet kräftigen Aufschwung im europäischen Baugewerbe

⁵ Siehe " Baukonjunkturelle Lage: Bauindustrie: Materialmangel behindert Bauproduktion"

2. Opportunities and Risk Report

The company is incorporated into the group's risk management system.

Overall, no major "corona crisis" impacts have been identified for the company. A "Task Force" was formed in 2019 to collect all the information that could affect our company and our organization. Impacts include reduced progress for several projects and an increase in expected costs over a longer time plan. While suppliers and purchases, physical logistics, inventories, customers, demand and sales, contracts (including legal risks) did not have any great effect on the execution of projects, these aspects nevertheless had certain effects on potential projects.

Currency risks arise because construction project contracts are sometimes concluded in EUR, but contracts with subcontractors are concluded in an alternative national currency. However, in the majority of cases construction project contracts and sub-contractor contracts are concluded in the same currency.

The main risks concern product-related risks, such as delays in the completion of construction projects, increases in the costs for materials and sub-contractors in turnkey projects, as well as quality deficiencies in the execution of the build or the design. These risks are continuously monitored and analysed, and appropriate countermeasures are initiated where necessary.

The Company currently operates twelve permanent establishments in thirteen countries, and it plans to continuously improve its business model and the amount of earnings made from construction projects. In the pursuit of its goal to become a recognised global market player, the Company flanks its ongoing business with the rigorous expansion of its activities throughout Europe.

There continues to be a high level of competition with other general contractors for a limited number of new projects on the market.

The Company believes that the high volume of construction completed by it to date, combined with its permanent business establishments throughout Europe give it a competitive advantage, on the basis of which it expects to strengthen its market position. Overall the Company views its opportunities to be greater than the risks.

Dusseldorf, 17 November 2021

Takenaka Europe GmbH

Masayuki Takinami

Masato Nishiguchi

Beom-Yong Sung

Itsutsu Murakami

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 more than 400 years. Since 1960, Takenaka Corporation has established subsidiaries outside of 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 of Germany:

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

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

Branch	2020	2019	2018	2017	2016
	kEUR	kEUR	kEUR	kEUR	kEUR
Poland	144,459	50,550	65,898	37,534	49,793
The Netherlands	93,865	6,702	3,946	5,038	3,029
Czech Republic	61,137	42,906	77,703	55,462	58,742
Romania	50,808	58	1,105	0	172
France	40,027	10,036	116	1,084	1,412
Slovakia	16,135	45,636	225,843	285	2,12
Hungary	14,873	45,095	24,769	23,16	26,909
Belgium	6,272	1,160	6,598	26,364	5,58
Germany	5,803	17,860	54,81	40,777	36,06
United Kingdom	4,450	21,238	13,979	4,041	7,16
Spain	142	259	198	420	1,687
Italy	79	0	35	599	12,689
	438,050	241,500	475,000	194,764	205,353

Subsidiaries as of balance sheet date 31 December 2020

In 2010, the subsidiary Takenaka India Private Ltd., Gurgaon-Haryana/India (49.99%-participation), was founded. The subsidiary runs independently from the business activities in Europe. In addition, the Company is parent company to Takenaka Belgium N.V., Machelen/Belgium (99.99%-participation), Takenaka Netherlands B.V., Amsterdam/Netherlands (100% participation), TAK Realty UK Ltd., London/UK (39.02%-participation) and Neues Atrium Property GmbH, Düsseldorf/Deutschland (100%-participation). TAK Realty UK Ltd. has an indirect shareholding in the office complex 'One Fleet Place' in London. TAK Realty NY Inc. has an indirect shareholding in the New York hotel 'Andaz 5th Avenue'. TAK Capital Inc., New York, U.S.A. Inc., (16.67%-participation) was sold as of 7 August 2020.

Employees

The average number of employees developed as follows:

	2020	2019
Foreign branches	413	430
Domestic	93	83
	506	513

As of 31 December 2020, the number of employees in the foreign branches mainly concerns with 158 employees the Polish branch, with 84 employees the branch in the Czech Republic, with 98 employees the branch in Hungary and with 33 employees the Slovakian branch.

Legal status

Date of formation	25 July 1974
Registered name	Takenaka Europe GmbH
Registered office	Düsseldorf
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.
Commercial register	Commercial Register Düsseldorf, Department B, No. 4453, date of the latest extract is 5 June 2020.
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 (AÜG).
Financial 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 shareholders' meeting held on 03. June 2020 – the financial statements as at 31 December 2019, and the management report which were prepared by the management, audited by us and given a qualified opinion, were presented, and the financial statements were approved; – it was resolved that the accumulated income of EUR 4,393.14 will be carried forward; – the general management was exonerated for the financial year 2019.
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.

Affiliated companies (continued)	The Company is parent company in the sense of Section 290 HGB of Takenaka Netherlands B.V., Amsterdam/Netherlands, Takenaka Belgium N.V., Machelen/Belgium, Takenaka India Private Ltd., Gurgaon-Haryana/India, TAK Realty UK Ltd., London/UK, TAK Realty NY Inc., New York/USA, and Neues Atrium Property GmbH, Düsseldorf/Deutschland which are accordingly considered also as affiliated companies in the sense of Section 271 (2) HGB TAK Capital Inc., New York, U.S.A. Inc., was sold as of 7 August 2020. The Company publishes exempting consolidated financial statements of the ultimate parent company Takenaka Corporation, Osaka/Japan.
Management Board	The members of the Management Board are listed in the Company's notes to the financial statements (Appendix 1.3).
Tax status	The latest tax field audit in Germany on corporate and trade tax covered the fiscal years 2010 to 2012 and was finalised in 2014. The current tax audit on corporate and trade tax covers the fiscal years 2013-2017 and is ongoing.

Appendix 4

Jahresabschluss zum 31. Dezember 2020 und Lagebericht

4.1 Bilanz

4.2 Gewinn- und Verlustrechnung

4.3 Anhang

4.4 Lagebericht

Takenaka Europe GmbH, Düsseldorf

Bilanz zum 31. Dezember 2020

Aktiva

	31.12.2020		31.12.2019	
	EUR	EUR	EUR	EUR
A. Anlagevermögen				
I. Immaterielle Vermögensgegenstände				
Entgeltlich erworbene EDV-Software		55.237,91		124.031,50
II. Sachanlagen				
1. Bauten einschließlich Mieter-einbauten	660.607,96		216.164,52	
2. Andere Anlagen, Betriebs- und Geschäftsausstattung	938.232,05		836.598,24	
3. Geleistete Anzahlungen und Anlagen im Bau	0,00	1.598.840,01	183.907,24	1.236.670,00
III. Finanzanlagen				
1. Anteile an verbundenen Unternehmen	30.956.813,58		30.956.813,58	
2. Ausleihungen an verbundene Unternehmen	24.702.857,14		26.200.000,00	
3. Beteiligungen	26.434.046,05	82.093.716,77	49.090.023,74	106.246.837,32
		83.747.794,69		107.607.538,82
B. Umlaufvermögen				
I. Vorräte				
1. Unfertige Leistungen	175.796.205,34		267.353.475,25	
2. Geleistete Anzahlungen	422.235,05	176.218.440,39	692.648,61	268.046.123,86
II. Forderungen und sonstige Vermögensgegenstände				
1. Forderungen aus Lieferungen und Leistungen	34.839.872,14		13.557.872,72	
– davon mit einer Restlaufzeit von mehr als einem Jahr EUR 0,00 (i. Vj. EUR 0,00) –				
2. Forderungen gegen verbundene Unternehmen	1.406,19		1.158,35	
– sämtliche aus Lieferungen und Leistungen –				
3. Sonstige Vermögensgegenstände	6.596.979,03	41.438.257,36	13.865.887,67	27.424.918,74
– davon mit einer Restlaufzeit von mehr als einem Jahr EUR 548.241,30 (i. Vj. EUR 550.226,43) –				
III. Kassenbestand und Guthaben bei Kreditinstituten		125.261.515,79		101.512.070,42
		342.918.213,54		396.983.113,02
C. Rechnungsabgrenzungsposten		538.309,57		1.732.827,92
D. Aktive latente Steuern		2.765.390,13		3.113.214,10
		429.969.707,93		509.436.693,86

Passiva

	31.12.2020	31.12.2019
	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	85.388.003,63	69.894.211,90
	105.985.800,66	90.492.008,93
B. Rückstellungen		
1. Steuerrückstellungen	2.538.174,91	919.306,31
2. Sonstige Rückstellungen	35.366.551,61	50.278.722,65
	37.904.726,52	51.198.028,96
C. Verbindlichkeiten		
– Nummer 1, 3 und 4 mit einer Restlaufzeit von bis zu einem Jahr –		
1. Erhaltene Anzahlungen auf Bestellungen	232.865.846,54	311.430.245,75
2. Verbindlichkeiten aus Lieferungen und Leistungen	41.909.805,20	50.315.270,15
– davon mit einer Restlaufzeit von bis zu einem Jahr EUR 20.401.559,35 (i. Vj. EUR 29.929.127,19)		
– davon mit einer Restlaufzeit von mehr als einem und weniger als fünf Jahren EUR 21.508.245,85. (i. Vj. EUR 20.386.142,96) –		
3. Verbindlichkeiten gegenüber verbundenen Unternehmen	225.667,36	4.221,33
– sämtliche aus Lieferungen und Leistungen –		
4. Sonstige Verbindlichkeiten	10.505.206,78	3.825.119,34
– davon aus Steuern		
EUR 9.386.313,44 (i. Vj. EUR 2.538.067,00) –		
– davon im Rahmen der sozialen Sicherheit		
EUR 651.099,02(i. Vj. EUR 715.255,96) –		
	285.506.525,88	365.574.856,57
D. Passive latente Steuern	572.654,87	2.171.799,40
	429.969.707,93	509.436.693,86

Takenaka Europe GmbH, Düsseldorf

Gewinn- und Verlustrechnung für die Zeit vom 1. Januar bis 31. Dezember 2020

	2020	2019
	EUR	EUR
1. Umsatzerlöse	438.050.332,33	241.500.417,77
2. Herstellungskosten der zur Erzielung der Umsatzerlöse erbrachten Leistungen	-406.794.408,63	-240.756.307,09
3. Bruttoergebnis vom Umsatz	31.255.923,70	744.110,68
4. Vertriebskosten	-518.851,18	-1.074.922,59
5. Allgemeine Verwaltungskosten	-20.846.848,60	-21.250.205,05
6. Sonstige betriebliche Erträge	11.921.825,14	5.810.179,30
7. Sonstige betriebliche Aufwendungen	-4.952.686,58	-2.895.996,40
8. Erträge aus Beteiligungen - sämtlich aus verbundenen Unternehmen	933.661,26	545.594,37
9. Erträge aus Ausleihungen des Finanzanlagevermögens - sämtlich aus verbundenen Unternehmen	129.284,52	65.500,00
10. Sonstige Zinsen und ähnliche Erträge	168.861,75	388.245,42
11. Abschreibungen auf Finanzanlagen	0,00	-6.758.828,43
12. Aufwendungen aus Verlustübernahme	-202.943,27	0,00
13. Zinsen und ähnliche Aufwendungen	-64.393,19	-16.484,25
14. Steuern vom Einkommen und vom Ertrag - davon aus Änderungen in latenten Steuern EUR 959.367,36 (i. Vj. EUR 737.550,50) -	-2.303.139,48	-4.024.071,27
15. Ergebnis nach Steuern	15.520.694,07	-28.466.878,22
16. Sonstige Steuern	-26.902,34	-31.107,68
17. Jahresüberschuss (i. Vj. Jahresfehlbetrag)	15.493.791,73	-28.497.985,90
18. Gewinnvortrag	69.894.211,90	98.392.197,80
19. Bilanzgewinn	85.388.003,63	69.894.211,90

Takenaka Europe GmbH, Düsseldorf

Anhang für das Geschäftsjahr 2020

(1) Allgemeine Angaben

Die Takenaka Europe GmbH mit Sitz in Düsseldorf ist in das Handelsregister Düsseldorf unter der Nummer HRB 4453 eingetragen.

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 2020 zugrunde liegenden Bilanzierungs- und Bewertungsmethoden wurden unverändert zum Vorjahr angewandt.

Für die Gewinn- und Verlustrechnung wird unverändert 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 800 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 zum beizulegenden Zeitwert 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 werden 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 Bewertung des **Kassenbestandes** und der **Guthaben bei Kreditinstituten** erfolgt zu Nennwerten.

Als **Rechnungsabgrenzungsposten** werden auf der Aktivseite Ausgaben vor dem Abschlussstichtag ausgewiesen, soweit sie Aufwand für eine bestimmte Zeit danach darstellen.

Das gezeichnete **Kapital** ist zum Nennbetrag angesetzt und voll eingezahlt.

Die **Steuer- und 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, 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 in Tschechien, Polen, Ungarn, Rumänien, Großbritannien und Serbien** 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. **Passive latente Steuern** auf abweichende Wertansätze in der Handels- und Steuerbilanz sind entsprechend § 274 Abs. 1 Satz 1 HGB passiviert worden

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

Anlagevermögen

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

Mit dem „Purchase and Sale Agreement“ vom 7. August 2020 wurde die Beteiligung in Höhe von 20 % an der TAK Capital Inc., New York, U.S.A. Inc., veräußert.

Die Beteiligung an Takenaka India Private Ltd., Gurgaon/Indien, wurde aufgrund von einer zusätzlichen Investition der obersten Muttergesellschaft, der Takenaka Corporation, Osaka/Japan in Japan mit Datum vom 2. Mai 2020 von 99,99 % auf 49,99 % geändert.

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	-	3.869	2.518	1.350	-
Deutschland	31,2	-	847	259	588	-
Slowakei	21,0	202	-	-	202	-
Niederlande	25,0	625	-	-	625	-
Ungarn	9,0	-	-	35	-	35
Rumänien	16,0	-	-	-	-	-
Tschechien	19,0	-	168	706	-	538
		827	4.885	3.518	2.765	573

Die aktiven latenten Steuern auf temporäre Differenzen mit insgesamt TEUR 2.765 betreffen im Wesentlichen abweichende Ansätze von Garantierückstellungen für steuerliche Zwecke.

Die passiven latenten Steuern mit insgesamt TEUR 573 betreffen hauptsächlich die Betriebsstätte in Tschechien für zukünftige Steuerbelastungen eines noch laufenden Projektes.

Eigenkapital

Gemäß § 268 Abs. 8 HGB ist der Betrag der aktiven latenten Steuern abzüglich der passiven latenten Steuern in Höhe von insgesamt TEUR 2.192 zur Ausschüttung gesperrt. Dies gilt, soweit nicht in zumindest derselben Höhe jederzeit frei verfügbare Rücklagen zuzüglich eines Gewinnvortrags und abzüglich eines möglichen Verlustvortrags zur Verfügung stehen.

Steuerrückstellungen

Die Steuerrückstellungen betreffen Rückstellungen für Steuern vom Einkommen und vom Ertrag der rumänischen (TEUR 2.334), der deutschen (TEUR 200) sowie der belgischen (TEUR 4) Zweigniederlassung.

Sonstige Rückstellungen

Die sonstigen Rückstellungen in Höhe von TEUR 35.367 betreffen im Wesentlichen noch nicht berechnete Subunternehmerleistungen für abgeschlossene Projekte (TEUR 22.048) und Garantieleistungen (TEUR 11.211).

Umsatzerlöse

Die geographische Aufteilung der Umsatzerlöse stellt sich wie folgt dar:

Land	2020	2019
	TEUR	TEUR
Polen	144.459	50.550
Niederlande	93.865	6.702
Tschechische Republik	61.137	42.906
Rumänien	50.808	58
Frankreich	40.027	10.036
Slowakei	16.135	45.636
Ungarn	14.873	45.095
Belgien	6.272	1.160
Deutschland	5.803	17.860
Großbritannien	4.450	21.238
Spanien	142	259
Italien	79	0
Serbien	0	0
	438.050	241.500

Materialaufwand

Die Materialaufwendungen entsprechen den Herstellungskosten des Umsatzes und belaufen sich im Geschäftsjahr 2020 auf TEUR 406.794 (i. Vj. TEUR 240.756).

Die Materialaufwendungen betreffen ausschließlich Aufwendungen für bezogene Leistungen.

Personalaufwand

Die in den Vertriebs- und allgemeinen Verwaltungskosten enthaltenen Personalaufwendungen belaufen sich im Geschäftsjahr 2020 auf TEUR 11.881 (davon Löhne und Gehälter TEUR 10.550, soziale Abgaben TEUR 1.039 und Aufwendungen für Altersversorgung TEUR 292). Im Geschäftsjahr 2019 beliefen sich die Personalaufwendungen auf TEUR 11.119 (davon Löhne und Gehälter TEUR 10.132, soziale Abgaben TEUR 765 und Aufwendungen für Altersversorgung TEUR 222).

Periodenfremde Erträge

In den sonstigen betrieblichen Erträgen sind periodenfremde Erträge in Höhe von TEUR 6.240 (i. Vj. TEUR 5.738) enthalten, die im Wesentlichen aus der Auflösung von sonstigen Rückstellungen (TEUR 6.213) resultieren, davon insbesondere aus der Auflösung von Garantierückstellungen der slowakischen (TEUR 3.652), der deutschen (TEUR 1.679), der polnischen (TEUR 742) und der britischen (TEUR 140) Betriebsstätte.

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 betrieblichen 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 4.842 (i. Vj. TEUR 327) in den sonstigen betrieblichen Erträgen sowie Kursverluste in Höhe von TEUR 4.289 (i. Vj. TEUR 2.067) 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	2.580
Fällig innerhalb des zweiten bis zum fünften Jahr	2.679
Fällig nach fünf Jahren	311
	5.570

Anzahl Mitarbeiter

Im Geschäftsjahr 2020 betrug die durchschnittliche Anzahl der Mitarbeiter ohne Geschäftsführer 506 (i. Vj. 513). Davon waren durchschnittlich 93 Mitarbeiter in der deutschen Niederlassung und 413 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, Düsseldorf, Vorsitzender der Geschäftsführung
- Beom-Yong Sung, Kaufmann, Bad Homburg
- Shoichiro Shibuta, Kaufmann, Yokohama/Japan (bis 19. April 2021)
- Masato Nishiguchi, Kaufmann, Kashiwa-Shi/Japan (ab 19. April 2021)
- Itsutsu Murakami, Kaufmann, Düsseldorf (ab 8. September 2020)
- Takeshi Yanagi, Kaufmann, Düsseldorf (bis 24. September 2020)

Die Gesamtbezüge der Mitglieder der Geschäftsführung für 2020 betrugen TEUR 894.

Anteile an verbundenen Unternehmen

Zum Bilanzstichtag hält die Gesellschaft die folgenden Anteile an verbundenen Unternehmen:

Verbundenes Unternehmen	Anteil	Lokale Währung	Nennkapital	Eigenkapital zum 31.12.2020	Ergebnis 2020
	%		in lokaler Währung	in lokaler Währung	in lokaler Währung
Takenaka Belgium N.V., Maelen/Belgien	99,99	TEUR	62	116	-24
Takenaka Netherlands B.V., Amsterdam/Niederlande	100,00	TEUR	1.361	662	0
Takenaka India Private Ltd., Gurgaon-Haryana/Indien ¹	49,99	TINR	1.500.000	82.322	-440.701
TAK Realty UK Ltd., London/UK	39,02	TGBP	61.500	61.543	-36
TAK Realty NY Inc., NY/U.S.A.	16,67	TUSD	180.000	154.983	-19.345

Anteile an Beteiligungen

Zum Bilanzstichtag hält die Gesellschaft die folgenden Anteile an Beteiligungen:

Beteiligungen	Anteil	Lokale Währung	Nennkapital	Eigenkapital zum 31.12.2020	Ergebnis 2020
	%		in lokaler Währung	in lokaler Währung	in lokaler Währung
Neues Atrium Property GmbH, Düsseldorf/Deutschland ²	100	TEUR	1.000	2.996	0

Ergebnisverwendung

Die Geschäftsführung schlägt der Gesellschafterin vor, den Gewinnvortrag in Höhe von EUR 69.894.211,90 sowie den Jahresüberschuss in Höhe von EUR 15.493.791,73 auf neue Rechnung vorzutragen.

Konzernabschluss

Takenaka Europe GmbH, Düsseldorf, ist 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.

¹ Angaben basieren auf dem Abschluss für den Zeitraum vom 1. April 2020 bis 31. März 2021.

² Mit Vertrag vom 1. August 2019 wurde zwischen der Neues Atrium Property GmbH und der Takenaka Europe GmbH als herrschendem Unternehmen ein Beherrschungs- und Gewinnabführungsvertrag abgeschlossen. Die Eintragung in das Handelsregister erfolgte am 30. Juni 2020.

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

Der befreiende Abschluss der Obergesellschaft Takenaka Corporation, Osaka/Japan, gemäß § 292 HGB wird auf Basis von „International Financial Reporting Standards“ (IFRS/IAS) erstellt. Dabei kommen im Wesentlichen folgende vom deutschen Recht abweichende Bilanzierungs- sowie Bewertungsmethoden zur Anwendung:

Auf Basis der sogenannten „Percentage of Completion Method“ wird dem Grad der Fertigstellung bei der Abarbeitung größerer Aufträge Rechnung getragen. Die Anwendung führt aufgrund abweichender Kriterien gegenüber der Anwendung der „Completed Contract Method“ im Einklang mit den handelsrechtlichen Vorschriften tendenziell zur früheren Umsatz- und Ergebnisrealisation und zwar unabhängig von der tatsächlichen Abrechnung gegenüber dem Kunden. 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 Konzernabschluss der obersten Muttergesellschaft enthalten sein. Dieser Konzernabschluss wird in Deutschland offengelegt.

Vorgänge von besonderer Bedeutung nach Beendigung des Geschäftsjahres

Mit dem „Share sale and purchase Agreement“ vom 22. April 2021 hat die Takenaka Europe GmbH die ausstehenden 0,01 % der Anteile an der Takenaka Belgium B.V. für 8,00 EUR übernommen. Mit Gesellschaftsbeschluss vom 14. Juni 2021 wurde die Liquidierung der Gesellschaft beschlossen. Die Eintragung der Löschung in das Register erfolgte per 18. Juni 2021.

Seit 2019 breitete sich das Coronavirus weltweit weiter aus (Coronavirus-Epidemie) und hat in 2020 zu erheblichen wirtschaftlichen Auswirkungen weltweit geführt. Eine weitere Ausbruchswelle von COVID-19 könnte zu einer Anpassung der aktuellen Planung für die verbleibenden Monate des Geschäftsjahres 2021 führen.

Weitere Vorgänge von besonderer Bedeutung, die nach dem Ende des Geschäftsjahres eingetreten sind, haben sich nicht ereignet.

Düsseldorf, den 17. November 2021

Takenaka Europe GmbH

Masayuki Takinami

Masato Nishiguchi

Beom-Yong Sung

Itsutsu Murakami

Takenaka Europe GmbH, Düsseldorf

Entwicklung des Anlagevermögens im Geschäftsjahr 2020

	1.1.2020 EUR	Fremd- währungs- anpassung EUR	Anschaffungskosten		Um- buchungen EUR	31.12.2020 EUR
			Zugänge EUR	Abgänge EUR		
I. Immaterielle Vermögens- gegenstände						
Entgeltlich erworbene						
EDV-Software	1.844.312,71	-25.691,53	37.808,28	74.055,28	0,00	1.782.374,18
II. Sachanlagen						
1. Bauten einschließlich Mietereinbauten	381.368,75	-1.428,01	351.883,78	80.748,04	161.872,37	812.948,85
2. Andere Anlagen, Betriebs- und Geschäfts- ausstattung	4.181.027,11	-99.655,43	485.129,61	249.343,82	22.034,87	4.339.192,34
3. Geleistete Anzahlungen und Anlagen im Bau	183.907,24	0,00	0,00	0,00	-183.907,24	0,00
	<u>4.746.303,10</u>	<u>-101.083,44</u>	<u>837.013,39</u>	<u>330.091,86</u>	<u>0,00</u>	<u>5.152.141,19</u>
III. Finanzanlagen						
1. Anteile an verbundenen Unternehmen	46.620.702,27	0,00	0,00	0,00	0,00	46.620.702,27
2. Sonstige Ausleihungen an verbundene Unternehmen	26.200.000,00	0,00	0,00	1.497.142,86	0,00	24.702.857,14
3. Beteiligungen	49.090.023,74	0,00	0,00	22.655.977,69	0,00	26.434.046,05
	<u>121.910.726,01</u>	<u>0,00</u>	<u>0,00</u>	<u>24.153.120,55</u>	<u>0,00</u>	<u>97.757.605,46</u>
	<u>128.501.341,82</u>	<u>-126.774,97</u>	<u>874.821,67</u>	<u>24.557.267,69</u>	<u>0,00</u>	<u>104.692.120,83</u>

1.1.2020	Kumulierte Abschreibungen				Buchwerte		
	Fremd- währungs- anpassung	Ab- schreibungen	Abgänge	Um- buchungen	31.12.2020	31.12.2020	31.12.2019
EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<u>1.720.281,21</u>	<u>-24.938,14</u>	<u>92.061,69</u>	<u>62.564,49</u>	<u>2.296,00</u>	<u>1.727.136,27</u>	<u>55.237,91</u>	<u>124.031,50</u>
165.204,23	-1.970,19	88.881,89	80.748,04	-19.027,00	152.340,89	660.607,96	216.164,52
3.344.428,87	-85.733,64	375.052,63	249.518,57	16.731,00	3.400.960,29	938.232,05	836.598,24
0,00	0,00	0,00	0,00	0,00	0,00		183.907,24
<u>3.509.633,10</u>	<u>-87.703,83</u>	<u>463.934,52</u>	<u>330.266,61</u>	<u>-2.296,00</u>	<u>3.553.301,18</u>	<u>1.598.840,01</u>	<u>1.236.670,00</u>
15.663.888,69	0,00	0,00	0,00	0,00	15.663.888,69	30.956.813,58	30.956.813,58
0,00	0,00	0,00	0,00		0,00	24.702.857,14	26.200.000,00
0,00	0,00	0,00	0,00		0,00	26.434.046,05	49.090.023,74
<u>15.663.888,69</u>	<u>0,00</u>	<u>0,00</u>	<u>0,00</u>	<u>0,00</u>	<u>15.663.888,69</u>	<u>82.093.716,77</u>	<u>106.246.837,32</u>
<u>20.893.803,00</u>	<u>-112.641,97</u>	<u>555.996,21</u>	<u>392.831,10</u>	<u>0,00</u>	<u>20.944.326,14</u>	<u>83.747.794,69</u>	<u>107.607.538,82</u>

Takenaka Europe GmbH, Düsseldorf

Lagebericht für das Geschäftsjahr 2020

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, Tschechien, Slowakei, Polen, Ungarn, Frankreich, Rumänien und Großbritannien. In 2020 wurde eine weitere Niederlassung in Serbien eröffnet.

Die Takenaka Europe GmbH ist an folgenden Tochterunternehmen zum Bilanzstichtag 31. Dezember 2020 beteiligt:

- Takenaka India Private Ltd. (49,99%ige Beteiligung) ¹,
- Takenaka Belgium N.V. (99,99%ige Beteiligung),
- Takenaka Netherlands B.V. (100%ige Beteiligung),
- TAK Realty UK Ltd. (39,02%ige Beteiligung),
- TAK Realty NY Inc. (16,67%ige Beteiligung),
- Neues Atrium Property GmbH (100%ige Beteiligung).

¹ Takenaka India hat aufgrund zusätzlicher Investitionen des Headquarters in Japan mit Datum vom 02.05.2020 die Investitionen von 99,99 % auf 49,99 % geändert.

B. Wirtschaftsbericht

1. Gesamtwirtschaftliche und branchenbezogene Rahmenbedingungen

Die Geschäftstätigkeit des Unternehmens ist direkt beeinflusst durch die Entwicklung der Märkte in Deutschland und Europa. Zudem wird unsere Unternehmenstätigkeit von unseren Beteiligungen in den USA und unserer Tochtergesellschaft in Indien durch die Entwicklung dieser Märkte beeinflusst.

Das Jahr 2020 wurde durch die weltweite Corona-Pandemie beeinflusst, die die Weltwirtschaft in eine Rezession geführt hat. Der steile Erholungspfad der globalen Konjunktur nach dem historischen Einbruch im zweiten Quartal 2020 ist trotz der weltweit verhängten Lockdowns zum Ende des Jahres nur wenig abgeflacht. Zum Schlussquartal 2020 trat allerdings aufgrund vielerorts erneut verhängter Shutdowns eine differenziertere Entwicklung ein. Während die Wirtschaftsleistung im Euroraum wieder rückläufig war (- 0,7 Prozent) ging die Aufholjagd in den Vereinigten Staaten (+1,0 Prozent) und China (+2,6 Prozent) weiter.

Weltweit ist das BIP im Jahr 2020 um rund 3,4 Prozent eingebrochen. Im Euro Raum beträgt die Abschwächung sogar 6,6 Prozent, während China ein Wirtschaftswachstum von rund 2,3 Prozent vorweisen kann. Der Start ins Jahr 2021 fällt vor diesem Hintergrund unterschiedlich aus. Während insbesondere für die Vereinigten Staaten und China zuletzt sogar Wachstumsprognosen angehoben wurden, ist die wirtschaftliche Aktivität vor allem in Europa weiterhin von Maßnahmen zur Pandemiebekämpfung eingeschränkt.

Der Internationale Währungsfonds (IWF) geht in seiner aktualisierten Prognose vom Juli 2021 davon aus, dass die globale Wirtschaftsleistung im Gesamtjahr 2021 preis- und kaufkraftbereinigt um 5,9 Prozent zunehmen wird, im Folgejahr werden 4,9 Prozent Wachstum erwartet². Der IWF hat allerdings zwei Szenarien berechnet, um die Risiken und Chancen im aktuellen Umfeld besser zu quantifizieren. Im Chancen-Szenario kommt die Entwicklung und Verfügbarkeit der Impfstoffe gerade in den Industriestaaten schneller voran als erwartet. Somit könnte das globale Wachstum drei Viertel Prozentpunkte höher ausfallen als im Basisszenario prognostiziert. In einem Risiko Szenario mit einer geringen Verfügbarkeit, Wirksamkeit oder mangelnden Akzeptanz des Wirkstoffs dürfte das globale Wachstum um drei Viertel Prozentpunkte geringer ausfallen.

Deutschland:

Die deutsche Wirtschaft ist nach einer zehnjährigen Wachstumsphase im Corona-Krisenjahr 2020 in eine tiefe Rezession geraten. Das hat das Statistische Bundesamt mitgeteilt. Im Jahr 2020 betrug das Bruttoinlandsprodukt Deutschlands rund 3,37 Billionen Euro.³ Preisbereinigt ging das deutsche Bruttoinlandsprodukt gegenüber dem Vorjahr um 4,6 Prozent zurück. Grund für den starken Einbruch 2020 sind die Auswirkungen der Corona-Krise und der damit einhergehende Shutdown der Wirtschaft.

² Siehe <https://www.handelsblatt.com/politik/konjunktur/nachrichten/world-economic-outlook-ifu-revidiert-wachstumsprognose-und-warnt-vor-inflationsspirale/27699100.html?ticket=ST-3658467-z9xvxxlr1GieJ9daBtW-cas01.example.org>

³ Siehe „Statista Research Department.“

Die Corona-Pandemie hinterließ im Jahr 2020 deutliche Spuren in nahezu allen Wirtschaftsbereichen. Die Produktion wurde sowohl in den Dienstleistungsbereichen als auch im Produzierenden Gewerbe teilweise massiv eingeschränkt.

Im Produzierenden Gewerbe ohne Bau, das gut ein Viertel der Gesamtwirtschaft ausmacht, ging die preisbereinigte Wirtschaftsleistung gegenüber 2019 um 9,7 Prozent zurück, im Verarbeitenden Gewerbe sogar um 10,4 Prozent. Die Industrie war vor allem in der ersten Jahreshälfte von den Folgen der Corona-Pandemie betroffen, unter anderem durch die zeitweise gestörten globalen Lieferketten.

Besonders deutlich zeigte sich der konjunkturelle Einbruch in den Dienstleistungsbereichen, die zum Teil so starke Rückgänge wie noch nie verzeichneten. Ein Bereich, der sich in der Krise allerdings behaupten konnte, war das Baugewerbe: Die preisbereinigte Bruttowertschöpfung nahm hier im Vorjahresvergleich sogar um 1,4 Prozent zu. Hierbei zahlte sich aus, dass die Baubranche mit außerordentlich hohen Auftragsbeständen in das Jahr 2020 gestartet ist. Außerdem hat die Bauwirtschaft keinen Shutdown auf den Baustellen erlebt; trotz Personaleinschränkungen und einiger unterbrochener Lieferketten bei Baumaterial lief die Arbeit auf den Baustellen weiter.

Europa:

Die gesamte Marktkapitalisierung der weltweit 30 größten Bauunternehmen lag Ende 2020 bei rund 422 Milliarden USD und war damit um insgesamt 6,9 Prozent geringer als 2019 – eine Folge der aus der Corona-Pandemie resultierenden Unsicherheiten. Die finanzielle Performance der Top 30 Bauunternehmen im Jahr 2020 war allerdings uneinheitlich, da die Corona-Krise nicht alle Sektoren und Länder, in denen diese Unternehmen tätig sind, in gleichem Maße betroffen hat. Für die europäischen Unternehmen stehen im Mittel -7 Prozent zu Buche.

Die fast überall vorliegenden negativen Wachstumsraten der Bauwirtschaft in den Euro-construct-Ländern im Jahr 2020 sollten nicht darüber hinwegtäuschen, dass die Erholungspfade sehr unterschiedlich sind. Besonders deutlich wurde dies im Fall von Irland, Ungarn, der Slowakei, Spanien und Frankreich, die 2020 sehr hohe Rückgänge in der gesamten Bauproduktion hinnehmen mussten und diese wohl nur teilweise kompensieren können. Speziell Irland und Ungarn müssen sogar weitere Rückgänge im Jahr 2021 erwarten. Umgekehrt ist die Situation in Portugal und den nordeuropäischen Ländern (Dänemark, Finnland, Schweden und Norwegen): Nach sehr robusten Ergebnissen 2020 dürfte es 2021 zu einer Fortsetzung der positiven Entwicklung im Jahr 2021 kommen.

Im Zuge der weltweiten Erholung von Corona wird erwartet, dass das Bauvolumen bis 2023 weltweit um durchschnittlich 3,2 Prozent steigen wird. Aktuelle Schätzungen gehen davon aus, dass der Wert der weltweiten Bauproduktion von 11,6 Billionen US-Dollar im Jahr 2020 auf rund 14,8 Billionen US-Dollar im Jahr 2030 ansteigen wird.

Indien:

Im Jahr 2020 betrug die Veränderung des realen Bruttoinlandsprodukts in Indien rund -8 Prozent gegenüber dem Vorjahr. Direkt zu Beginn des laufenden Finanzjahres 2021/22 (1. April bis 31. März) wurde Indien von einer verheerenden zweiten Infektionswelle im Zuge der Corona Pandemie erschüttert. Ein landesweit einheitlicher und extrem harter Lockdown wie noch im Frühjahr 2020 blieb jedoch aus. Für das Jahr 2021 wurde das Wachstum des realen Bruttoinlandsprodukts in Indien auf rund 12,55 Prozent gegenüber dem Vorjahr prognostiziert. Die Volkswirte haben ihre Wachstumsprognosen nun aufgrund der zweiten Infektionswelle angepasst - meist auf Werte zwischen 9 und 10 Prozent. Die Weltbank erwartet eine Zunahme des Bruttoinlandsproduktes (BIP) um 10,1 Prozent.

USA:

Mit einem Bruttoinlandsprodukt von 18,3 Billionen Euro sind die USA die mit Abstand die größte Volkswirtschaft der Welt. Es folgt China auf dem 2. Platz mit einem BIP von immerhin noch 12,9 Bio Euro. Deutschland liegt im internationalen Vergleich ebenfalls sehr weit vorne und konnte in diesem Ranking für das Jahr 2020 den 4. Rang belegen.

Die US-Wirtschaft hat 2020 das schwärzeste Jahr seit 1946 erlebt und zuletzt bei der konjunkturellen Erholung Tempo verloren. Im Gesamtjahr 2020 ist das BIP um 3,5 Prozent geschrumpft - das erste Minus seit der Rezession in der globalen Krise von 2007 bis 2009. Mit einem 1,9 Billionen Dollar schweren Konjunkturpaket will die neue Regierung die Wirtschaft anschieben.

Dies schlägt sich in einer deutlichen Anhebung der Wachstumsprognose für die USA durch den Internationale Währungsfonds (IWF) im Juli 2021 auf 7,0 Prozent nieder. Im April 2021 war der IWF noch von einem Wirtschaftswachstum von 4,6 Prozent ausgegangen. Die Prognose für das Wachstum der Wirtschaftsleistung (BIP) in 2022 hob der IWF von 3,5 Prozent auf 4,9 Prozent an.

2. Geschäftsverlauf

2.1 Ertragslage

Das Unternehmen verzeichnete eine Erhöhung der Umsatzerlöse um EUR 196,5 Mio auf EUR 438,0 Mio und des Jahresergebnisses um EUR 44,0 Mio auf EUR 15,5 Mio. Wesentlicher Grund für die Erhöhung der Umsatzerlöse und der Gewinnmarge (Umsatzerlöse minus Herstellungskosten/Umsatzerlöse) ist die in 2020 erfolgte Fertigstellung einiger Großprojekte, die im Vorjahr nicht realisiert werden konnten. Daneben ist das Ergebnis durch die Auflösung von Rückstellungen für in Vorjahren abgeschlossene Projekte mit EUR 6,2 Mio positiv beeinflusst.

Während des Geschäftsjahres 2020 wurden folgende große Projekte fertiggestellt:

- Sekisui NL Geleen Execution ER-300 (Niederlande)
- Daimler New Factory (Polen)
- Makita EU Romania Factory Extention Ph4 (Rumänien)
- KUBOTA R&D Center (Frankreich)
- MARS New Factory (Polen)
- MEAC New Production & Warehouse (Tschechien)
- Donaldson Poland Factory Extension (Polen)
- MUBEA PST (Tschechien)
- TMMP-W-2019-Modification (Polen)
- Amazon Project (Slowakei)

Die Rohmarge (Bruttoergebnis vom Umsatz im Verhältnis zu den Umsatzerlösen) stieg um 3,2 % Punkte im Vergleich zum Vorjahr auf 3,5 %.

Die Vertriebs- und allgemeinen Verwaltungskosten verringerten sich um TEUR 959 auf TEUR 21.366 (i.V. TEUR 22.325). Dies ist insbesondere durch eine Reduktion der Reise und Bewirtungskosten durch die Corona-Pandemie verursacht.

Die sonstigen betrieblichen Erträge erhöhten sich um TEUR 6.112 auf TEUR 11.922, im Wesentlichen bedingt durch die Auflösung von sonstigen Rückstellungen und im Vergleich zum Vorjahr höhere Wechselkursgewinne.

Die sonstigen betrieblichen Aufwendungen erhöhten sich um TEUR 2.057 auf TEUR 4.953 im Wesentlichen durch höhere Wechselkursverluste.

Mit Eintragung vom 30. Juni 2020 wurde der mit der „Neues Atrium Property GmbH“ abgeschlossene Beherrschungs- und Gewinnabführungsvertrag wirksam. Aus diesem Vertrag wurde in 2020 erstmals ein Verlust von TEUR 203 übernommen.

Unter Berücksichtigung der Steuern vom Einkommen und vom Ertrag in Höhe von TEUR 2.303 sowie der sonstigen Steuern in Höhe von TEUR 27 wurde ein Jahresüberschuss von TEUR 15.494 erzielt.

2.2 Vermögens- und Finanzlage

Die Bilanzsumme beläuft sich am Ende des Geschäftsjahres 2020 auf TEUR 429.970 (2019: TEUR 509.437).

Die Reduktion der Bilanzsumme um TEUR 79.467 wird auf der Aktivseite im Wesentlichen durch die Verringerung des Bestandes unfertiger Leistungen um TEUR 91.828 verursacht. Auf der Passivseite betrifft die Verringerung im Wesentlichen die erhaltenen Anzahlungen, die um TEUR 78.564 gefallen sind, sowie die sonstigen Rückstellungen, die um TEUR 14.912 verringert sind.

Die Eigenkapitalquote (Eigenkapital im Verhältnis zur Bilanzsumme) erhöhte sich von 17,8 % zum 31. Dezember 2019 auf 24,6 % zum 31. Dezember 2020 aufgrund des Jahresüberschusses von TEUR 15.494 in 2020 sowie der gefallen Bilanzsumme. Die Eigenkapitalrentabilität (Jahresergebnis im Verhältnis zum Eigenkapital des Vorjahres) beträgt 17,1 % (i. Vj. -24,0 %).

Takenaka India Private Ltd., Gurgaon, Haryana/Indien (49,99%ige Beteiligung) erwirtschaftete in deren letzten Jahresabschluss per 31. März 2021 einen Fehlbetrag in Höhe von TINR - 440.701 (i. Vj. 31. März 2020 einen Fehlbetrag in Höhe von TINR -368.369). Die Beteiligung an Takenaka India wurde aufgrund einer zusätzlichen Investition der obersten Muttergesellschaft, der Takenaka Corp., Osaka/Japan, in Japan mit Datum vom 2. Mai 2020 von 99,99 % auf 49,99 % geändert.

TAK Realty UK Ltd., London/UK (39,02%ige Beteiligung) erzielte im Geschäftsjahr 2020 einen Verlust von TGBP -36 (i. Vj. Gewinn von TGBP 1.255). Am 24. März 2020 wurde eine Dividende in Höhe von TGBP 468 an die Takenaka Europe GmbH ausgezahlt.

TAK Realty NY INC, NY/U.S.A. (16,67%ige Beteiligung) erzielte im Geschäftsjahr 2020 einen Verlust von TUSD -19.345 (i. Vj. Jahresfehlbetrag von TUSD - 2.878).

Takenaka Belgium N.V., Machelen/Belgien (99,99%ige Beteiligung) erzielte in 2020 einen Verlust in Höhe von TEUR -24 (i. Vj. Jahresfehlbetrag von TEUR -32).

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

TAK CAPITAL USA INC, City of Wilmington/U.S.A. wurde mit Wirkung zum 18.08.2020 veräußert. Aus der Veräußerung entstand ein Fremdwährungsverlust von TEUR 975. Mit Datum vom 6. März 2020 wurde noch eine Dividende von TUSD 430 an die Takenaka Europe GmbH ausgezahlt.

Neues Atrium Property GmbH, Düsseldorf (100%ige Beteiligung) erwirtschaftete in 2020 einen Verlust in Höhe von TEUR 203, der aufgrund des bestehenden Beherrschungs- und Gewinnabführungsvertrag von der Gesellschaft übernommen wurde.

Verglichen mit der Prognose des Jahresabschlusses und Lagebericht 2019 für das Geschäftsjahr 2020 konnten die Ziele des Unternehmens in Bezug auf den Umsatz (EUR 350-400 Mio) und den positiven Jahresüberschuss übertroffen werden. Dies ist einerseits darauf zurückzuführen, dass einige Großprojekte, bereits in 2020 fertiggestellt und final abgerechnet werden konnten. Andererseits ist das positive Jahresergebnis 2020 durch die Auflösung von Rückstellungen für in Vorjahren abgeschlossene Projekte wesentlich beeinflusst.

Zum Zeitpunkt der Aufstellung des Jahresabschlusses sieht die Geschäftsführung die Lage der Gesellschaft als gut an.

3. Finanzielle und nichtfinanzielle Leistungsindikatoren

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

Der wesentliche nicht-finanzielle Faktor 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. Prognose-, Chancen- und Risikobericht

1. Prognosebericht

Die europäische Bauwirtschaft erholt sich in 2021 schneller als ursprünglich erwartet, und man geht davon aus, dass ein Großteil der durch die Corona-Pandemie entstandenen Verluste bis 2021 wieder ausgeglichen sein wird. Jüngsten Schätzungen zufolge wird das Bauvolumen im Euroconstruct-Gebiet im Jahr 2021 um 3,8 Prozent wachsen, nach einem Einbruch von 5,1 Prozent im Jahr 2020.⁴ Im Vergleich zu den bisherigen Prognosen fiel der Rückgang 2020 geringer aus als erwartet, so dass spätestens 2022 wieder das Vorkrisenniveau erreicht werden könnte. Vor dem Hintergrund deutlich günstigerer wirtschaftlicher Bedingungen in den 19 Euroconstruct-Ländern profitiert auch die Bauwirtschaft von einer insgesamt raschen wirtschaftlichen Erholung.

Anders als in den vergangenen Jahren wird das Baugewerbe jedoch ab 2022 eine geringere Wachstumsdynamik aufweisen als die Gesamtwirtschaft: Während die Wachstumsraten des Baugewerbes in den Jahren 2022 und 2023 bei 3 Prozent bzw. 2,1 Prozent liegen werden, wird die Wirtschaft im Euroconstruct-Gebiet um 4,4 Prozent bzw. 2,0 Prozent wachsen.

Aktuell kommt als Problem der starke Anstieg vieler Baumaterialpreise hinzu. Produkte aus Holz, Metall oder auf Erdölbasis haben sich seit Jahresbeginn 2021 deutlich verteuert, teilweise steht nicht genügend Baumaterial zur Verfügung. So berichteten im Rahmen des ifo Konjunkturtests im Juni 2021 46 % der befragten Baufirmen über eine Behinderung der Produktion durch Materialknappheit, nachdem es im März 2021 nur 4,4 % waren. Es dürfte auch problematisch sein, bei Bestandsverträgen diese Preissteigerungen beim Baumaterial komplett an die Kunden weiterzureichen.⁵

⁴ Siehe <https://www.baulinks.de/webplugin/2021> - Euroconstruct erwartet kräftigen Aufschwung im europäischen Baugewerbe

⁵ Siehe " Baukonjunkturelle Lage: Bauindustrie: Materialmangel behindert Bauproduktion"

Die Takenaka Europe GmbH besitzt einen aktuellen Auftragsbestand für das Geschäftsjahr 2021 von rd. EUR 571 Mio. Aufgrund der in 2021 erwarteten Fertigstellung von Projekten rechnet Takenaka mit einem im Vergleich zum Vorjahr gleichen Umsatzvolumen von rd. EUR 400-450 Mio. Darauf basierend erwartet Takenaka einen deutlich positiveren Jahresüberschuss für das Geschäftsjahr 2021 im Vergleich zu 2020. Die größten laufenden Projekte 2021 sind Toyo Tire new Factory in Serbien, deren Abnahme vom Kunden allerdings erst in 2022 geplant ist, sowie die Projekte TORAY BSF Factory Main Construction works in Ungarn und Hirotec New Factory in Deutschland, deren Fertigstellung für 2021 vorgesehen ist. Mögliche Auswirkungen auf die Prognose der Gesellschaft aufgrund einer erneuten Ausbruchswelle von Covid werden im Moment als nicht gravierend betrachtet.

2. Chancen- und Risikobericht

Die Gesellschaft ist das Risikomanagementsystem der Gruppe eingebunden.

Für das Unternehmen haben sich insgesamt keine größeren Auswirkungen der „Coronakrise“ gezeigt. Es wurde in 2019 eine „Task Force“ gegründet, um alle Informationen zu sammeln, die sich auf unser Geschäft und unsere Organisation auswirken können. Auswirkungen sind Reduzierung des Fortschritts für mehrere Projekte und Erhöhung der erwarteten Kosten für einen längeren Zeitplan. Lieferanten und Einkäufe, physische Logistik, Lagerbestand, Kunden, Nachfrage und Verkauf, Verträge (einschließlich rechtlicher Risiken) hatten keinen großen Einfluss für die Ausführung von Projekten, jedoch aber einige Auswirkungen auf potenzielle Projekte.

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.

Die wesentlichsten Risiken sind projektbezogene Risiken, wie Verzögerungen bei der Erstellung der Bauprojekte, steigende Material- und Subunternehmerkosten bei schlüsselfertigen Projekten sowie Qualitätsmängel in der Bauausführung oder dem Design. Diese werden kontinuierlich überwacht und kontrolliert, und bei Bedarf werden geeignete Gegenmaßnahmen ergriffen.

Das Unternehmen ist derzeit in dreizehn Ländern mit zwölf 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 wahrgenommen zu werden, weitet das Unternehmen neben der Fortführung der laufenden Tätigkeit konsequent seine Aktivitäten in ganz Europa aus.

Es besteht weiterhin 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 über einen Wettbewerbsvorteil verfügt, und erwartet dadurch eine Stärkung seiner Marktposition. Insgesamt schätzt das Unternehmen die Chancen höher ein als die Risiken.

Düsseldorf, den 17. November 2021

Takenaka Europe GmbH

Masayuki Takinami

Masato Nishiguchi

Beom-Yong Sung

Itsutsu Murakami

Appendix 5

Bestätigungsvermerk des unabhängigen Abschlussprüfers

**Der qualifiziert elektronisch
signierte Bestätigungsvermerk
ist als Anlage (im Dateiformat)
diesem Bericht beigelegt.**

Appendix 6

General Engagement Terms

General Engagement Terms

for

Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften

[German Public Auditors and Public Audit Firms]

as of January 1, 2017

1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (*Wirtschaftsprüfer*) or German Public Audit Firms (*Wirtschaftsprüfungsgesellschaften*) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties.

2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (*Grundsätze ordnungsmäßiger Berufsausübung*). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (*betriebswirtschaftliche Prüfungen*), the consideration of foreign law requires an express written agreement.

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information provided as well as the explanations and statements, in a written statement drafted by the German Public Auditor.

4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in writing as part of the work in executing the engagement, only that written work is authoritative. Drafts are non-binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. Statements and information of the German Public Auditor outside of the engagement are always non-binding.

6. Distribution of a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's written consent, unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for the rectification of deficiencies in writing (*Textform*) [Translators Note: The German term "*Textform*" means in written form, but without requiring a signature] without delay. Claims pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: *Handelsgesetzbuch*], § 43 WPO [German Law regulating the Profession of Wirtschaftsprüfer: *Wirtschaftsprüferordnung*], § 203 StGB [German Criminal Code: *Strafgesetzbuch*]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, the liability of the German Public Auditor for claims for damages of any other kind, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: *Produkthaftungsgesetz*], for an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

(3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.

(4) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(5) An individual case of damages within the meaning of paragraph 2 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 regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(6) A claim for damages expires if a suit is not filed within six months subsequent to the written refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scier, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report, he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's written consent and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing, ongoing tax advice encompasses the following work during the contract period:

- a) preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party
- b) examination of tax assessments in relation to the taxes referred to in (a)
- c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
- d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)
- e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing.

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (*Steuerberatungsvergütungsverordnung*) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (*Textform*).

(6) Work relating to special individual issues for income tax, corporate tax, business tax, valuation assessments for property units, wealth tax, as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

- a) work on non-recurring tax matters, e.g. in the field of estate tax, capital transactions tax, and real estate sales tax;
- b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;
- c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and
- d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (*Textform*) accordingly.

13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (*Verbraucherschlichtungsstelle*) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (*Verbraucherstreitbeilegungsgesetz*).

15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.