001760 / 80

In accordance with Regulation 32 of the Overseas Companies Regulations 2009.

OS AA01

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

Companies House

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

✗ **What this form is NO[T for]**
You cannot use this fo[rm to register] an alteration of manne[r of compliance] with accounting requi[rements].

TUESDAY

A95EM8M3
A22 19/05/2020 #76
COMPANIES HOUSE

Part 1 Corporate company name

Corporate name of overseas company ❶: FC032145
TOSHIBA EUROPE GMBH

UK establishment number: B R 0 1 7 2 1 5

→ **Filling in this form**
Please complete in typescript or in bold black capitals.
All fields are mandatory unless specified or indicated by *

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

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

A1 Legislation

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

Legislation ❷: GERMAN

❷ This means the relevant rules or legislation which regulates the preparation and, if applicable, the audit of accounts.

A2 Accounting principles

Accounts: Have the accounts been prepared in accordance with a set of generally accepted accounting principles?
Please tick the appropriate box.

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

Name of organisation or body ❸: GERMAN GAAP (HGB, HANDELSGESETZBUCH)

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

A3 Accounts

Accounts: Have the accounts been audited? Please tick the appropriate box.

☐ **No.** Go to **Section A5.**
☒ **Yes.** Go to **Section A4.**

OS AA01

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

A4 Audited accounts

Audited accounts

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

Please tick the appropriate box.

☐ No. Go to **Part 3 'Signature'**.

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

Name of organisation or body ❶

GERMAN GAAS (IDW PRÜFUNGSSTANDARD)

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

A5 Unaudited accounts

Unaudited accounts

Is the company required to have its accounts audited?

Please tick the appropriate box.

☐ No.

☒ Yes.

Part 3 Signature

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

Signature

Signature

X X

DIRK NOLKOSKE, CFO

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

OS AA01

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

Presenter information

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.

Contact name	JUERGEN SCHULZ
Company name	WTS TAX ADVISORY
Address	PETER-MÜLLER-STR. 18
Post town	DUSSELDORF
County/Region	
Postcode	40468
Country	GERMANY
DX	
Telephone	

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☑ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☑ You have completed all sections of the form, if appropriate.
- ☑ You have signed the form.

Important information

Please note that all this information will appear on the public record.

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DX ED235 Edinburgh 1
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Short-Form Audit Report

Toshiba Europe GmbH
Neuss

Annual Financial Statements for the Period Ending March 31, 2019
and the Management Report for Financial Year 2018/19

INDEPENDENT AUDITOR'S REPORT

[Translation - the German text is authoritative]

I HEREBY CERTIFY THAT THIS IS
A TRUE AND ACCURATE TRANSLATION
OF THE ORIGINAL DOCUMENT

NEUSS 5.5.2020

[illegible], CFO

pwc

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Toshiba Europe GmbH, Neuss

Management Report for Financial Year 2018/19

1. Fundamentals of the Company

Toshiba Europe GmbH ("TEG") is a sales company of the globally operating Toshiba Group. The Group is divided into the following segments:

- Energy Systems & Solutions
- Infrastructure Systems & Solutions
- Electronic Devices & Storage
- Digital Solutions
- Others

TEG belongs to the segment "Others", generating its sales revenues largely from the following business units:

- Personal Computers
- Visual Products
- Industrial Camera Systems
- Electronic System Operations
- Common Service Group

Until September 30, 2018, our activities focused on the sale of notebooks ("Personal Computers" unit). This business unit was transferred within the framework of an asset deal as of September 30, 2018 to Dynabook Europe GmbH ("Dynabook" - formerly: Toshiba Client Solutions Europe GmbH).

The business units "Visual Products" (distribution of signage displays and hotel-TVs) and "Industrial Camera Systems" (distribution of camera systems for medical applications) were terminated as of December 31, 2018 and March 31, 2019, respectively.

The business unit "Electronic Systems Operation" distributes money counting and letter sorting machines.

The offered products are/were mainly produced in Asia and purchased within the Group. The products are mainly sold to distribution partners.

Transfer price agreements, providing for an appropriate profit distribution in accordance with individual trade levels customary in the market, were concluded with companies to which significant purchase relations exist. These agreements are based on benchmark studies and risk-function profiles.

The unit "Common Service Group" primarily offers services for the benefit of other Toshiba-companies and Dynabook.

As of the balance sheet date, TEG is represented, in addition to its main headquarters in Neuss and a branch in Regensburg, by sales branches in Spain, the Netherlands, the UK, France, Belgium, Austria, Portugal, Italy as well as Poland. The only branches still having employees are those in France, the UK and Regensburg.

TEG, as a sales company, does not perform any research and development activities.

2. Economic Report

a) Macro-economic environment

The economic growth in Europe during the year under review was slightly below the respective prior year level. In the European Union (EU 28), economic output grew by 2% (prior year 2.5%) in 2018. The government deficit amounted to 0.6% (prior year government surplus of 1.2%) of the gross domestic product.

In 2018, the German economy reported a growth of 1.5% and thus grew for the ninth year in succession. This growth was mostly driven by private and public consumption. However, growth was considerably below that of the last three years.

According to publications of the market research institutes, the global PC market mostly stagnated in 2018 on a low level. The sales development varied across different regions and market segments. All in all, however, the contraction which had been observed in the past years has seemed to slow down.

b) Course of Business

The financial year 2018/19 was mostly characterized by the sale of the business unit "Personal Computers" as well as the termination of the two business units "Visual Products" and "Industrial Camera Systems".

By agreement and with effect as of September 30, 2018, TEG disposed of all assets, debts and agreements of the Personal Computers-business within the framework of a so-called asset deal to Toshiba Client Solutions Europe GmbH (in the following renamed Dynabook Europe GmbH), Neuss. The sales price amounted to EUR 27.2 million.

Based on the agreement, TEG transferred the following assets and debts to Dynabook:

	EUR million
Assets	
Fixed assets	0,3
Inventories	8,1
Receivables and other assets	23,9
Transferred assets	**32,3**
Debt	
Provisions	23,2
Liabilities	7,0
Transferred debt	**30,2**
Transferred net assets	**2,1**

A profit in the amount of EUR 25.0 million was generated from the disposal of the business. Goodwill for the Personal Computers-business had amounted to EUR 0.7 million, which was also disposed of within the business transfer. With the sale of the business segment, a profit was consequently generated in the amount of EUR 24.3 million. This is contained in other operating income.

Together with the business segment, also all respective employees were transferred to Dynabook.

After disposal or closure of the business units, sales revenues year on year were presented as follows:

	2018/19 EUR million	2017/18 EUR million	Change EUR million
Personal Computers	64	161	-97
Electronic Systems Operations	23	16	+7
Common Service Group	7	5	+2
Visual Products	3	5	-2
	97	**187**	**-90**

The development of the business units including the individual performance indicators which were neither transferred nor terminated is addressed below.

Electronic Systems Operations

The project business nature of the "Electronic Systems Operations" unit (distribution of money counting and letter sorting machines) is by definition subject to stronger fluctuations. Due to the financial settlement of projects in other European countries, sales revenues year on year rose by EUR 7.0 million.

Common Service Group

In the business unit "Common Service Group" a sales rise of EUR 2.0 million to EUR 7.0 million was generated during the year under review. This rise is based on services performed for the newly established Dynabook Europe GmbH.

Sales revenues projected in the prior year to amount to EUR 195.8 million due to the transfer of the Personal Computer-business to Dynabook as well as to the termination of the two business units "Visual Products" and "Industrial Camera Systems", could not be realized.

c) Results of Operations

TEG's results of operations compared to the prior year are shown in the following table:

	04/01/2018 to 03/31/2019	04/01/2017 to 03/31/2018	Change	
	EUR million	EUR million	EUR million	in %
Sales revenues	96.9	187.3	-90.4	-48.3
Increase/decrease in inventories	-3.5	5.9	-9.4	-159.3
Cost of materials	64.5	150.9	-86.4	-57.3
Gross profit	**28.9**	**42.2**	**-13.4**	**-31.7**
Gross profit in %	**29.8**	**22.5**		
Other operating income	28.1	7.4	20.7	279.7
Personnel expenses	16.1	39.5	-23.4	-59.2
Amortization/depreciation	0.6	1.2	-0.6	-50.0
Other operating expenses	23.3	45.0	-21.7	-48.2
Operating result	**17.0**	**-36.1**	**53.1**	**-147.1**
Financial result	**8.9**	**25.6**	**-16.7**	**-65.2**
Profit before taxes	**25.8**	**-10.5**	**36.3**	**-346.2**

For the development of sales revenues, please refer to the statements made in the preceding section. Caused by the transfer of the business unit "Personal Computers" to Dynabook as well as the termination of the two business units "Visual Products" and "Industrial Camera Systems" the business volume decreased considerably during the year under review. Results of operations therefore are only comparable to a limited extent.

The change in inventories results from the balancing of work in process in the "Electronic Systems Operations" unit.

Gross profit declined due to the lower business volume by EUR 13.4 million year on year. In relation to sales revenues, however, the margin improved from 22.5% to 29.8%.

Other operating income mostly contains income from the sale of the unit "Personal Computers" in the amount of EUR 24.3 million. In addition to this, they contain income not relating to the period from the reversal of provisions in the amount of EUR 2.1 million (prior year EUR 3.8 million) as well as exchange rate gains in the amount of EUR 0.9 million (prior year EUR 1.8 million).

Personnel expenses declined mostly due to the disposal of the "Personal Computers" business unit and the respective decline in the average number of employees engaged during the year under review.

The decrease in other operating expenses was mainly due to the lower volume of business.

Net operating profit improved from EUR -36.1 million to EUR 17.0 million when compared to the prior year. The financial result, which at EUR 8.5 million (prior year EUR 20.0 million) mostly contains the profit transfer of the subsidiary Toshiba Electronics Europe GmbH, as well as interest income, deteriorated by EUR 16.7 million. Interest income contained in the financial result now amounts to EUR 0.5 million after EUR 6.1 million in the prior year. At profit before taxes in the amount of EUR 25.8 million (prior year: loss before taxes of EUR 10.5 million) and income taxes in the amount of EUR 12.9 million (prior year: EUR 2.4 million), financial year 2018/19 ends with a net income for the year in the amount of EUR 12.9 million (prior year: net loss of EUR 12.9 million).

d) Net Assets

The balance sheet total fell by EUR 50.5 million to EUR 159.4 million in comparison to the prior year. This was due primarily to the following:

- The transfer of the business unit "Personal Computers", which was led to a disposal of assets in the amount of EUR 32.3 million and debt of EUR 30.2 million.
- The termination of the above-mentioned business units "Visual Products" and "Industrial Camera Systems".
- The transfer or closure of the business units all in all led to a decline in business activities and thus to a reduction of assets and debts.

Fixed assets were written down according to schedule during the reporting year.

As in the prior year, inventories contain work in process from the processing of "Electronic Systems Operations" projects.

Due to the decline in sales revenues, trade receivables declined by EUR 36.0 million year on year.

The rise in receivables from affiliated companies for the most part is due to higher receivables from cash pooling; this is balanced by lower receivables from the profit transfer to Toshiba Electronics Europe GmbH.

Equity improved by the net income for the year in the amount of EUR 12.9 million to now EUR 46.9 million. The equity ratio was 29.4%, after 16.2% in the prior year.

Apart from provisions for copyright fees, warranties and anniversary payments, all provisions are of a short-term nature. Long-term provisions bear interest accordingly.

The decline of liabilities is primarily due to the decline of the business volume caused by the closure of several business units as well as the transfer of the PC business.

e) Liquidity Situation

The Company operates a working capital management arrangement, taking care to ensure that outstanding receivables do not become too large, and stock levels correspond to the respective performance level.

TEG maintains bank accounts in most of the European countries in which sales agencies of the Company operate. At the same time, the Company has business accounts with several large banks in Germany. The business accounts are coordinated on a daily basis, concentrating the available liquidity.

As of the balance sheet date, bank balances declined by EUR 0.9 million from EUR 3.6 million to EUR 2.7 million as of the balance sheet date.

In April 2018, TEG joined the Cash Pool Master Agreement with Toshiba of Europe Ltd. in London/ England ("TOEL UK"), and Sumitomo Mitsui Banking Corporation Europe Limited, London/England. Since then, free liquidity is automatically transferred to TOEL UK and managed by TOEL UK. The net amount of the cash pool is stated as receivables from an affiliated company in the balance sheet. The balance as of March 31, 2019 increased to EUR 98.0 million (prior year: short-term loan of EUR 79.1 million).

f) Staff

During the year under review, an average of 143 employees (prior year 214) worked for the Company. Of these employees, 69 worked in Germany and 74 worked at foreign branches.

As a corporate pension scheme, the Company concluded a group life insurance in the form of a direct insurance policy for its employees of the German operating facilities on April 1, 1991. As of January 1, 2005, a group agreement was implemented for new employees with ERGO Pensionskasse AG sporting for the pension scheme "pension fund".

3. Opportunities and Risk Report

a) Opportunities of Future Development

The Company operates as the European headquarters for the remaining business units. Opportunities arise primarily from the process of developing new sales regions, developing new markets with new product groups and rendering services to affiliated companies.

b) Risks of Future Development

TEG operates an active risk management function. The reporting system is based on detailed corporate planning and monthly key figure analyses in comparison with the actual development. In various regular meetings, the business development as well as all risks to the business are discussed, countermeasures are taken and feedback is given by the department concerned on the implementation of the measures.

The remaining business activity of TEG comprises the following areas:

- Distribution of money counting and letter sorting machines
- Provision of services for Toshiba companies and Dynabook
- Holding of participations, in particular the investment in Toshiba Electronics Europe GmbH

The distributed products mostly arise from the Toshiba-Group. Distribution is always made at a locally remaining margin, so that no risks arising from this business are discernible at present.

Services provided for Dynabook have been agreed via short-term service agreements. There is a risk that Dynabook might terminate the agreements. Diminishing returns resulting from such a termination would necessitate a change in utilizing resources. They would then have to be adjusted to the new economic situation over the short- or medium term.

Toshiba Electronics Europe GmbH, which has signed a profit transfer agreement, in the past has always transferred profits in the two-digit million area. At this point in time, no significant risks with regard to the investment company are discernible.

In addition to the mentioned risks there are also further risks. They mostly refer to currency, bad debt, legal and tax risks. These risks are also subject to permanent control; they are counteracted by counter measures such as forward exchange transactions, credit insurances and indemnity declarations of the parent company. None of these risks is endangering the Company to continue as a going concern.

4. Forecast Report

Probable development according to budgeting

For financial year 2018/19, we expect an increase in sales revenues of approx. EUR 14.9 million from the business units "Electronic System Operations" and the service business "Common Service Group".

Based on these sales revenues - including the projected profit transfer of Toshiba Electronics Europe GmbH - we project a profit before taxes in the amount of approximately EUR 3.5 million. In addition to this, the reversal of provisions might lead to earnings in the amount of EUR 4.0 million, so that profit before taxes would then amount to approximately EUR 7.5 million.

Toshiba Europe GmbH, Neuss

Balance Sheet as of March 31, 2019

ASSETS

		3/31/2019 EUR		3/31/2018 EUR
A.	**FIXED ASSETS**			
I.	Intangible assets			
	1. Purchased software	1.116,55		309.794,57
	2. Goodwill	0,00		1.068.900,03
			1.116,55	1.378.694,60
II.	Tangible assets			
	Factory and office equipment	76.830,97		331.932,15
			76.830,97	331.932,15
III.	Financial assets			
	1. Shares in affiliated companies	12.816.358,34		12.816.358,34
			12.816.358,34	12.816.358,34
			12.894.305,86	**14.526.985,09**
B.	**CURRENT ASSETS**			
I.	Inventories			
	1. Work in process	2.324.518,87		5.873.228,86
	2. Merchandise	0,00		6.366.123,08
			2.324.518,87	12.239.351,94
II.	Receivables and other assets			
	1. Trade receivables	20.460.553,37		56.473.014,18
	2. Receivables from affiliated companies	107.974.514,59		102.117.002,38
	3. Other assets	10.700.481,75		12.921.322,10
			139.135.549,71	171.511.338,66
III.	Cash on hand, bank balances		2.731.632,74	3.574.130,42
			144.191.701,32	**187.324.821,02**
C.	**PREPAID EXPENSES AND DEFERRED CHARGES**		**1.297.989,02**	**1.492.695,72**
D.	**DEFERRED TAX ASSETS**		**1.063.502,00**	**6.618.613,33**
			159.447.498,20	**209.963.115,16**

SHAREHOLDERS' EQUITY AND LIABILITIES

		3/31/2019 EUR		3/31/2018 EUR
A.	**SHAREHOLDERS' EQUITY**			
I.	Subscribed capital		64.269.389,46	64.269.389,46
II.	Capital reserve		172.000.000,00	172.000.000,00
III.	Loss carried forward		-202.312.383,11	-189.439.059,17
IV.	Net income/loss for the financial year		12.937.979,45	-12.873.323,94
			46.894.985,80	**33.957.006,35**
B.	**PROVISIONS**			
1.	Provisions for pensions and similar obligations	1.345.068,00		1.711.061,95
2.	Tax provisions	67.522.648,41		56.737.132,81
3.	Other provisions	34.936.133,02		52.689.925,00
			103.803.849,43	**111.138.119,76**
C.	**LIABILITIES**			
1.	Customer advances	1.048.203,88		6.740.233,55
2.	Trade payables	1.956.613,08		19.586.418,32
3.	Payables to affiliated companies	2.509.272,65		22.714.257,50
4.	Other liabilities of which taxes: EUR 82,651.15 (prior year: EUR 280,923.26)	1.658.926,23		3.991.797,57
			7.173.015,84	**53.032.706,94**
D.	**DEFERRED INCOME**		**1.575.647,13**	**11.835.282,11**
			159.447.498,20	**209.963.115,16**

Toshiba Europe GmbH, Neuss

Income Statement
for the Financial Year from April 1, 2018 through March 31, 2019

		2018/19 EUR		2017/18 EUR
1.	Sales revenues		96.914.406,79	187.298.337,41
2.	Decrease (prior year: increase) in work in process		-3.548.709,99	5.873.228,86
3.	Other operating income - of which from currency translation EUR 851,258.11 (prior year: EUR 1,819,264.44)		28.117.695,65	7.431.079,98
4.	Cost of materials Expenses for purchased merchandise		-64.522.977,28	-150.947.014,51
5.	Personnel expenses			
	a) Wages and salaries	-14.414.966,09		-20.672.836,96
	b) Social security contributions, pensions and other benefits - of which pensions: EUR 166.288.18 (prior year: EUR 16,821,650.53)	-1.646.625,99		-18.858.363,38
			-16.061.592,08	-39.531.200,34
6.	Depreciation/ amortization of tangible and intangible assets		-588.951,52	-1.189.718,53
7.	Other operating expenses - thereof currency translation EUR 553,917.88 (prior year: EUR 1,570,973.79)		-23.335.256,82	-45.015.945,62
8.	Profit received under profit transfer agreements		8.519.630,32	19.967.490,14
9.	Other interest and similar income - thereof from affiliated companies EUR 430,585.00 (prior year: EUR 5,924,507.12)		476.213,20	6.077.340,09
10.	Interest and similar expenses - thereof from compounding of interest: EUR 135,354.70 (prior year: EUR 447,815.74)		-136.059,99	-456.166,99
11.	Taxes on income - thereof expenses from changes in stated deferred taxes: EUR 7,641,111.33 (prior year: EUR 1.940,621.00)		-12.896.418,83	-2.380.754,43
12.	**Earnings after taxes**		**12.937.979,45**	**-12.873.323,94**
13.	**Net income/net loss for the year**		**12.937.979,45**	**-12.873.323,94**

Toshiba Europe GmbH, Neuss

Notes to the Financial Statements for Financial Year 2018/19

1. Preliminary Remarks

Toshiba Europe GmbH's ("TEG") registered office is in Neuss. The Company is entered in the Commercial Register of the Neuss Local Court [Amtsgericht] under number HRB 3479.

The annual financial statements as of March 31, 2019 have been drawn up in accordance with the provisions of the German Handelsgesetzbuch (Commercial Code) and GmbH-Gesetz (German Limited Liabilities Companies Act). The regulations applicable to large corporations apply.

The income statement was prepared using the expenditure format.

Termination of two business units

As of December 31, 2018, TEG has closed down the business unit "Visual Products" (distribution of signage displays and hotel-TVs) as well as the business unit "Industrial Camera Systems" (distribution of camera systems for medical applications) as of March 31, 2019.

During the year under review, sales revenues were still achieved with these two terminated business segments in the amount of EUR 2.9 million (prior year EUR 5.6 million).

Sale of the business segment "Personal Computers"

By agreement dated June 5, 2018, Toshiba Corporation sold 80.1% of the shares exclusively held by itself in Toshiba Client Solutions Corporation with effect as of October 1, 2018 to Sharp Corporation. Within Toshiba Group, Toshiba Client Solutions Corporation was responsible for the "Personal Computers" business.

By agreement and with effect as of September 30, 2018, TEG sold all assets, debt and agreements of the Personal Computers-business within the framework of a so-called asset deal to Toshiba Client Solutions Europe GmbH ("TCSE" in the following renamed Dynabook Europe GmbH ("Dynabook"), Neuss. The purchase price amounted to TEUR 27.174.

Based on the agreement, TEG transferred the following assets and debts to Dynabook:

	TEUR
Assets	
Fixed assets	
Intangible assets	207
Tangible assets	109
	316
Current assets	
Inventories	8.125
Trade receivables	22.891
Receivables from affiliated companies	112
Sundry assets	846
	31.974
Transferred assets	**32.290**
Debt	
Provisions	
Pension provisions	393
Other provisions	22.745
	23.138
Liabilities	
Trade payables	2.914
Payables to affiliated companies	3.009
Other liabilities	1.093
	7.016
Transferred debt	**30.154**
Transferred net assets	**2.136**

With the disposal of this segment, TEG generated a profit in the amount of TEUR 25,038. For the Personal Computers business, there had been a goodwill totaling TEUR 712, which had also been disposed of together with the business unit. Therefore, the sale of the business segment led to an income of TEUR 24,326, which is contained in other operating income.

In addition to assets and debt, all employees allocated to this business segment were also been transferred to Dynabook.

During the period from April 1 through September 30, 2018, the Personal Computers business still generated sales revenues in the amount of EUR 64 million, compared to EUR 161 million during the complete prior year.

Due to the disposal of the Personal Computers business as well as the termination of the business units "Visual Products" and "Industrial Camera Systems", net assets and results of operations of TEG are comparable to the prior year only to a limited extent.

2. Accounting and Valuation Principles

Assets and liabilities were measured in accordance with the principle of individual valuation based on the going-concern assumption. The accounting principles and evaluation methods have been applied unchanged from the prior year.

3. Notes to the Balance Sheet

a) Assets

The development of **fixed assets** is shown in the fixed-asset movement schedule.

Acquired **intangible assets and tangible assets** are recognized at acquisition cost less scheduled amortization and depreciation. Prepayments made are recognized at nominal value.

Scheduled use-related amortization and depreciation is determined using the straight-line method and based on estimated useful lives. These amount to:

Software	3 to 5 years
Goodwill	5 years
Factory and office equipment	3 - 10 years

Low-value assets with individual acquisition cost of up to EUR 410 (since January 1, 2018 EUR 800) are fully written down in the year of acquisition and shown as disposals in the fixed-asset movement schedule.

Goodwill was disposed of within the framework of the sale of the Personal Computers-unit. We herewith refer to our statements contained in "Preliminary remarks".

Financial assets are valued at acquisition cost less any necessary impairments where applicable.

Write-ups to fixed assets - with the exception of goodwill - are made if the reasons which caused the impairments ceased to exist.

The Company's shareholdings as of March 31, 2018 comprise the following:

		As of March 31, 2018		
	Share in capital (%)	Currency	Equity	Result
Toshiba Electronics Europe GmbH, Düsseldorf	100.0	TEUR	12,553	19,967[1]
Toshiba Systèmes (France) S.A.,Puteaux / France	4.83	TEUR	22,642	1,372
Toshiba Information Systems (U.K.) Ltd., Weybridge / UK	0.66	TGBP	29,777	97

[1] before profit transfer

A profit and loss transfer agreement and a tax group are in place with the subsidiary Toshiba Electronics Europe GmbH.

The **inventories** are measured as follows:

Unfinished products are shown with the costs of production which have to be capitalized in accordance with the percentage of completion. Because the products are manufactured almost entirely by sub-contractors, the costs of production consist almost exclusively of services invoiced by third parties and, to a minor extent, exceptional individual costs incurred by the Company. The principle of loss-free measurement is observed for determining the value of the unfinished products.

Merchandise is stated at cost of acquisition or lower replacement costs as of the balance sheet date. Non-moving and slow-moving inventories are accordingly written down in line with loss-free valuation. The value deductions are determined on the basis of a range of coverage procedure.

Receivables and other assets are stated at nominal values less specific valuation allowances set up for recognizable individual risks. The accounting treatment of receivables denominated in foreign currency is explained under "currency translation".

Valuation allowances in the amount of the expected default are recognized in relation to receivables for which either collection procedures or legal disputes are pending. Receivables which are older than 180 days and which have not been notified to the credit insurance are written down in full. In the case of insolvency, receivables covered by commercial credit insurance are written down by 10% to 100% on the part of the credit insurer prior to the determination of the liability commitment. A general valuation allowance on receivables has not been set up.

Receivables from affiliated companies include receivables from the cash pooling with an affiliated company in the amount of TEUR 98,034 (prior year: TEUR 79,100). The remaining receivables from affiliated companies result from ongoing supply and service transactions, and include receivables from the shareholder to the amount of TEUR 615 (prior year: TEUR 582).

Cash and cash equivalents are stated at their nominal value. Cash at banks denominated in foreign currency were translated at the exchange rate applicable on the reporting date.

Prepaid expenses and deferred charges/deferred income contain payments / receipts before the balance sheet date which represent expenditure / income for a specific period after that date.

Deferred taxes are recognized in relation to the temporary differences between the figures shown in the commercial balance sheet and the tax balance sheet which will probably be reversed in subsequent financial years. In this context, temporary accounting differences which exist in foreign permanent establishments are also included. In addition, tax loss carry-forwards are taken into account in the calculation of the deferred taxes to an amount which the Company expects to utilize during the next five years. Deferred tax assets and deferred tax liabilities are shown as netted figures.

The deferred taxes for operating facilities in Germany are valued on the basis of a combined tax rate of 31.2%. This rate comprises the corporation tax including solidarity surcharge and the trade tax. Temporary differences at foreign operating facilities are measured at the respective tax rates applicable in the respective countries, which are between 17% and 34%.

As of the balance sheet date, there are deferred tax assets to the amount of TEUR 1,064 and deferred tax liabilities to the amount of TEUR 1, thus giving rise to an overhang of TEUR 1,064 of deferred tax assets over deferred tax liabilities (prior year: TEUR 6,619). The deferred tax assets mainly result from the valuation of provisions or the discounting of liabilities for tax purposes (TEUR 826), various circumstances within the foreign branches (TEUR 167) and amortization and depreciation of intangible assets and tangible assets (TEUR 71). The deferred tax liabilities are attributable to issues within the international branches.

b) Shareholder's equity and liabilities

Subscribed capital is stated at nominal value. It amounts to TDM 125,700 (TEUR 64,269).

The **provisions** cover all recognizable risks and contingent liabilities. They are set up at the settlement amount required according to reasonable commercial assessment. Increases in costs and prices have been taken into account in the calculation of the provisions. Long-term provisions are discounted using the average market interest rate of the previous seven years (pension provisions: ten years), corresponding to the term of the provisions.

Provisions for pensions take account of obligations which the Company has assumed towards employees in connection with the takeover of the sales territory of Toshiba Systèmes (France) S.A., Puteaux/France (TSF). The employees have to a large extent already left the Company. The provisions are measured on the basis of actuarial calculations using the projected unit credit method, taking account of the French INSEE 11-13 H&F / TGH05 life expectancy tables. They were discounted generally using the average market interest rate of the previous ten years as published by Deutsche Bundesbank (German Central Bank) applicable for an assumed residual term of the obligations of 15 years. This interest rate is 3.07% (prior year: 3.57%) p.a. The assumed salary trend is unchanged compared with the prior year (1% or 1.5% p.a.). The effect of the change of the discount rate was recognized in the financial result.

The obligations from pensions are netted against assets which serve the exclusive purpose of settling liabilities relating to retirement benefits and similar obligations and which are ring-fenced with regard to all other creditors (so-called cover funds). The assessment of cover assets is measured at fair value.

There were pension obligations of TEUR 1,768 as of the balance sheet date (prior year: TEUR 3,513). This figure is TEUR 25 (difference) lower than the figure for pension provisions which would have been shown if the seven-year average rate had been applied as of March 31, 2019 (prior year TEUR 85). The difference of TEUR 25 is subject to a payout restriction in accordance with Section 253 (6) Clause 2 HGB.

The fair value (TEUR 423, prior year: TEUR 1,802) of the netted assets has been determined on the basis of market prices on an active market. The costs of purchase of the netted assets correspond to the fair value of the netted assets.

The interest expenses relating to the compounding of the pension provisions and the interest income relating to the netted assets are recognized as a net amount in net interest income. The compounding amounted to TEUR 122, and interest income amounted to TEUR 52.

The **other provisions** were mainly set up for litigation, legal and consultancy costs (TEUR 20,487), copyright levies (TEUR 6,421), obligations towards employees (TEUR 1,425) and warranties (TEUR 757).

The provision for litigation, legal and consultancy fees covers risks relating to the enforcement of claims against the Company as well as costs incurred in connection with enforcing the Company's own claims.

The provision for copyright levies refers to obligations currently still in dispute relating to the payment of levies, which are supposed to remunerate secondary exploitations of copyrighted texts, pieces of music and films by consumers. The levies are charged by the associations Verwertungsgesellschaft Wort [Society for the Exploitation of Literary Works] and Zentralstelle für private Überspielungsrechte [Central Organization for Private Recording Rights] and distributed to authors, artists and publishers. The provision was calculated on the basis of the present legal situation and the assessment of the amounts probably to be paid.

The provisions for service anniversary obligations are measured using actuarial calculation methods (PUC method) and also in line with the French life expectancy tables INSEE 11-13 H&F. Matching maturity average market rates of the prior seven financial years (2.23%; prior year: 2.68%) and a general assumed remaining term of 15 years have been used for this purpose.

The determination of warranty provisions is based on a model considering historic default rates, current quantities and agreements made with third parties.

Customer advances are stated at nominal value and **payables** are stated at settlement amounts.

As was the case in the prior year, all liabilities are due within one year.

TEUR 14 (prior year: TEUR 128) of payables to affiliated companies refer to the shareholder. Payables to affiliated companies relate to trade, just as in the prior year.

4. Notes to the income statement

Due to the disposal of the business unit "Personal Computers" as of September 30, 2018 as well as the termination of the business units "Visual Products" and "Industrial Camera Systems" as of December 31, 2018 and March 31, 2019 respectively, results of operations are only comparable to the respective prior year figures to a limited extent. We refer to our statements contained in "Preliminary remarks".

The following shows a breakdown of **sales** pursuant to Section 285 No. 4 HGB by geographical markets:

	2018/19 EUR million	2017/18 EUR million
Product group		
Personal Computers	64	161
Electronic Systems Operation	23	16
Common Service Group	7	5
Visual Products	3	5
	97	**187**
Geographical markets		
Germany	11	28
European community (excluding Germany)	80	144
Outside the European community	6	15
	97	**187**

Other operating income includes income from the sale of the business unit "Personal Computers" in the amount of TEUR 24,326. In addition to this, other operating income contains income not relating to the period in the amount of TEUR 2,292 (prior year TEUR 4,216), arising from the reversal of provisions and valuation adjustments.

Other operating expenses include expenses of TEUR 53 attributable to other periods; these relate mainly to expenses from the writeoff of other receivables. Other operating expenses include other taxes of TEUR 45 (prior year: TEUR 95).

5. Other Disclosures

Management

In the reporting year, the Company's business was managed by the following persons:

Dirk Mokosch, Dormagen (since September 30, 2018)

Hitoshi Otsuka, London (since September 30, 2018)

Damian Jaume, Hückelhoven (until September 30, 2018)

Toshinori Yoshioka, Tokio (until September 30, 2018)

The Managing Directors perform/performed these tasks as their main occupation.

Information on management remuneration is not disclosed with reference to Section 286 (4) HGB, since only Mr. Mokosch and Mr. Jaume are remunerated by the Company.

Other financial obligations

Other financial obligations result from rental and lease agreements, which break down by maturities as follows:

	03/31/2019 TEUR	03/31/2018 TEUR
Due within one year	1,233	1,957
Due after two to five years	1,552	4,343
Due after more than five years	352	868
	3,138	**7,168**

Of the total amount of other financial obligations from rental and lease agreements (TEUR 3,138), TEUR 28 relates to affiliated companies.

Treatment of foreign currency risks/currency translation (disclosure pursuant to Section 285 No. 23 HGB)

In financial year 2018/19, our Company purchased and sold goods and services in various local currencies. The main currencies are the euro followed by the US dollar and the British pound. In addition, trading transactions are also conducted in other currencies. In contrast to the prior year, no hedging transactions relating to the respective basic businesses, which could be summarized in valuation units were signed as of the balance sheet date. Translation of receivables and payables denominated in foreign currencies was structured as follows:

Receivables, other assets, cash and cash equivalents and payables denominated in foreign currencies with a residual term of up to one year are stated at the mean exchange rate applicable at the balance sheet date. All sundry receivables, other assets and payables denominated in foreign currencies are translated at the rate valid at the time of addition, or at the higher or lower mean exchange rate (receivables, other assets/payables) as of the balance sheet date.

Group affiliation

TEG is a subsidiary of Toshiba Corporation, Tokyo and is included in its consolidated financial statements. Toshiba Corporation prepares the consolidated financial statements for the smallest and largest group of consolidated companies. The consolidated financial statements are available from the registered office of Toshiba Corporation and published in the Japanese EDINET (Electric Disclosure for Investor`s NETwork) (http://info.edinet-fsa.go.jp) under number E01738. Furthermore, the consolidated financial statements are published in German in the German Federal Gazette.

Related parties

Related parties (companies) include all companies of the consolidated group of Toshiba Corporation. Major supply relations exist primarily with companies in the consolidated group.

In connection with the documentation of transfer pricing matters and to avoid transfer price risks, transfer price analyses were already carried out several years ago based on so-called benchmark studies and risk/function profiles. On this basis, transfer price agreements have been concluded with the above-mentioned companies, which provide for an adequate standard market profit distribution to the different levels of trade. In business practice, special attention is paid to the fact that these requirements are satisfied when concluding and performing transactions with the relevant companies.

In addition, the Company did not engage in any significant transactions with members of the management or the supervisory board as well as other key management personnel or with companies in whose management or supervisory bodies those persons are represented. This also applies to close family members of this group of persons.

Number of employees (annual average)

In the financial year 2018/19, an average of 69 (prior year: 93) white-collar staff worked in the operating facilities in Germany and an average of 74 (prior year: 121) white-collar staff worked in the foreign branches.

Auditor's fees and services

The total auditor's fees calculated for financial year 2018/19 amount to TEUR 115, of which TEUR 107 were paid as audit fees and TEUR 8 for other certification services.

Restriction on distribution / proposal for the appropriation of profit

As of the balance sheet date, shares in equity to the amount of TEUR 1,088 (prior year: TEUR 6,704) are subject to a restriction on distribution. The amount results from deferred tax assets (TEUR 1,064; prior year: TEUR 6,619) and the difference from the discounting of the pension provisions using a ten-year average market interest rate instead of a seven-year interest rate (TEUR 25, prior year: TEUR 85).

The management proposes that the net income for the year be carried forward to new account.

No preparation of consolidated financial statements

Exercising the exemption provisions set forth in Sections 291, 292 HGB in conjunction with the German Regulation on Exempting Consolidated Financial Statements and Group Management Reports of Parent Companies with registered office in a Non-EU Country (KonBefrV), we have refrained from preparing consolidated financial statements and a group management report. Instead, we will submit the consolidated financial statements and group management report of Toshiba Corporation in German with the electronic Commercial Register.

The exempting consolidated financial statements of Toshiba Corporation are prepared in accordance with US Generally Accepted Accounting Principles (US GAAP). Significant differences from HGB relevant to our annual financial statements exist in the treatment of goodwill, pension provisions and inventory valuation. In our annual financial statements, goodwill is written down over a period of 60 months on a straight-line basis, while an annual impairment test has to be carried out according to US GAAP. As regards the accounting for pension provisions, US GAAP provides for an option to recognize them using the so-called corridor method. In this respect, actuarial gains and losses within the corridor threshold of 10% can be directly recognized in equity. The determination of the discount rate pursuant to US GAAP is oriented towards the yields on first-rate corporate bonds. Furthermore, in individual cases, differences may arise with respect to the classification of plan assets according to US GAAP and cover funds according to HGB. Contrary to HGB accounting, the valuation of inventories in accordance with the lower-of-cost-or-market principle under US GAAP takes floors and ceilings into account, which limits the amount of valuation allowances. Moreover, in accordance with US GAAP, the balance sheet classification of assets is effected according to decreasing liquidity while liabilities are classified according to increasing terms and the income statement classification is performed using the cost of sales method.

Report of subsequent events

No other events of particular importance for the assessment of the net assets, financial position and results of operations of Toshiba Europe GmbH have occurred after the balance sheet date.

Neuss, June 28, 2019

Toshiba Europe GmbH
-- The management --

Hitoshi Otsuka   Dirk Mokosch

Toshiba Europe GmbH, Neuss
Fixed-Asset Movement Schedule for Financial Year 2018/19

					Cumulative amortization/depreciation				Book values	
	4/1/2018 EUR	Additions EUR	Disposals EUR	3/31/2019 EUR	4/1/2018 EUR	Additions EUR	Disposals EUR	3/31/2019 EUR	3/31/2019 EUR	3/31/2018 EUR
I. Intangible assets										
1. Acquired software	31.871.604,90	0,00	2 127.754,86	29 743 850,04	31.561.810,33	105.278,18	1.924.355,02	29.742.733,49	1.116,55	309.794,57
2. Goodwill	15.582.645,66	0,00	15.582.645,66	0,00	14 513.745,63	356.299,98	14.870.045,61	0,00	0,00	1.068.900,03
	47.454.250,56	0,00	17.710.400,52	29.743.850,04	46.075.555,96	461.578,16	16.794 400,63	29.742.733,49	1.116,55	1.378.694,60
II. Tangible assets										
Factory and office equipment	10 232.131,62	34.310,92	4.619.565,88	5.646.876,66	9.900.199,47	127.373,36	4.457.527,14	5.570.045,69	76.830,97	331.932,15
	10 232.131,62	34 310,92	4.619.565,88	5.646.876,66	9.900.199,47	127.373,36	4 457.527,14	5.570 045,69	76.830,97	331.932,15
III. Financial assets										
Shares in affiliated companies	13.859.353,39	0,00	0,00	13.859.353,39	1.042.995,05	0,00	0,00	1 042.995,05	12.816.358,34	12.816.358,34
	13.859.353,39	0,00	0,00	13.859.353,39	1.042.995,05	0,00	0,00	1.042.995,05	12.816.358,34	12.816.358,34
	71.545.735,57	34.310,92	22 329.966,40	49 250 080,09	57.018.750,48	588.951,52	21.251.927,77	36.355.774,23	12.894.305,86	14.526.985,09

INDEPENDENT AUDITOR'S REPORT

To Toshiba Europe GmbH, Neuss

Audit Opinions

We have audited the annual financial statements of Toshiba Europe GmbH, Neuss, which comprise the balance sheet as of March 31, 2019, the income statement for the period from April 1, 2018 through March 31, 2018, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of Toshiba Europe GmbH, for the financial year from April 1, 2018 through March 31, 2019.

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

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at March 31, 2019 and of its financial performance for the financial year from April 1, 2018 through March 31, 2019 in compliance with German Legally Required Accounting Principles, and

- the accompanying management report as a whole provides an appropriate view of the Company's position. 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 § [Article] 322 Abs. [paragraph] 1 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that 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 Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and in compliance with 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 German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

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

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, 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, the executive directors are 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, the executive directors are 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, the executive directors are responsible for the preparation of the 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, the executive directors are 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 audit 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 § 317 HGB and in compliance with 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 judgment and maintain professional skepticism 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 audit 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 audit opinion on the effectiveness of these systems of the Company.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' 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 audit 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 represent 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 the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors 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 audit 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, July 16, 2019

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

sgd. Frank Pattusch
Wirtschaftsprüfer
(German public auditor)

sgd. ppa. Paul Wieschebrock
Wirtschaftsprüfer
(German public auditor)