

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 NOT for
You cannot use this form to re
an alteration of manner of cor
with accounting requirements

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A12 24/02/2021 #308
COMPANIES HOUSE

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A05 14/03/2015 #39
COMPANIES HOUSE

Part 1 Corporate company name

Corporate name of
overseas company ①

DAISHINKU (DEUTSCHLAND) GMBH

UK establishment
number

B R 0 1 1 4 1 8

→ Filling in this form

Please complete in typescript or in
bold black capitals.

All fields are mandatory unless
specified or indicated by *

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

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

A1 Legislation

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

Legislation ②

Article 316 ff of German Commercial Code (Handelsgesetzbuch)

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

A2 Accounting principles

Accounts

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

Please tick the appropriate box.

☐ No. Go to Section A3.

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

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

Name of organisation
or body ③

Institute of German Public Auditors (according to IDW PS 450) +

A3 Accounts

Accounts

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

☐ No. Go to Section A5.

☒ Yes. Go to Section A4.

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OS AA01

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

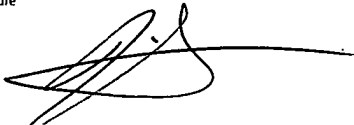
A4 Audited accounts

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' .	● Please insert the name of the appropriate accounting organisation or body.
Name of organisation or body ●	Institute of German Public Auditors (according to IDW PS 450)	

A5 Unaudited accounts

Unaudited accounts	Is the company required to have its accounts audited? Please tick the appropriate box. ☐ No. ☐ Yes.	
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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.	

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DAISHINKU (Deutschland) GmbH
Düsseldorf

Audit Report
Annual Financial Statements
31. March 2012

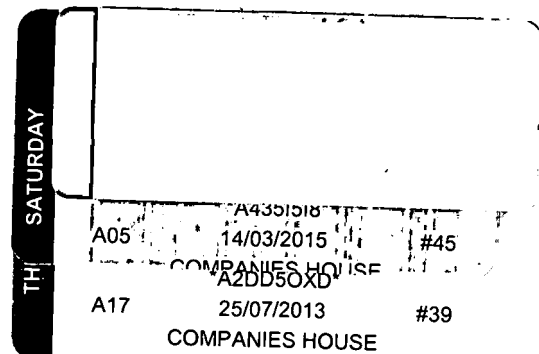
(The german version is authoritative.)

*I certify this is a true and accurate
translation of the German language original.*

[Signature]

K. HIEDA

MANAGING DIRECTOR



optegra:hhkl GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft
Köln

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Conditions of assignment, liability and conditions as to use

General Terms of Engagement for "Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften"

[German Public Auditors and Public Audit Firms] in the version of 1. January 2002.

A. AUDIT ENGAGEMENT

Following our appointment as auditors at the meeting of directors held on 18. May 2011, the directors of

DAISHINKU (Deutschland) GmbH, Düsseldorf,
(also referred to hereinafter as the ‘Company’)

commissioned us to audit the annual financial statements of the company for the financial year from 1. April 2011 to 31. March 2012, including the accounts for that year, in accordance with Articles 316 ff. of the German Commercial Code (*Handelsgesetzbuch* – HGB).

The company is classified as a small company limited by shares within the meaning of Article 267 (1) HGB, and as such must prepare annual financial statements in compliance with Article 264 HGB, electronically submit said statements to the Federal Gazette (Bundesanzeiger) in accordance with Article 325 HGB, and arrange for their publication in the electronic Federal Gazette. The audit, which is not mandatory by law, was carried out on the basis of our engagement in accordance with the provisions in Articles 317 ff. HGB.

Execution of the commission, and our responsibility, also in respect of third parties, are governed by the General Terms of Engagement for “Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften” [German Public Auditors and Public Audit Firms] in the version dated 1. January 2002, which are attached to this report. We also refer to the provisions on liability in clause 9 of said Terms, to the exclusion of liability towards third parties, and to the other provisions in the attached Appendix entitled ‘Conditions of assignment, liability and conditions as to use’.

We submit the following report, prepared according to the generally accepted standards for the audit of financial statements as contained in IDW PS 450, and attach the annual financial statements audited by us as Appendices 1-3 of this report.

Pursuant to section 321, paragraph 4a HGB, we confirm that we observed the applicable regulations on independence during our audit.

This audit report is addressed to the company.

B. SUBJECT, NATURE AND SCOPE OF THE AUDIT

The subject of our audit comprised the accounting and the annual financial statements for the financial year from 1. April 2010 to 31. March 2011, which were prepared in accordance with the accounting legislation applicable to all business persons (Articles 242-256 HGB), with the additional regulations for limited liability companies (Articles 264-289 HGB) and with the additional provisions in the Articles of Association. Responsibility for proper bookkeeping, preparation of the annual financial statements and the management report is borne by the statutory representatives of the company. Our responsibility was to audit these documents to determine whether the statutory regulations on accounting and the additional provisions in the articles of association have been complied with.

Assessing the appropriateness of the company's insurance coverage, in particular whether all risks have been considered and sufficiently insured, was not included in the subject of our engagement to audit the annual financial statements.

We performed our audit in the month of April 2012 in the business premises of the company in Düsseldorf, Germany.

The starting point for our audit was the annual financial statements for the financial year from 1. April 2011 to 31. March 2012, which were audited and provided with an unqualified auditor's opinion by us.

We conducted our audit in accordance with Articles 317 ff HGB and the generally accepted (German) standards for the audit of annual financial statements as promulgated by the Institute of Certified Public Accountants in Germany (IDW). This means that we designed our audit in a problem-based manner with the aim of detecting any misstatements or infringements of statutory regulations that might materially affect the true and fair presentation of the net assets, financial position and results of operations of the company. Our audit was not concerned either with the discovery and investigation of criminal acts, such as embezzlement and other acts of fraud, or offences unrelated to accounting, or with assessing the efficacy and efficiency of management. However, we designed the planning and implementation of the audit in such a way that any irregularities of relevance for accounting were detected with reasonable certainty. Responsibility for preventing and discovering irregularities lay with the company's legal representatives.

Our risk-oriented audit procedure is aimed at elaborating an audit strategy. This strategy is based on the assessment of the business and legal environment of the company, its objectives, strategies and business risks, which we evaluate with reference to factors critical to the success of the company. We also examined which measures the company has taken in order to deal with these business risks. The subsequent audit of the internal control system and its effectiveness is supplemented with analyses of the internal processes that we perform at regular intervals, especially when organisational and procedural changes are made, with the aim of measuring processes in terms of key factors and determining their influence on relevant items in the annual financial statements, so that it is then possible to estimate the business risks and our audit risk.

The findings obtained during the audit of processes and the internal control system were taken into account when selecting the analytical audit activities to be performed, and the specific individual checks. The audit programme specific to the company then defines the focal points of our audit, the nature and scope of audit activities, the audit schedule and the deployment of audit staff, if necessary by bringing in specialists. In this regard, we comply with the principles of materiality and risk orientation.

In this particular case, given the manageable size of company and the transparency of its procedures, we mainly performed individual checks. The audit comprised the following focal points and activities worthy of mention:

- completeness and valuation of provisions
- accrual of expenses and income according to period
- existence and valuation of inventories
- foreign currency translation of trade receivables and trade liabilities
- by means of random samples or by obtaining full confirmations of balances, we convinced ourselves that trade receivables, trade payables and accounts due from/accounts payable to related companies are correctly accounted for.
- Confirmations were obtained from banks.

The management and the authorised employees provided us with all the explanations and verifications we requested.

The management provided us with a representation letter of the completeness of the annual financial statements.

In an additional statement, the management also confirmed that, in its view, the effects of unposted audit differences in the annual financial statements are both individually and collectively immaterial.

C. FINDINGS AND NOTES ON THE RENDERING OF ACCOUNTS

I. Correctness of accounting

1. Prior-Year Financial Statements

The prior-year financial statements were approved by the shareholders meeting on 18. May 2011.

2. Bookkeeping and other audited documents

According to our findings, the bookkeeping and the voucher system are properly organised and comply with statutory requirements.

During our audit, we did not discover any facts indicating that the organisational and technical measures taken by the company are not appropriate for ensuring the reliability of the data and IT systems relevant for accounting.

According to our findings, the internal accounting control system is basically suitable for ensuring full and correct inputting, processing, documentation and backup of the accounting data.

3. Annual financial statements

In the annual financial statements for the financial year from 1. April 2011 to 31. March 2012, the company complies with the statutory regulations, including the regulations specific to the legal form of the company, and with generally accepted accounting principles and the additional provisions in the Articles of Association.

The balance sheet and the profit and loss account were properly derived from the accounts and the other audited documents. The recognition, disclosure and measurement rules in German accounting legislation were complied with in this regard.

The explanatory notes to the financial statements conform to statutory regulations. The information provided in the explanatory notes are complete and accurate.

4. Management Report

The company's statutory representatives availed of the facilitation option pursuant to Article 264 (1) sentence 4 HGB and waived preparation of a management report.

II. Overall view presented by the annual financial statements

1. Significant Valuation Bases

The significant valuation bases explained in the notes and additionally in section E.II. "Net assets, financial position and results of operations".

2. Overall Assessment

Based on our conscientiously conducted audit, we have come to the conclusion that the annual financial statements as a whole are compliant with generally accepted accounting principles and that they give a true and fair view of the net assets, financial situation and results of operations of the company.

D. ANALYSIS OF ECONOMIC CONDITIONS

I. Corporate fundamentals

The company was established on 4. February 1991, on the basis of a notarised Memorandum and Articles of Association, by DAISHINKU Corporation, Kakogawa (Japan) which subscribed to the entire share capital amounting to EUR 127.822,97 (DM 250.000). The registered office of the company is in Düsseldorf, Germany. The company was entered in the Companies Register on 7. February 1991.

The objects of the company are the trade and the manufacturing of electronic devices. The company is entitled to purchase companies in Germany and other foreign countries, to invest in those companies and may establish branches in Germany and abroad. The company may conduct any legal transactions and perform any legal actions that are conducive to achieving the objects of the company. The company can also take on the management and representation and a position as personally liable shareholder in other companies.

II. Net assets, financial position and results of operations

The following table shows selected key data and performance figures in a prior-year comparison:

		<u>2011/2012</u>	<u>2010/2011</u>
Sales revenues	kEUR	15.159	13.657
Expenses for purchased services	kEUR	13.329	11.814
of sales revenues	%	87,9	86,5
Average no. of employees	Quantity	10	12
Operating profit/loss	kEUR	91	94
of sales revenues	%	0,6	0,7
Net profit/loss for the year	kEUR	100	183
of sales revenues	%	0,7	1,3
Equity	kEUR	609	599
of total capital in	%	11,6	14,6
Return on equity	%	16,4	-30,6

In support of our overall findings, we present the following analytical view of the net assets, financial situation and results of operations of the company.

1. Results of operations

The following table provides an overview, after condensing and reconciliation of figures, of the profit and loss accounts for the past two financial years:

	2011/2012		2010/2011		difference	
	kEUR	%	kEUR	%	kEUR	%
Sales revenues	15.159	100,0%	13.657	100,0%	1.502	11,0%
TOTAL OUTPUT	15.159	100,0%	13.657	100,0%	1.502	11,0%
Cost of purchased goods and services	13.329	87,9%	11.814	86,5%	1.515	12,8%
Staff costs	960	6,3%	1.120	8,2%	-160	-14,3%
Depreciation	10	0,1%	9	0,1%	1	16,4%
Other operating expense	795	5,2%	614	4,5%	181	29,5%
interest and other expenses	5	0	0	0	5	>100%
Minus other operating income	-31	-0,2%	-127	-0,9%	96	-75,6%
OPERATING EXPENSE	15.068	99,4%	13.430	98,3%	1.638	12,2%
OPERATING PROFIT/LOSS	91	0,6%	227	1,7%	-136	>100%
Taxes on income and other taxes	-8	-0,1%	41	0,3%	-49	>100%
NET PROFIT/LOSS FOR THE YEAR	99	0,7%	186	1,4%	-85	>100%

Sales revenues totalled kEUR 15.159 in the 2011/2012 financial year. These revenues mainly resulted from trade of quartz devices of the DAISHINKU Group.

Expenses for purchased goods amount to kEUR 13.329 in the year under review. All services were purchased from companies of the DAISHINKU Group. In comparison to the last year the materials usage increased to 87,9% (prior year: 86,5%) based on changes in the foreign currency exchange rates and the increase of transportation charges.

Staff costs in the year under review were kEUR 960. 10 employees on average were employed over the year ended 31. March 2012 (prior year: 12 employees). Average staff costs per employee therefore were kEUR 96 (prior year: kEUR 93). This increase is based on the payment of Bonuses to the executive staff.

Other operating expenses comprise the following specific items:

	2011/2012 kEUR	2010/2011 kEUR
Selling expenses	147	142
Costs for premises	134	106
Legal and Consulting Cost	124	84
foreign currency differences	112	0
Travel and advertising costs	45	116
Vehicle expenses	36	36
Insurances, contributions and levies	35	28
Bank charges	24	27
Miscellaneous operating expenses	138	78
	795	617

The increase of the other operating expenses in the amount of kEUR 178 to EUR 795 basically relates to the increase of the costs for premises in the amount of kEUR 28 up to kEUR 134, the increase of the expenses for foreign currency differences in the amount of kEUR 112 up to kEUR 112 and the increase of the legal and consulting cost in the amount of kEUR 40 up to kEUR 124.

Foreign exchange gains and losses are balanced in other operating income. The foreign exchange gains (kEUR 880) are reduced by the foreign exchange losses (kEUR 992). The cost of premises increased due to the renting of accommodation for expatriates. The legal and consulting cost were mainly increased by consultancy services for a tax audit. In the prior year the advertising costs contained a participation in a fair.

Taking into account the tax earnings of kEUR 8, which result from deferred taxes on the foreign exchange gain due to the revaluation of receivables and payables, the financial statement shows an annual net profit of kEUR 100.

2. Net assets

The following table provides an overview, after condensing and balancing of figures of the balance sheets for the past two financial years. Receivables and liabilities with a remaining term of less than one year are classified as current.

	2011/2012		2010/2011		Differenz	
	kEUR	%	kEUR	%	kEUR	%
Assets						
Fixed assets	49	0,9%	57	1,4%	-8	-14,4%
Inventories	1.431	27,3%	1.337	32,6%	94	7,1%
Current receivables	3.128	59,7%	2.369	57,8%	759	32,0%
Cash and cash equivalents	571	10,9%	278	6,8%	294	105,4%
Other assets	59	1,1%	56	1,4%	3	5,3%
	5.238	100,0%	4.098	100,0%	1.141	27,8%
Equity and liabilities						
Equity	609	11,6%	599	14,6%	10	1,6%
Current liabilities	4.629	88,4%	3.500	85,4%	1.131	32,3%
Liabilities	4.629	88,4%	3.500	85,4%	1.131	32,3%
	5.238	100,0%	4.098	100,0%	1.141	27,8%

Fixed assets

The intangible assets contains licences for software.

Fixed assets mainly consist of IT hardware and office equipment.

The financial assets consist of a loan given to a former employee.

Inventories

The increase of the inventories in the amount of kEUR 94 to kEUR 1.431 relates to the increase of the business activity in comparison to the prior business year.

Current receivables

	31.03.2012	31.03.2011
	kEUR	kEUR
Trade receivables	3.046	2.362
Accounts due from related companies	83	7
	<u>3.128</u>	<u>2.369</u>

The ascent of the current receivables in the amount of kEUR 759 to kEUR 3.128 basically results from a rising business activity in the financial year in comparison to the prior financial year.

Accounts due from related companies are identical to the respective balances communicated by the related companies and to other requested documents as at the balance sheet date.

For verification of the trade receivables individual receivables were verified by reconciliations of account balances that we obtained to the selected extent. The reconciliations of account balances are identical to the reported receivables when temporary differences are taken into account.

Cash and cash equivalents

The reported bank balances are identical to the balance confirmations from the banks as at the balance sheet date. Interest and expenses are properly recognised in the old account.

With regard to the change in liquid assets we refer to our statement of the financial situation.

Other assets

This item mainly relates to rental deposits and tax assets of EUR 54 (prior year: kEUR 51), and to kEUR 4 in prepaid expenses (prior year: kEUR 4) that will be recognised as expense in the next financial year or subsequent financial years.

Equity

Equity developed as follows over the period under review:

	<u>31.03.2012</u>	<u>31.03.2011</u>
	kEUR	kEUR
Subscribed capital	128	128
Retained Earnings	381	288
Net profit/loss for the year	100	183
Total equity	<u>609</u>	<u>599</u>

The annual financial statements for the prior year, which were audited by us and provided with an unqualified auditor's opinion, were formally approved at the Shareholders' Meeting held on 18. May 2011. From the previous year's balance sheet profit of EUR 183.173,93 as at 31 March 2011 EUR 90.000,00 were distributed and EUR 93.173,93 were carried forward to the new account.

Current liabilities

Current liabilities comprise the following items as at the balance sheet date:

	<u>31.03.2012</u>	<u>31.03.2011</u>
	kEUR	kEUR
Tax provisions	19	0
Other provisions	156	99
Trade payables	80	42
Accounts payable to related companies	4.084	3.251
Deferred taxes	14	40
Other liabilities	277	68
	<u>4.629</u>	<u>3.500</u>

The tax provision contain payment obligations as a result from a tax audit.

Other provisions are comprised as follows:

	<u>31.03.2012</u>	<u>31.03.2011</u>
	kEUR	kEUR
Human resources	68	44
Outstanding invoices	57	0
Audit expenses	18	20
Archival storage	6	7
Legal and consulting expenses	3	2
Mutual Indemnity Association	0	6
Other provisions	4	37
	<u>156</u>	<u>116</u>

Trade payables and accounts payables to related companies

The increase of the trade payables and the accounts payables to related companies in the amount of kEUR 872 to kEUR 4.163 basically results from the increase of the business volume during.

For verification of the trade payables confirmations of account balances were obtained to the selected extent. The confirmations of balances are identical to the reported liabilities.

Accounts payable to related companies are identical to the confirmations of balances provided by the related companies and include the balances from intragroup elimination.

The deferred taxes relates to differences between german commercial law and german taxation law based on foreign exchange differences.

Other liabilities include VAT which has still to be transferred to the tax office.

3. Financial position

The cash and cash equivalents decreased in the amount of kEUR 293 to kEUR 571 in comparison to the prior year.

In consideration of current receivables amounting to kEUR 3.128, current liabilities amounting to

kEUR 4.596 and cash and cash equivalents amounting to kEUR 571 the coverage of the needed liquidity of the company depends on the business development of DAISHINKU (Deutschland) GmbH and the liquidity management of the DAISHINKU group.

E. REPITITION OF THE AUDIT OPINION

In accordance with the findings of our audit, we have provided the following unqualified auditor's opinion, dated this 28. April 2012, on the annual financial statements of DAISHINKU (Deutschland) GmbH, Düsseldorf:

"To DAISHINKU (Deutschland) GmbH, Düsseldorf:

We have audited the annual financial statements of DAISHINKU (Deutschland) GmbH, Düsseldorf, Germany, comprising the balance sheet, the profit and loss account and the explanatory notes, and including the bookkeeping for the financial year from 1. April 2011 to 31. March 2012. The bookkeeping and the preparation of the annual financial statements in accordance with German accounting legislation and the additional provisions in the Articles of Association are the responsibility of the statutory representatives of the company. Our task was to provide an assessment, based on our audit, of the annual financial statements, including the bookkeeping.

We conducted our audit of the annual financial statements in accordance with Article 317 HGB and the German generally accepted standards for the audit of financial statements as promulgated by the Institut der Wirtschaftsprüfer (IDW – Institute of Certified Public Accountants in Germany). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with the generally accepted standards of accounting are detected with reasonable assurance. Knowledge of the business activities and of the economic and legal environment of the Company, and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the internal accounting control system and the evidence supporting the disclosures in the annual financial statements are examined primarily by means of random samples within the framework of the audit. The audit includes an assessment of the accounting principles applied and the principal assessments by the statutory representatives, as well as an assessment of the overall presentation of the annual financial statements. We believe that our audit provides a reasonable basis for our opinion.

Our audit did not lead to any qualifications.

In our opinion, based on the findings of our audit, the annual financial statements comply with the statutory requirements and with the additional provisions of the Articles of Association and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with the generally accepted standards of accounting."

Cologne, April 28, 2012

optegra:hhkl GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft
[Public auditing company]

Mathias Niehaus
(Wirtschaftsprüfer)

Jens Grimm
(Wirtschaftsprüfer)

The publishing and distributing of the annual financial statement variant to the statement audited by optegra:hhkl (including translations into other languages) require further comment by us, given that our audit certification is quoted, mentioned or replicated or the document refers to our audit work; we refer particularly with regard to §328 HGB."

DAISHINKU (Deutschland) GmbH

Düsseldorf

BALANCE SHEET AS OF MARCH 31, 2012 - GERMAN GAAP

	March 31, 2012 EURO	March 31, 2011 EURO	Monetary Difference	%Difference
ASSETS				
A. FIXED ASSETS				
I. Intangible assets				
Concessions, industrial property and similar rights and assets, and licenses in such rights and assets	468,00	336,00	132,00	39,3%
II. PROPERTY, PLANT AND EQUIPMENT				
Other plant, factory and office equipment	18.187,00	26.543,00	-8.356,00	-31,5%
III. Financial assets				
Other loans	30.396,43	30.396,43	0,00	0,0%
	49.051,43	57.275,43	-8.224,00	-14,4%
B. CURRENT ASSETS				
I. Inventories				
Finished goods and merchandise	1.431.418,98	1.337.010,73	94.408,25	7,1%
II. Receivables and other assets				
1. Trade receivables	3.045.556,52	2.361.907,85	683.648,67	28,9%
2. Accounts due from related companies	82.700,96	7.388,61	75.312,35	1019,3%
3. Other assets	54.257,40	51.551,96	2.705,44	5,2%
	3.182.514,88	2.420.848,42	761.666,46	31,5%
III. Bank balances	571.028,30	278.496,78	292.531,52	105,0%
C. PREPAID EXPENSES	4.340,62	4.174,81	165,81	4,0%
	5.238.354,21	4.097.806,17	1.140.548,04	27,8%

DAISHINKU (Deutschland) GmbH

Düsseldorf

BALANCE SHEET AS OF MARCH 31, 2012 - GERMAN GAAP

		March 31, 2012 EURO	March 31, 2011 EURO	Monetary Difference	%Difference
LIABILITIES					
A.	EQUITY				
I.	Subscribed capital	127.822,97	127.822,97	0,00	0,0%
II.	Accumulated profit carried forward	381.259,73	288.085,80	93.173,93	32,3%
III.	Profit for the year	99.775,93	183.173,93	-83.398,00	-45,5%
		<u>608.858,63</u>	<u>599.082,70</u>	<u>9.775,93</u>	<u>1,6%</u>
B.	PROVISIONS				
	Other provisions	175.319,63	98.782,44	76.537,19	77,5%
C.	LIABILITIES				
1.	Trade accounts payable	79.591,26	41.607,53	37.983,73	91,3%
2.	Accounts payable to related companies	4.083.830,56	3.250.670,20	833.160,36	25,6%
3.	Other liabilities	276.924,69	67.635,64	209.289,05	309,4%
		<u>4.440.346,51</u>	<u>3.359.913,37</u>	<u>1.080.433,14</u>	<u>32,2%</u>
D.	Deferred tax liability	13.829,44	40.027,66	-26.198,22	-65,5%
		<u>5.238.354,21</u>	<u>4.097.806,17</u>	<u>1.140.548,04</u>	<u>27,8%</u>

DAISHINKU (Deutschland) GmbH

Düsseldorf

PROFIT AND LOSS STATEMENT - GERMAN GAAP
FOR THE PERIOD APRIL 1, 2011 TO MARCH 31, 2012

		April 1, 2011 - March 31, 2012 EURO	April 1, 2010 - March 31, 2011 EURO	Monetary Difference	%Difference
1.	Sales revenue	15.159.383,44	13.657.349,33	1.502.034,11	11,00%
2.	Other ordinary income	910.629,65	541.479,53	369.150,12	68,17%
3.	Cost of raw materials, supplies, consumable and purchased merchandise	13.328.990,62 2.741.022,47	11.813.980,05 2.384.848,81	1.515.010,57 356.173,66	12,82% 14,93%
4.	Staff costs				
a.)	Wages and salaries	881.752,02	1.001.287,28	-119.535,26	-11,94%
b.)	Social security costs and pension and welfare expenses	78.142,72 959.894,74	100.185,91 1.101.473,19	-22.043,19 -141.578,45	-22,00% -12,85%
5.	Depreciation on intangible fixed assets	10.382,72	8.919,01	1.463,71	16,41%
6.	Other ordinary expenses	1.674.597,26	1.180.322,33	494.274,93	41,88%
7.	Other interest and similar income	329,20	357,09	-27,89	-7,81%
8.	Interest and similar expenses	5.139,24	183,33	4.955,91	2703,27%
9.	Net operating loss	91.337,71	94.308,04	-2.970,33	-3,15%
10.	extraordinary income	0,00	129.857,44	-129.857,44	-100,00%
11.	extraordinary expenses	0,00	20.542,95	-20.542,95	-100,00%
12.	extraordinary result	0,00	109.314,49	-109.314,49	-100,00%
13.	Taxes on income	-8.998,22	20.261,65	-29.259,87	-144,41%
14.	Other taxes	560,00	186,95	373,05	199,55%
15.	Income for the year	99.775,93	183.173,93	-83.398,00	-45,53%

DAISHINKU (Deutschland) GmbH, Düsseldorf**Explanatory notes to the accounts for the financial year from 1 April 2011 to 31 March 2012****1. Explanatory notes on the accounting and valuation methods****General**

The annual financial statements were prepared in accordance with the accounting legislation laid down in the German Commercial Code (*Handelsgesetzbuch* – HGB) and according to the additional stipulations of the law on limited liability companies (*GmbH-Gesetz* – GmbHG).

The company is a small company limited by shares in the sense of Article 267 (1) of the German Commercial Code.

The cost summary method in accordance with Article 275 (2) of the German Commercial Code was selected as the basis for the structure of the profit and loss account.

There were no fundamental changes to the accounting and valuation methods applied in the previous year.

Accounting and valuation methods

No use was made of the alleviations provided for small companies limited by shares under Article 266 (1) sentence 3 and Article 276 of the German Commercial Code in the compilation of the balance sheet and profit and loss account. Above and beyond this, partial use was made of the size-related alleviations of Article 274a of the German Commercial Code.

Use was made of the size-related alleviations in compilation of the explanatory notes in accordance with Article 288 sentence 1 of the German Commercial Code.

Compilation of a management report was waived in accordance with Article 264 (1) sentence 4 of the German Commercial Code.

There were no fundamental changes to the accounting and valuation methods applied in the previous year.

All identifiable risks are covered by the accounting-, valuation- and depreciation method, which are included in the following explanations given to the balance sheet items.

Tangible assets were valued at acquisition costs and – where subject to wear and tear – reduced by regular depreciation.

Regular depreciation was calculated according to the projected useful life of the assets and based on the straight-line method.

Receivables and other assets are carried at their nominal value or at the lower fair value on the balance sheet date.

The annual financial statements include business transactions denominated in foreign currencies, which were converted to Euro.

Receivables and liabilities in foreign currency are recognised using the exchange rate on the day of the transaction. If the exchange rate was lower on the balance sheet date in the case of receivables, or higher in the case of liabilities, the lower or higher rate, respectively, was applied.

Provisions are formed to the extent necessary for due diligence. All ascertainable risks were taken into account when forming provisions.

Liabilities are stated at redemption value. If the carrying amounts on the reporting date are higher than the redemption amounts, the liabilities were recognised at the higher amount on the reporting date.

2. Notes to the balance sheet

The receivables from related companies contain kEUR 81 receivables from the shareholder.

Of the kEUR 4.084 in accounts payable to related companies, kEUR 3.206 pertained to supply and service transactions with the shareholder.

As at the reporting date, there were no liabilities with a remaining term of more than 5 years.

3. Other mandatory disclosures pursuant to Article 285 HGB

a) Shareholder

All shares in the company are held by DAISHINKU Corporation which is domiciled in Kakogawa/Japan. The company is included in the consolidated financial statements of DAISHINKU Corporation, Kakogawa/Japan.

b) Management

The company is represented by the following directors:

- Shinji Inoue, businessman, Tsuchiyama/Japan (until May 18, 2011)
- Yoshitaka Tokuda, businessman, Düsseldorf
- Hideyuki Tanaka, businessman, Himeji/Japan
- Yasuhiro Miyana, businessman Akashi/Japan (since May 18, 2011)

Düsseldorf, April 28, 2012



(Managing Directors)

DAISHINKU (Deutschland) GmbH, Düsseldorf**Legal relations****Fundamentals of company law****The company**

DAISHINKU (Deutschland) GmbH, Düsseldorf is registered in the Companies Register in Düsseldorf under HRB 26606. An extract from the Companies Register, with the most recent entry dated 16. September 2009, was presented to us.

Memorandum and Articles of Association

The authoritative Memorandum and Articles of Association is the version dated 27. January 2006.

Object of the company

The objects of the company are the trade and the manufacturing of electronic devices. The company is entitled to purchase companies in Germany and other foreign countries, to invest in those companies and may establish branches in Germany and abroad. The company may conduct any legal transactions and perform any legal actions that are conducive to achieving the objects of the company. The company can also take on the management and representation and a position as personally liable shareholder in other companies.

Financial year

The financial year runs from 1. April of one year until 31. March of the following year.

Subscribed capital

The share capital amounts to EUR 127.822,97 has been paid in full. The sole shareholder of the company is DAISHINKU Corporation, Kakogawa (Japan).

Management and representation

- Shinji Inoue, businessman, Tsuchiyama/Japan (until May 18, 2011)
- Yoshitaka Tokuda, businessman, Düsseldorf
- Hideyuki Tanaka, businessman, Himeji/Japan
- Yasuhiro Miyana, businessman Akashi/Japan (since May 18, 2011)

CONDITIONS OF ASSIGNMENT, LIABILITY AND RESERVATIONS AS TO USE

In the audit report, the auditor summarizes the results of his work, especially for those institutions within the company which are responsible for supervision. In this context, the audit report has the function of supporting the supervision of the company by the responsible institution, in that it documents the material findings of the audit. It is therefore exclusively addressed – without prejudice to any rights of third parties conferred by special legal regulations to receive or inspect it – to institutions of the company for internal use.

Our activity is based on our letter confirming our assignment to audit the present accounts and the General Terms of Engagement for “Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften” [German Public Auditors and Public Audit Firms] in the version dated 01 January 2002 issued by the *Institut der Wirtschaftsprüfer*.

This audit report is exclusively intended to form the basis for decisions by the institutions of the company, and is not to be used for other purposes than those intended, with the result that we accept no responsibility, liability or other obligations to third parties, unless we have agreed otherwise in writing with the third party or such a disclaimer is ineffective.

We expressly point out that we will not perform any updating of the audit report and/or auditors' certificate with regard to events or circumstances occurring *after* the issue of the auditors' certificate, unless there is a legal obligation to do so.

Anyone becoming aware of the information in this audit report is to decide on their own responsibility whether and in what form they regard that information as useful and apt for their own purposes and whether to extend, verify and update it by their own investigations.

General Engagement Terms

for

Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften

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

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

1. Scope

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

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

2. Scope and performance of the engagement

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

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

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

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

3. The client's duty to inform

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

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

4. Ensuring independence

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

5. Reporting and verbal information

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

6. Protection of the Wirtschaftsprüfer's intellectual property

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

7. Transmission of the Wirtschaftsprüfer's professional statement

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

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

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

8. Correction of deficiencies

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

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

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

9. Liability

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

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

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

(3) Preclusive deadlines

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

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

10. Supplementary provisions for audit engagements

(1) A subsequent amendment or abridgement of the financial statements or management report audited by a Wirtschaftsprüfer and accompanied by an auditor's report requires the written consent of the Wirtschaftsprüfer even if these documents are not published. If the Wirtschaftsprüfer has not issued an auditor's report, a reference to the audit conducted by the Wirtschaftsprüfer in the management report or elsewhere specified for the general public is permitted only with the Wirtschaftsprüfer's written consent and using the wording authorized by him.

(2) If the Wirtschaftsprüfer revokes the auditor's report, it may no longer be used. If the client has already made use of the auditor's report, he must announce its revocation upon the Wirtschaftsprüfer's request.

(3) The client has a right to 5 copies of the long-form report. Additional copies will be charged for separately.

11. Supplementary provisions for assistance with tax matters

(1) When advising on an individual tax issue as well as when furnishing continuous tax advice, the Wirtschaftsprüfer is entitled to assume that the facts provided by the client – especially numerical disclosures – are correct and complete; this also applies to bookkeeping engagements. Nevertheless, he is obliged to inform the client of any errors he has discovered.

(2) The tax consulting engagement does not encompass procedures required to meet deadlines, unless the Wirtschaftsprüfer has explicitly accepted the engagement for this. In this event the client must provide the Wirtschaftsprüfer, on a timely basis, all supporting documents and records – especially tax assessments – material to meeting the deadlines, so that the Wirtschaftsprüfer has an appropriate time period available to work therewith.

(3) In the absence of other written agreements, continuous tax advice encompasses the following work during the contract period:

- a) preparation of annual tax returns for income tax, corporation tax and business tax, as well as net worth tax returns on the basis of the annual financial statements and other schedules and evidence required for tax purposes to be submitted by the client
- b) examination of tax assessments in relation to the taxes mentioned in (a)
- c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
- d) participation in tax audits and evaluation of the results of tax audits with respect to the taxes mentioned in (a)
- e) participation in Einspruchs- und Beschwerdeverfahren [appeals and complaint procedures] with respect to the taxes mentioned in (a).

In the afore-mentioned work the Wirtschaftsprüfer takes material published legal decisions and administrative interpretations into account.

(4) If the Wirtschaftsprüfer receives a fixed fee for continuous tax advice, in the absence of other written agreements the work mentioned under paragraph 3 (d) and (e) will be charged separately.

(5) Services with respect to special individual issues for income tax, corporate tax, business tax, valuation procedures for property and net worth taxation, and net worth tax as well as all issues in relation to sales tax, wages tax, other taxes and dues require a special engagement. This also applies to:

- a) the treatment of nonrecurring tax matters, e. g. in the field of estate tax, capital transactions tax, real estate acquisition tax
- b) participation and representation in proceedings before tax and administrative courts and in criminal proceedings with respect to taxes, and
- c) the granting of advice and work with respect to expert opinions in connection with conversions of legal form, mergers, capital increases and reductions, financial reorganizations, admission and retirement of partners or shareholders, sale of a business, liquidations and the like.

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

12. Confidentiality towards third parties and data security

(1) Pursuant to the law the Wirtschaftsprüfer is obliged to treat all facts that he comes to know in connection with his work as confidential, irrespective of whether these concern the client himself or his business associations, unless the client releases him from this obligation.

(2) The Wirtschaftsprüfer may only release long-form reports, expert opinions and other written statements on the results of his work to third parties with the consent of his client.

(3) The Wirtschaftsprüfer is entitled – within the purposes stipulated by the client – to process personal data entrusted to him or allow them to be processed by third parties.

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

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

14. Remuneration

(1) In addition to his claims for fees or remuneration, the Wirtschaftsprüfer is entitled to reimbursement of his outlays: sales tax will be billed separately. He may claim appropriate advances for remuneration and reimbursement of outlays and make the rendering of his services dependent upon the complete satisfaction of his claims. Multiple clients awarding engagements are jointly and severally liable.

(2) Any set off against the Wirtschaftsprüfer's claims for remuneration and reimbursement of outlays is permitted only for undisputed claims or claims determined to be legally valid.

15. Retention and return of supporting documentation and records

(1) The Wirtschaftsprüfer retains, for ten years, the supporting documents and records in connection with the completion of the engagement – that had been provided to him and that he has prepared himself – as well as the correspondence with respect to the engagement.

(2) After the settlement of his claims arising from the engagement, the Wirtschaftsprüfer, upon the request of the client, must return all supporting documents and records obtained from him or for him by reason of his work on the engagement. This does not, however, apply to correspondence exchanged between the Wirtschaftsprüfer and his client and to any documents of which the client already has the original or a copy. The Wirtschaftsprüfer may prepare and retain copies or photocopies of supporting documents and records which he returns to the client.

16. Applicable law

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