

Toyota Material Handling Europe Rental AB

Corporate Identity Number 556032-5002

Annual Report 2010/11

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Toyota Material Handling Europe Rental AB

Administration Report

The Board of Directors and Managing Director hereby present the annual report for the financial year 1 April 2010 to 31 March 2011.

Operations

Toyota Material Handling Europe Rental AB (TMHE Rental AB) is an authorised credit market company under the supervision of the Swedish Financial Supervisory Authority.

TMHE Rental AB's operations involve financing and co-ordination of financing services, and associated operations. The Company manages the financing provided to the Group's sales companies in Europe, regarding the materials handling equipment offered to our customers under a Rental Concept (leasing). The Company has its registered offices in Mjölby.

Ownership structure

TMHE Rental AB is a wholly-owned subsidiary to Toyota Material Handling Europe AB (556491-9537) (henceforth TMHE AB), with its registered offices in Mjölby, and is part of a Group for which the ultimate Parent Company is the Japanese company, Toyota Industries Corporation, with its registered offices in Japan.

Significant events during the year

During the year, the situation on the financial markets has stabilized further; however, cost levels for normal credit facilities have remained on a historically high level. In a more stable international economic situation, TMHE Rental AB's leasing portfolio has increased, in real terms, during the year. This is due to the fact that TMHE Rental AB has, through long-term agreements with stable financiers, been able to continue to offer very attractive financing solutions. A larger proportion of clients than previous have, as a consequence, chosen rental alternatives rather than self-financing of equipment.

During the year the company's funding solution has been implemented on one new market in Europe.

TMHE Rental AB has received a Group contribution of TSEK 24 538 from TMHE AB.

Results

Operating profit in TMHE Rental AB amounted to TSEK 24 080 (22 732). Net interest income decreased, as compared to the previous year, by TSEK 3 349, primarily attributable to decreased interest income on liquid assets as well as the maintaining of financing costs on a low level. Administrative costs increased by TSEK 243 during the period, primarily due to additional costs for services bought and personnel but also due to decreased costs for premises.

Credit

Lending to the general public amounted to TSEK 4 208 743 as per 31 March 2011, a decrease of TSEK 203 110, -4,6 % compared with the previous year.

Credit losses

The Company's customers' capacity to pay remains favourable. There is no need to make provisions for any possible bad debt losses.

Guarantees provided to Group companies

TMHE Rental AB has provided guarantees to Group companies in an amount of TSEK 1 433 436.

Financing and liquid assets

The majority of TMHE Rental AB's borrowing activities have, thus far, been executed via external credit institutions. This borrowing totals TSEK 4 162 275 and has decreased by TSEK 217 463, -5,0 % during the year.

As per 31 March 2011, liquid assets amounted to TSEK 130 487. TSEK 90 426 of this was invested in Nordic credit institutions.

Five-year summary

Amounts in TSEK	2010/11	2009/10	2008/09	2007/08**	2006/07*
Operating income	46 621	44 808	90 435	71 584	61 182
Operating profit	24 080	22 732	69 447	43 623	31 070
Balance sheet total	5 144 207	5 559 177	5 582 597	4 321 312	3 811 752
Equity/assets ratio, %	17,5	15,6	15,1	18,4	20,0
Capital cover ratio	2,4	1,9	1,9	2,3	2,1

* The periods are not completely comparable since the financial year 2006/07 comprises 15 months.

** The transition to statutory IFRS has not entailed any differences in value as compared to previously applied valuation principles.

Capital cover

The Company has a very favourable capital adequacy situation. The capital cover ratio amounted to 2,40 as per 31 March 2011. On balance sheet date, the equity/assets ratio was 17,5 %.

Employees

During the year, the number of permanent employees was 9 (9), with 5 women and 4 men. As per 31 March 2011, the total number of employees was 12.

Future prospects

The international economic situation is expected to grow which will mean an increased growth rate in the leasing portfolio. The company intends to implement its funding solution on several new markets in Europe during the next fiscal year.

The return on the Company's equity is expected to increase as a result of increased interest levels in a stronger international economic situation.

Events after the end of the financial year

TMHE Rental will during the following financial year start to apply hedge accounting regarding the firm commitments being the Rental agreements accounted for as operating leases. The risk that will be hedged is the currency risk. The Cash flow hedge means that the change in fair value of the hedging instruments, that will be foreign exchange forward contracts, are recognized through other comprehensive income and is cumulated in the hedge reserve until the periods during which the hedged cash flows affect the profit or loss. When the hedged item affects the profit or loss the amounts are reclassified from hedge reserve to profit or loss.

Proposed appropriation of profits

The following is at the disposal of the annual general meeting of TMHE Rental AB (SEK):

Unappropriated profit brought forward	830 494 707
Net profit/loss for the year	3 624 359
Total	834 119 066

The Board of Directors proposes that profits brought forward be distributed as follows

- to be carried forward	834 119 066
Total	834 119 066

Risk management goals and strategies

In the same manner as other companies within the industry, TMHE Rental AB is exposed to a number of different types of risks. The Company actively conducts its risk management. The strategy is to maintain an overall low level of risk, well balanced by the earnings expected to be achieved by assuming certain business risks. TMHE Rental AB's task is to finance the Group's rental operations as regards materials handling equipment within Europe, on the best conditions possible. The local sales companies are responsible for the contact with the end customers and for pricing. The sales companies are also responsible for the initial credit risk.

TMHE Rental AB applies the standardized method as regards credit risk and market risk, and applies the basic method as regards operational risk. The Company utilizes Standard and Poor's rating systems as the basis for the weighting of risks in terms of institutional exposure.

The Company's risk strategies have been established by the Board of Directors in policies and instructions regulating the areas of credit risk, market risk, liquidity risk and operational risk. The Company also has instructions for internal capital valuation, IKU. These instructions explain the manner in which an overall risk assessment should be carried out, which, in addition to the risks described above, also includes an analysis of the Company's risks as regards the surrounding environment, among other things. Furthermore, there are instructions regarding compliance with regulations, internal audit, ethics/code of Conduct, remuneration questions and measures to prevent the Company being used in the context of money laundering.

The Board of Directors receives information regarding the Company's operations on a monthly basis, including a report on the risk situation within different areas. At the Board meetings, held on approximately four occasions per year, a report is presented on the analysis of the development of the credit portfolio from a risk perspective. This analysis is based on both the Company's own analysis and on external analysis of the financial strength and payment discipline of the Company's customers.

The risk management function is led by the Risk Manager, who is directly subordinate to the General Manager and who does not actively take part in business decisions. The Risk Manager is responsible for the risk reporting to the Board of Directors and submits the reports on risk issues at the Board meetings.

Analysis of the overall risk situation and capital base, IKU

The internal capital evaluation process (IKU) includes, amongst other things, a thorough analysis of the overall risk situation to which the Company is exposed, seen in relation to the Company's capital base. In this analysis, the Company has chosen a time horizon of 5 years, which has been estimated as sufficient period of time in order to be able to make relatively reliable assessments. At this year IKU, an analysis of the risks caused by concentration in the leasing portfolio as regards the counterparties, lines of business and geographical area was performed in compliance with the SFSA's guidelines regarding so-called Pillar II risks. The Board of Directors' conclusion was that TMHE Rental, as a consequence of calculated concentration risks, shall calculate an additional capital requirement for credit risk corresponding to 7 % of the calculated capital requirements for credit risk according to Pillar I.

As in previous years, the Board of Director's conclusion regarding the IKU process for the current year is that the risk situation within TMHE Rental AB is under control and that the financial charges which could arise during the period of time in question are well covered by the current capital base. The capital basis is currently comprised only of primary capital, which is why the Company has substantial opportunities, if the need should arise, to raise secondary capital via the market, in addition to increasing the capital base via the owner. The generated earnings shall, as in previous years, according to a statement from the parent company's management, be retained within the Company.

The Swedish Financial Supervisory Authority has, after having performed the supervisory review and evaluation process of the capitalization of TMHE Rental, in the decision from 7 February 2011, stated that TMHE Rental is sufficiently capitalized in relation to the risk to which, according to the Swedish Financial Supervisory Authority's view, TMHE Rental AB was exposed.

TMHE Rental AB's Capital base

Capital base, TSEK	2011-03-31
Total	885 047
of which primary capital:	
Share capital	50 000
Contributions	835 047
Total	885 047
of which supplementary:	0

TMHE Rental AB's capital requirements

Capital requirements, TSEK	Method	2011-03-31
Credit risks	Standardised	359 105
Currency risk	Standardised	1 977
Operational risk	Basic	7 603
Total		368 685

As per 31 March 2011, the theoretical, estimated capital requirement totaled TSEK 368 685 (447 309). The Company's capital cover ratio, thereby, amounted to 2.40 (1.93). The capital ratio is, thereby, on a satisfactory level and is significantly higher than the theoretical estimated requirement of 1.0. The increase in the ratio principally depends on the fact that the capital base has increased. Furthermore the capital requirement regarding the leasing portfolio has decreased as a consequence of the new regulations regarding the calculation of capital requirements for the residual value in a leasing agreement. The distribution of the capital requirements for credit risks per risk exposure class is reported below.

Credit risk**Total risk exposure**

The absolute majority of TMHE Rental AB's risk exposures stem from the leasing operations and refer to either direct exposure to end customers or exposures in which TMHE Rental AB guarantees exposure against end customers. This exposure, including accrued interest, amounted to TSEK 5 696 826 (6 023 856). The decrease in the exposure depends mostly on currency exchange effects caused by a strengthening of the Swedish crown. Measured on the basis of last year's currency exchange rates, the leasing portfolio has, instead, increased by 2 %. The Company's exposures against institutions, TSEK 763 098 (906 016), refer to current investments of liquid surplus, as well as account balances. TMHE Rental AB also has a certain degree of inter-Group exposures, TSEK 113 850 (48 803), see below.

Exposures distributed by exposure class

Exposure class	Amount TSEK	of which in		Capital requirements in accordance with Standardised method
		Nordic countries	other Europe	
1. Exposures towards countries or central bank	54 765	47 021	7 744	0
2. Exposures towards institutes	763 098	127 675	635 423	12 210
3. Exposures towards companies	2 438 136	801 848	1 636 288	195 051
4. Exposures towards household	2 530 737	1 023 023	1 507 714	151 844
5. Outstanding items	0	0	0	0
	5 786 736	1 999 567	3 787 169	359 105

Exposures to other countries or central banks, as well as institutional exposures, to all essential, have durations shorter than 12 months. The duration for exposures in the leasing portfolio (company exposures and household exposures) are reported below.

Exposures to households refer to customers/customer groups within the business segment in which TMHE Rental AB's total exposure is less than TEUR 600 (in accordance with the Swedish Financial Supervisory Authority's stipulations).

As per 31 March 2011, there were no unsettled items according to the capital cover regulations, that is, items which were more than 90 days overdue. In total, overdue receivables amounted to TSEK 381 (23 771), of which no receivables were more than 30 days overdue. As per the date of presentation of the annual report, all accounts receivables had been settled. In addition, there were no write-down requirements.

There were no exposures regarding other classes of exposures.

Major exposures

As per 31 March 2011, the Company had no Group external exposures in its leasing operations, in which the total exposure against the customer group in question exceeded 10% of the Company's capital base and, thereby, according to the regulations, is classified as a major exposure. As per 31 March 2010 there were four major exposures. The Company's largest Group external exposure amounted to 9 % of the capital base, which is related to the limitations on unpermitted exposures which, according to the regulations, is 25%. As per 31st of March 2011 the total volume of inter Group exposures amounted to TSEK 113 850 (13 % of the capital base). The total amount of inter Group exposures were, as per the date of presentation of the annual report, again below the limit for major exposures.

Credit risk in the leasing operations

TMHE Rental AB is assessed as having limited credit risks. In addition to the actual credit analysis made by the customer, this is due, among other things, to the fact that the Group has very good knowledge of the objects to be financed, often trucks, which comprises a portion of the guarantee for the receivable. This knowledge is utilized in the establishment of payment plans and residual amounts. In its financing solutions..

The Board of Directors has established a credit policy regulating the principles for credit decisions regarding end customers and the associated requirements, as well as regarding ongoing customer follow-up. In the event that TMHE Rental AB's Board of Directors grants the right to one of the sales companies to make credit decisions, the sales company is obligated, by agreement, to follow the current and valid policy, in all respects.

In addition to the customer analysis which is undertaken during credit decisions, TMHE Rental AB also undertakes a financial analysis on a monthly basis, including scoring of all customers via the credit rating company Dun & Bradstreet. Together with the internal information regarding the customer's payment discipline, this analysis provides a very good overall view of the development of the risks in the leasing portfolio over time and, of course, also provides the opportunity for proactive action.

The geographic distribution of the leasing portfolio and branch divisions

As per 31 March 2011, the Company had leasing exposures in 14 European countries, including the countries in which TMHE Rental guarantees the leasing operations.

The exposure per branch differs from country to country. In total, the largest portion of exposures was with customers within the manufacturing, transportation, agriculture and food products as well as retail. The portion of exposures classified, in terms of capital cover, as company and household exposures varies to a smaller degree between the countries in which the Company has exposures.

Country	TMHE Rental AB Total	Nordic Countries	Other Europé
Participation in TMHE Rental's portfolio, %	100	32	68
Distribution according to industry, %			
Manufacturing	32%	46%	25%
Transportation	23%	18%	25%
Agriculture and food products	16%	11%	18%
Retail	11%	5%	13%
Utilities, Services & Other	7%	4%	8%
Building & Construction	7%	11%	5%
Other	6%	5%	6%

Remaining durations of lease agreements

The duration of a lease agreement is based on the customer's demands and the lifetime of the equipment. The majority of the lease agreements entered into has a duration of 5 years. The maturity structure for outstanding lease agreements, including lease agreements guaranteed by TMHE Rental, is reported below. Here, residual values are reported as the last payment. In terms of remaining durations, no major distinction is made as regards what is classified as a company versus a household exposure.

Remaining durations of lease agreements, TSEK

<1 month	1-3 months	> 3 months ≤ 1 year	> 1 y. ≤ 5 y.	> 5 year	Total
132 979	297 604	1 281 885	3 834 872	106 160	5 653 500

Market risk

The Company's market risks are also limited. Leasing takes place in different currencies and with different fixed interest terms and payment periodicity. However, the leasing is financed in the same currency and with the same fixed interest term and payment periodicity, which is why there are no actual interest or exchange rate risks in this context. Financing also takes place immediately for the entire duration of the agreement and, in all material aspects, on the basis of the same payment structure as the lease granted to the customer. This is the reason why financing risks, in this regard, can be considered as very limited.

The interest and exchange rate risks arising in TMHE Rental AB stem, instead, from the investment of equity and temporary liquidity surpluses. The regulations regarding such investments, which are determined by the Board of Directors in their policy for the management of market risks are, however, very strict, both as regards counterparties and volume. External investments may only take place with counterparties approved by the Board of Directors. Certain European governments or investments guaranteed by those governments are accepted as counterparties, as well as certain financial institutions. Regarding financial institutions, a long-term rating of, at least, level A is usually required. The maximum exposure per counterparty is limited.

The total interest risk, according to the policy, may amount to a maximum of TSEK 20 000, with a parallel adjustment of the yield curve by ± 2 percentage points. As per 31 March 2011, the total interest risk was +/- TSEK 6 091 (12 762), which comprises 0.7 (1.5) % of the capital base. Exchange rate risks may amount to a maximum of TSEK 10 000 for changes in exchange rates of ± 5 %, which is why these risks are limited seen from an overall perspective. As per 31 March 2011, the estimated exchange rate risk amounted to TSEK 1 233 (1 098).

Liquidity risk

The Board has adopted an instruction for the management of liquidity risks. These instructions require that the Company, in order to ensure that the funds are available for the financial operations, shall strive to enter into long-term credit agreements with several credit institutions. The agreements should not have the same maturity dates. In order to ensure that the Company can realize its payment commitments, even during temporary disruptions on the finance market, the Company shall hold a liquidity reserve, the minimum value of which corresponds to at least two months of total payments on the leasing portfolio, at present some TSEK 300 000. The funds in the reserve may not be used for investments with average remaining durations exceeding three months. Pre-mature release of funds must be available at a reasonable cost. The exchange rate risks in the reserves may amount to a maximum of TSEK 5 000. The Risk Manager controls and reports to the Board of Directors in questions regarding the liquidity risks.

Investments of the Liquidity reserve

Term in days	Currency	Amount, TSEK
0-30	SEK	162 775
31-60	SEK	190 426
60-90	SEK	101 117
91-360	SEK	272 387
Total		726 705

The liquidity reserve is invested in special deposits in SEK with different international banks and can be released within the current banking day.

Maturity day structure regarding contractual payments

The maturity structure regarding contractual payments on financial assets and financial liabilities is reported below. From the schedule it is apparent that the Company's liquidity risk is strongly limited.

Maturity date structure for contractual payments

Amount in TSEK	<1 month	1-3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total
Financial assets	289 417	568 473	1 336 693	3 024 297	80 811	5 299 691
Financial liabilities						
of which referring to:						
- Liabilities of credit inst.	128 189	238 010	1 018 123	2 953 083	76 326	4 413 731
- Liabilities to general public		50 380				50 380
- Other liabilities	3 703					
Net	157 525	280 083	318 570	71 214	4 485	835 580

Operational risks

TMHE Rental AB has a specific policy for the management of operational risks. These risks are currently assessed to be on a normal level. However, volume expansion may result in the organization being exposed to a certain amount of pressure, which is why the development of operational risks will be monitored and given special attention in coming years.

TMHE Rental AB has chosen to estimate the capital requirements for operational risks using the basic method, as the supporting documentation needed to apply other estimation models is lacking, and is not considered to be necessary. Average operating income during the last three years, depreciation of owned leasing objects taken into consideration, amounts to TSEK 50 687 (58 632), which is why the capital requirement of 15 percent corresponds to a capital requirement amount of TSEK 7 603 (8 795), as per 31 March 2011.

Risks related to the surrounding environment/other risks

In addition to the risk categories discussed above, TMHE Rental AB is, of course, exposed to a number of risks related to the surrounding environment, certain of which are more general in nature and some which are attributable to the industry in which the Company operates. Based on this year's IKU, the Board of Directors concluded that the market, in which the Company is active, materials handling, is relatively slow-moving, even if volumes, etc., of course are naturally impacted by the state of the economy. In terms of environmental effects and technology, an assessment has been made that the TMHE Group is doing well as regards development and, historically, there have been no major, rapid developments with a dramatic effect on the Company's situation. Against this background, the Company's choice of strategies has not been assessed as being particularly risk-filled. Therefore, the Board of Directors has come to the conclusion that the Company has no need to make special additions in terms of capital requirements for these types of risks, in addition to the amounts which have been previously accounted for regarding concentration risks vis á vis certain lines of business.

Public disclosure of information according to Finansinspektionen's regulations and general guidelines

TMHE Rental discloses periodic information, according to Finansinspektionen's regulations, on the company's website: <http://www.toyota-industries.se/Links/tmherental/Pages/default.aspx>. Even other information, such as a summary of TMHE Rental's Remuneration Policy, is disclosed on this website.

Toyota Material Handling Europe Rental AB

Income Statement

Amounts in TSEK		2010/11	2009/10
Interest income	Note 1,3	191 523	193 765
Leasing income	Note 1,3	10 957	10 181
Interest expenses	Note 1	-155 222	-160 036
Net interest income	Note 1	47 258	43 910
Net income, financial transactions	Note 2,3	-2 819	-1 772
Other operating income	Note 3	2 181	2 670
Total operating income		46 620	44 808
General administrative expenses	Note 4	-12 371	-12 129
Depreciation of fixed assets	Note 5	-10 170	-9 947
Total expenses before credit losses		-22 541	-22 076
Profit/loss before credit losses		24 079	22 732
Credit losses		0	0
Operating profit		24 079	22 732
Appropriations	Note 6	-19 542	198
Tax on profit for the year	Note 7	-913	-5 704
Net profit/loss for the year		3 624	17 226

The Company's statement of comprehensive income

Net profit/loss for the year		3 624	17 226
Other comprehensive income, net after taxes		-	-
Total comprehensive income		3 624	17 226

Toyota Material Handling Europe Rental AB

Balance Sheet

Amounts in TSEK		2010/11	2009/10
ASSETS			
Lending to credit institutions	Note 8,9,19	729 155	798 213
Lending to the general public	Note 8,9,19	4 208 743	4 411 853
Intangible assets	Note 10	599	770
Tangible assets	Note 10	91 006	23 918
Other assets	Note 11	109 878	216 415
Prepaid expenses and accrued income	Note 12,19	4 826	108 008
Total assets		5 144 207	5 559 177
Liabilities, provisions and equity			
LIABILITIES			
Liabilities to credit institutions	Note 8	4 162 275	4 379 738
Deposits from the general public	Note 8,19	50 000	50 000
Other liabilities	Note 13,19	14 355	151 703
Accrued expenses and deferred income	Note 14,19	10 165	111 796
Provisions	Note 15	1 298	1 077
Total liabilities		4 238 093	4 694 314
Untaxed reserves			
Accelerated depreciation	Note 17	20 468	926
Total untaxed reserves		20 468	926
EQUITY			
Share capital		50 000	50 000
Statutory reserve		1 527	1 527
Profit brought forward		830 495	795 184
Net profit/loss for the year		3 624	17 226
Total equity		885 646	863 937
Total liabilities and equity		5 144 207	5 559 177

Memorandum items

Pledged assets

Deposits for other own commitments

Deposits in the Swiss central bank	207	205
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Contingent liabilities

Guarantees

Guarantee commitments	Note 16	1 433 436	1 498 453
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Other contingent liabilities

Obligation to FPG	Note 15	26	22
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Toyota Material Handling Europe Rental AB

Changes in equity

	Restricted equity		Non-restricted equity		Total
	<i>Share capital*</i>	<i>Statutory reserve</i>	<i>Profit brought forward</i>	<i>Net profit/loss for the year</i>	
Amounts in TSEK					
Opening equity 1 April 2009	50 000	1 527	791 131		842 658
Group contribution received, gross			5 500		5 500
Tax effect of Group contribution received			-1 447		-1 447
Net profit/loss for the year				17 226	17 226
Closing equity 31 March 2010	50 000	1 527	795 184	17 226	863 937
Opening equity 1 April 2010	50 000	1 527	812 410		863 937
Group contribution received, gross			24 538		24 538
Tax effect of Group contribution received			-6 453		-6 453
Net profit/loss for the year				3 624	3 624
Closing equity 31 March 2011	50 000	1 527	830 495	3 624	885 646

* The number of shares amounts to 50 000 with a quotient value of SEK 1 000 (share capital divided by the number of shares)

Toyota Material Handling Europe Rental AB

Cash Flow Statement

Amounts in TSEK	2010/11	2009/10
Cash flow from operating activities		
Operating profit/loss*	24 080	22 732
Adjustment for non-cash items	6 208	12 757
	30 288	35 489
Income tax paid	-6 543	-20 692
Cash flow from operating activities before changes in operating assets and liabilities	23 745	14 797
Financial investments	-497 081	-120 000
Lending to the general public	203 110	40 828
Investments in leasing operations, net	-77 087	-16 676
Other assets	22 085	-11 877
Prepaid expenses and accrued income	-5 857	6 108
Changes in the operating activities' assets	-354 830	-101 617
Borrowing from credit institutions	-217 463	-42 855
Other liabilities	0	4 007
Accrued expenses and deferred income	-33 311	1 311
Provisions	8 581	0
Changes in the operating activities' liabilities	-242 193	-37 537
Cash flows from operating activities	-573 278	-124 357
Investing activities		
Acquisition of intangible non-current assets	0	-462
Cash flow from investing activities	0	-462
Financing activities		
Received Group contribution	5 500	0
Cash flow from financing activities	5 500	0
Cash flow for the year	-567 778	-124 819
Cash and cash equivalents at beginning of year	696 624	823 958
Exchange rate difference in cash and cash equivalents	1 642	-2 515
Cash and cash equivalents at year-end	696 624	696 624

*Annual net interest and rent received and paid amounts to TSEK 62 656 (see Note 18).

Supplementary Disclosure

Adjustment for non-cash items

Depreciation/amortisation	10 170	9 947
Pension provision	221	295
Change in accrued interest income/ costs	-1 824	0
Unrealised exchange rate effects	-2 359	2 515
	6 208	12 757

Toyota Material Handling Europe Rental AB

Supplementary Disclosures

Application of Accounting Principles

Toyota Material Handling Europe Rental AB is authorized by the Swedish Financial Supervisory Authority to act as a credit market company, and is thereby subject to the Annual Accounts Act for Credit Institutions and Securities Companies (1995:1556) (ÅRKL).

The Company applies the ÅRKL, the Swedish Financial Supervisory Authority's regulations regarding annual accounts in credit institutions and securities companies, (FFFS 2005:25) in the preparation of its financial reports.

FFFS 2008:25, so-called statutory IFRS, implies that the International Financial Reporting Standards (IFRS), as adopted by the EU, are applicable for the preparation of the financial reports, with limitations and supplements in accordance with RFR 2 Accounting for Legal Entities.

Significant assumptions and estimations

Upon classification of financial assets and liabilities according to the IFRS regulations, the purpose of the holdings has been the decisive factor.

Upon assessment of whether or not accounts receivable are to be considered as doubtful debts, factors such as historical experience, credit ratings and the size of the receivable have been taken into account.

Financial Year

The Company's financial year is 1 April - 31 March.

Financial leasing

The Company reports its leasing operations in accordance with IAS 17. As such, TMHE Rental AB classifies leasing agreements as financial and, therefore, conducts gross accounting for receivables and liabilities in the balance sheet. The financial leasing receivables are valued at the present value of remaining lease payments, including their residual values. Income from leasing objects is allocated in accordance with the annuity plan for each agreement, in order to achieve a true and fair view.

Tangible assets – leasing objects

Leasing objects are classified as financial lease agreements, but are reported as operational in accordance with FFFS 2008:25. According to the Swedish Financial Supervisory Authority's regulations, such agreements may be depreciated according to the annuity method.

The leasing objects are taken up at acquisition cost, less depreciation. Annuity-based depreciation is determined, among other things, on the residual value and the duration of the contract for the object, according to the customer agreement at the time that the contract was entered into. The residual value is to reflect the estimated market value at the end of the contractual period. Income from leasing objects is allocated based on the annuity plan for each agreement in order to achieve a true and fair view.

Intangible assets

Intangible assets consist of capitalised expenditure for software and IT systems. The period of amortisation is 3-5 years.

Financial instruments

The Company's financial instruments are classified according to the following categories (*Loans receivable and accounts receivable and Other financial liabilities*), based on the manner in which the instruments are to be valued. The Company classifies all of its financial assets in the category "Loan receivables and accounts receivable". According to the definition in IAS 39, loan receivables and accounts receivable are *financial assets which are not derivative, which have fixed payments or payments which can be fixed and which are not listed on an active market*. The Company's loan

receivables and accounts receivables are comprised of accounts receivables (Note 11) and liquid assets (Note 9). These are valued at accrued acquisition cost (which is the same as nominal value). Thus far, the Company has not had any need to make provisions for any value depreciation of its accounts receivables, as all outstanding amounts have been received.

Liquid assets include bank account balances and current investments with due dates within 3 months (3) after the date of acquisition. Liquid assets are valued at acquisition cost with additions for accrued interest income.

The Company's financial liabilities are entirely attributed to the group "Other financial liabilities". Included in this category are accounts payable (Note 13) which, similar to accounts receivable, are valued at accrued acquisition cost, as well as borrowings from the general public via the Group's internal bank (Note 8). Such loans are due within 3 months and are valued at acquisition cost with the addition of accrued interest expenses.

Revenue recognition

The Company reports revenue when the amount can be measured in a reliable manner and when it is likely that future economic benefits will accrue to the Company. Revenue is reported in the amounts expected to be received.

Accounting principles for borrowing costs

Borrowing costs are charged to profit/loss in the period to which they are attributable.

In TMHE Rental AB, borrowing costs include the interest portion of the financial lease agreement and interest on borrowing from the general public via the Group's internal bank, Toyota Industries Finance International AB, as well as interest expenses on bank accounts.

Cash flow statement

The cash flow statement has been prepared in accordance with the so-called indirect method. Reported cash-flows include only those transactions incurring incoming, or outgoing payments. Liquid assets refers, aside from cash and bank balances, to short-term financial investments exposed to only insignificant risk of value fluctuation, with a remaining term of shorter than three months from the purchase date.

Transactions in foreign currency

The Company's functional currency is SEK.

Assets and liabilities in foreign currency are translated to SEK at the exchange rate on balance sheet date. Exchange rate differences arising during such translation are reported in the income statement.

Definition of key ratios

Equity/assets ratio: Equity and 73,7% of untaxed reserves in relation to total assets.

Capital coverage ratio: The relationship between the size of the capital base and the total calculated risk investment, calculated according to legal stipulations.

Pension commitments

The Company has both defined contribution plans and defined benefit plans. For the defined contribution plans, the Company pays fixed fees to a separate, independent legal entity and, has thereafter, no obligation to the employee to pay additional fees. The Company's profit/loss is charged for such costs at the rate that the benefits are earned which normally coincides with the point in time at which the premium is paid. For other pension plans, when there is an agreement regarding a defined benefit plan, the obligation is not settled until the agreed upon pension amount has been paid. The Company's pension commitments are not covered by capital from any pension foundation or by subscribed pension insurance, instead, provisions are made in the balance sheet. The Company reports defined benefit plans and defined contribution plans in accordance with the exceptions in RFR 2.2, paragraph 38.

The Company's reported pension liabilities are covered by credit insurance with Försäkringsbolaget Pensionsgaranti.

Memorandum items

Contingent liabilities are reported in conjunction with the signing of the agreement.

Guarantees, that is, leasing commitments are reported at present value of the remaining leasing payments, including the residual value.

Financial risks

Information regarding the financial risks identified in the Company, and the manner in which these risks are to be managed, is provided in the administration report.

Income tax

Report income tax includes tax which is to be paid or received regarding the current year, adjustments regarding the previous year's current taxes, and changes in deferred tax.

The valuation of all tax liabilities/receivables takes place at nominal amounts and is carried out according to the tax regulations and tax rates which have been determined, or which are recommended and are likely to be adopted.

For items reported in the income statement, associated tax effects are also reported in the income statement. The tax effects for items reported directly against equity, are reported against equity.

Toyota Material Handling Europe Rental AB

Note 1 Net interest income

Amounts in TSEK	2010/11	2009/10
Interest income		
Lending to credit institutions	9 060	11 854
Lending to the general public	182 456	181 861
Other interest income	7	50
Total interest income	191 523	193 765
of which interest income from Group companies	177 301	171 867
Lease income¹		
Lease income - interest portion	746	326
Lease income - payment portion	10 211	9 854
Total lease income	10 957	10 181
Interest expenses		
Liabilities to credit institutions	-153 796	-158 614
Interest expenses for borrowing from the general public	-1 367	-1 388
Other interest expenses	-59	-34
Total interest expenses	-155 222	-160 036
of which interest expenses to Group companies	-1 367	-1 388
Total net interest income	47 258	43 909
¹ Gross leasing income	10 956	10 181
Amortisation	-9 999	-9 862
Net leasing	957	319

Note 2 Net result of financial transactions

Amounts in TSEK	2010/11	2009/10
Exchange rate fluctuations	-2 819	-1 772
Total net result of financial transactions	-2 819	-1 772
of which exchange rate fluctuations of loans and receivables	-1 772	-1 772

Note 3 Distribution of income by geographical market

The sum of the income statement items, Interest income, Leasing income, Net results of financial translations and Other operating income are distributed over the following geographical markets:

Amounts in TSEK	2010/11	2009/10
Sweden	37 871	37 781
Rest of Nordic region	28 743	57 185
Rest of Europe	135 228	109 878
Total	201 842	204 844

Note 4 General administrative expenses

Amounts in TSEK	2010/11	2009/10
Personnel costs ¹	-7 817	-7 771
Costs for premises	-199	-657
Other administrative expenses ²	-4 355	-3 701
Total general administrative expenses	-12 371	-12 129

¹ Remuneration to employees

Amounts in TSEK	2009/10	2009/10
Remuneration to the Chairman of the Board*	0	0
Remuneration to members of the Board not including senior management	100	100
Remuneration to the Managing Director	814	617
Salaries to other employees	3 712	4 326
Social security contributions	1 815	1 789
Pension costs of which to the Managing Director, 118 (117)	629	743
Other personnel costs	747	196
Total personnel costs	7 817	7 771

* Employed within the Group, remuneration to Board of Directors is not paid

Remuneration to senior management

As remuneration to members to senior management, the Managing Director has been paid a fixed salary. For members of the Board not including senior management, remuneration has been paid in accordance with the resolutions of the annual general meeting. Remuneration for consultancy services to members of the Board not included in senior management has been paid, amounting to a total of TSEK 63 (90). Number of members of the Board not including senior management totalled 4 individuals as per 31 March 2011.

Average number of employees	2010/11	2009/10
Average number of employees	9	9
of whom men, %	44	44
Absence due to illness as a % of total available working hours	1,0	0,5

² Remuneration to the Company's auditors

Amounts in TSEK	2010/11	2009/10
Ohrlings PricewaterhouseCoopers		
Audit fees	161	255
Auditing in addition to the audit engagement	0	0
Tax advice	869	477
Other assignments	0	0
Total remuneration to the Company's auditors	1 030	732

Note 5 Depreciation of fixed assets

Amounts in TSEK	2010/11	2009/10
Intangible fixed assets	-171	-86
Equipment	0	0
Leasing objects	-9 999	-9 861
Total	-10 170	-9 947

Note 6 Appropriations

Amounts in TSEK	2010/11	2009/10
Difference between reported depreciation and depreciation according to plan	-19 542	198
Total	-19 542	198

Note 7 Tax on profit for the year

Amounts in TSEK	2010/11	2009/10
Income before tax	24 080	22 930
Income tax calculated in accordance with national tax rate	6 322	6 031
Tax charge for reversed accelerated depreciation	-5 139	0
Tax deductions for previous years' reversed accelerated depreciation	-327	-402
Tax deductions attributable to income not subject to tax	-2	-13
Tax charge attributable to expenses not deductible for tax purposes	59	88
Total	913	5 704

Note 8 Information on durations

Amounts in TSEK	Remaining duration					Total
	Payable upon request	≤ 3 months	> 3 months ≤ 1 year	> 1 year ≤ 5 years	> 5 years	
Lending to credit institutions	2 244	162 775	563 930	207	0	729 156
Lending to the general public*	37 817	321 623	957 784	2 865 390	79 319	4 261 933
Liabilities to credit institutions	0	321 689	932 801	2 829 456	78 329	4 162 275
Deposits from the gen. public**	0	50 000	0	0	0	50 000

* of which financial leasing receivables, 4 224 116 and lending to Group companies, 4 261 689

** of which Group companies, 50 000

Note 9 Liquid assets

Included in liquid assets in the balance sheet and cash flow statement is the following:

Amounts in TSEK	2010/11	2009/10
Balances in bank accounts and Group accounts in banks*	40 061	18 665
Short-term deposits in Group companies	0	0
Current investments in credit institutions	90 426	677 959
Total	130 487	696 624

* included in the balance sheet under the item Lending to the general public

Note 10 Intangible and tangible fixed assets**Intangible fixed assets**

Amounts in TSEK	2010/11	2009/10
Opening acquisition cost	2 413	1 951
Investments for the year	0	462
Closing acquisition cost	2 413	2 413
Opening amortisation according to plan	-1 643	-1 558
Amortisation for the year according to plan	-171	-86
Closing amortisation according to plan	-1 814	-1 643
Residual value according to plan	599	770

Tangible fixed assets - leasing objects

Amounts in TSEK	2010/11	2009/10
Opening acquisition cost	34 164	22 067
Purchases during the year	92 026	30 096
Sales for the year	-22 245	-17 999
Closing acquisition cost	103 945	34 164
Opening accumulated depreciation	-10 246	-4 964
Accumulated depreciation on sales during the year	7 306	4 579
Depreciation for the year	-9 999	-9 861
Closing depreciation	-12 939	-10 246
Residual value	91 006	23 918

Note 11 Other assets

Amounts in TSEK	2010/11	2009/10
Accounts receivable - trade	1 458	129 162
VAT recoverable	28 106	39 828
Income taxes recoverable	55 775	41 925
Other	24 539	5 500
Total	109 878	216 415
of which Group companies	25 996	134 662
Age analysis, matured but not doubtful debts include		
Matured less than 1 month	381	23 771
Matured 1-2 months	0	0
	381	23 771

Note 12 Prepaid expenses and accrued income

Amounts in TSEK	2010/11	2009/10
Accrued interest income	2 572	12 147
Other accrued income and prepayments	2 255	95 861
Total	4 827	108 008
of which Group companies	0	0

Note 13 Other liabilities

Amounts in TSEK	2010/11	2009/10
Accounts payable - trade	11 182	142 785
Other	3 173	8 918
Total other liabilities	14 355	151 703
of which Group companies	242	294

Note 14 Accrued expenses and deferred income

Amounts in TSEK	2010/11	2009/10
Accrued interest expenses	95	13 571
Accrued expenses and deferred income	10 070	98 225
Accrued expenses and deferred income	10 165	111 796
of which Group companies	3 798	103 136

Note 15 Provisions

Amounts in TSEK	2010/11	2009/10
Provisions for pensions and similar commitments	1 298	1 077
Total provisions	1 298	1 077
of which credit insured via FPG	1 298	1 077

TMHE Rental AB's pension liabilities amounted to TSEK 1 298 (1 077) per 31 March 2011. 2 percent of pension liabilities, i.e. TSEK 26 (22) is reported as an obligation to FPG (Försäkringsbolaget Pensionsgaranti).

Note 16 Guarantees

Amounts in TSEK	2010/11	2009/10
SEB Leasing Ltd	988 488	1 043 329
SEB Leasing & Factoring GmbH	444 948	455 124
Total guarantees	1 433 436	1 498 453

Since 1 January 2004, TMHE Rental AB has guaranteed its fellow subsidiary, BT Rental Ltd's, leasing commitments with financiers in the UK. Since 1 October 2005, TMHE Rental AB has guaranteed its fellow subsidiary, TMH Deutschland GmbH's leasing commitments with financiers in Germany.

Note 17 Untaxed reserves

Amounts in TSEK	2010/11	2009/10
Accelerated depreciation, equipment & leasing objects	20 468	926
Total	20 468	926

Note 18 Interest and rent which has been received and paid

Amounts in TSEK	2010/11	2009/10
Interest received	192 815	194 904
Rent received	10 956	10 181
Interest paid	-141 115	-145 707
Net interest and rent which has been received and paid	62 656	59 378

Note 19 Financial assets and liabilities

Amounts in TSEK	Loan receivables and accounts receivable	Other financial liabilities	Total book amount	Fair value
Lending to credit institutions	729 156	0	729 156	729 156
Lending to the general public	37 817	0	37 817	37 817
Accrued income	4 826	0	4 826	4 826
Other financial assets	102 360	0	102 360	102 360
Total	874 159	0	874 159	874 159
Liabilities to credit institutions	0	0	0	0
Borrowing from the general public	0	50 000	50 000	50 000
Other liabilities	0	6 837	6 837	6 837
Accrued expenses	0	10 165	10 165	10 165
Total	0	67 002	67 002	67 002

Note 20 Assets and liabilities in foreign currencies

Amount translated into TSEK	Total
Assets	3 479 335
Liabilities	-3 454 677
Net difference in foreign currencies	24 658

Note 21 Transactions with related parties

Amounts in TSEK	Income	Expenses	Receivables 2011-03-31	Liabilities 2011-03-31
Transactions with companies within the Group are presented below:				
Parent Company (TMHE AB)	563	445	107	111
Other Group companies	182 386	2 556	3 878 893	57 949
Total	182 949	3 001	3 879 000	58 060

For information regarding remuneration to senior management, see note 4.

Toyota Material Handling Europe Rental AB

Signatures

Our annual report was presented on 14 June 2011

Linköping, 14 June 2011

Yasuharu Toyoda
Chairman of the Board

Håkan Dahllöf
Vice Chairman of the Board

Anna Wolving
Managing Director

Lars Hägerborg

Rikard Sagent

Frédéric Le Verdier

Peter Carlén

Göran Åseborn

Our audit report was submitted on 14 June 2011

Öhrlings PricewaterhouseCoopers AB

Peter Nilsson
Authorised Public Accountant
Auditor in charge

Eva Myrén
Authorised Public Accountant



Audit report

(translation)

To the annual meeting of the shareholders of

Toyota Material Handling Europe Rental AB Org nr 556032-5002

We have audited the annual accounts, the accounting records and the administration of the board of directors and the managing director of Toyota Material Handling Europe Rental AB for the year 2010-04-01 – 2011-03-31. These accounts and the administration of the company and the application of the Annual Accounts Act of Credit Institutions and Security Companies when preparing the annual accounts are the responsibility of the board of directors and the managing director. Our responsibility is to express an opinion on the annual accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the board of directors and the managing director and significant estimates made by the board of directors and the managing director when preparing the annual accounts as well as evaluating the overall presentation of information in the annual accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the managing director. We also examined whether any board member or the managing director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act of Credit Institutions and Security Companies or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act of Credit Institutions and Security Companies and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The statutory administration report is consistent with the other parts of the annual accounts.

We recommend to the annual meeting of shareholders that the income statement and balance sheet be adopted, that the profit be dealt with in accordance with the proposal in the administration report and that the members of the board of directors and the managing director be discharged from liability for the financial year.

Mjölby 2011-

Öhrlings PricewaterhouseCoopers AB

Peter Nilsson
Authorized Public Accountant
Auditor in charge

Eva Myrén
Authorized Public Accountant