

2025/2026

TAX STRATEGY

ISHIDA EUROPE LIMITED 2025/26 TAX STRATEGY

Paragraph 16(2), Schedule 19 of the Finance Act 2016 requires Ishida Europe Ltd. (hereinafter Ishida) to publish its tax strategy. In compliance with this, we set out below our strategy for the financial year ending 20 March 2026. This was reviewed and approved by the Board of Directors on 11th February 2026.

This strategy has been updated for the 2025/26 period to reflect enhancements in our governance framework, expanded monitoring of OECD Pillar Two developments, strengthened data governance processes, and updated compliance commitments regarding Uncertain Tax Treatments.”

1. Introduction

Ishida Europe Ltd. (“Ishida”) is a global leader in the design, manufacture and installation of packaging machines for food and non-food products. We primarily operate across Europe, Middle East and Africa and our activities incur a variety of taxes, including corporation tax, customs duties and business rates. We also collect and pay VAT and employment taxes.

We are committed to upholding the highest ethical and professional standards consistent with our Governing Principles and our Code of Conduct. Our tax strategy supports these values and ensures responsible, transparent, and compliant tax behaviour across our operations.

We actively monitor global developments including the OECD Pillar Two Global Minimum Tax rules and emerging digital taxation requirements across the EU and EMEA region, assessing their potential impact on our operations.

2. Governance and Tax Risk Management

2.1 Governance Framework

Ishida is committed to responsible administration and payment of taxation, endeavouring to comply with all relevant laws, regulations and disclosure requirements. This is in line with our Japanese parent’s corporate philosophy of Three-Way Harmony, ensuring balance between our company interests, those of our customers, and those of the wider society.

Responsibility for Ishida’s tax governance and strategy rests with the Finance Director, with oversight from the Board of Directors. Day-to-day tax management is delegated to a team of qualified in-house professionals.

We maintain a formal tax control framework linked to Ishida’s wider finance governance processes, including annual internal assurance testing and periodic Board level tax risk updates.

Our tax control framework includes annual testing of key controls, documented risk assessments, and structured escalation procedures to ensure that emerging risks are promptly reviewed by senior leadership.

Ishida employs three lines of defence model for tax governance: operational ownership within finance teams, independent review by the Finance Director and senior governance committees, and additional external assurance through professional advisors. This model supports robust oversight and strengthens confidence in the integrity of our tax processes and reporting lines of defence model for tax governance: operational ownership within finance teams, independent review by the Finance Director and senior governance committees, and additional external assurance through professional advisors. This model supports robust oversight and strengthens confidence in the integrity of our tax processes and reporting-lines-of-defence model for tax governance: operational ownership within finance teams, independent review by the Finance Director and senior governance committees, and additional external assurance through professional advisors. This model supports robust oversight and strengthens confidence in the integrity of our tax processes and reporting.

2.2 Risk Management Approach

We adopt a structured approach to identifying, assessing, and managing tax risks. The inhouse team performs ongoing monitoring to ensure compliance with relevant legislation and to remain alert to regulatory change. Issues are brought to the attention of the Finance Director where appropriate, and the Board is also duly informed of matters that warrant escalation. External advisors provide additional assurance on complex or high-risk matters, helping us interpret tax law accurately and minimise risk exposure. Inhouse team performs ongoing monitoring to ensure compliance with relevant legislation and to remain alert to regulatory change. risk matters, helping us interpret tax law accurately and minimise risk exposure.

Key risk areas for Ishida include:

- Cross border transaction pricing-border transaction pricing
- VAT treatment in multi-jurisdictional supply chains
- Customs duties on imports and exports
- Employment tax compliance

We leverage enhanced BI reporting and system driven process controls to strengthen tax data quality and compliance.

We operate formal data governance processes to ensure tax critical data is accurate, complete, and consistent across systems, supported by automated reconciliations and workflow driven review procedures.

Cross border transactions are evaluated for hybrid mismatch risks, transfer pricing alignment, and permanent establishment exposure to ensure consistency with OECD guidelines and UK anti-hybrid Cross-border transactions are evaluated for hybrid mismatch risks, transfer pricing alignment, and permanent establishment exposure to ensure consistency with OECD guidelines and UK anti-hybrid legislation.

3. Attitude to tax planning

Ishida does not engage in artificial or aggressive tax planning. We will not engage into arrangements that lack genuine commercial purpose, are contrary to the spirit of the law, or could be perceived as abusive.

We make use of incentives and reliefs only where these are directly applicable and consistent with legislation. Claims are supported by qualified external experts when necessary, ensuring full compliance with tax authority standards.

Our transfer pricing follows OECD guidelines, including functional analysis and DEMPE frameworks for intangible related transactions.

All tax planning undertaken by Ishida must be firmly grounded in demonstrable commercial purpose, with tax outcomes reflecting genuine economic activity and value creation.

We assess all cross-border arrangements for hybrid mismatch exposure to ensure deductions and taxable receipts are aligned across jurisdictions.

Claims relating to R&D and intellectual property incentives are prepared with specialist input and supported by detailed technical documentation.

4. Risk appetite

Ishida has a low appetite for tax risk. We will not tolerate tax positions that could compromise our reputation, contravene legislation, or damage relationships with key stakeholders. As a global business, we recognise the elevated risks associated with cross-border transactions and adhere to OECD guidelines on international tax matters, ensuring our tax positions reflect genuine commercial substance.

Wherever ambiguity, we rely on external professional advice and seek clarification from tax authorities, to reinforce certainty and minimise risk.

We actively monitor the OECD Pillar Two Global Minimum Tax rules and assess any potential implications for our EMEA operations.

Our approach to tax governance forms part of our broader ESG commitments, supporting transparency, responsible corporate conduct and long-term sustainability.

5. Approach to dealings with HMRC and Tax Authorities

Ishida values a transparent, constructive and cooperative relationship with tax authorities. Ishida is committed to:

- Filing accurate tax returns on a timely basis
- Providing tax authorities with information that is complete, transparent, and supplied promptly
- Responding proactively to information requests
- Applying tax legislation fairly and reasonably
- Avoiding any practices inconsistent with the intended purpose of the law

This approach supports both regulatory compliance and strong engagement with tax authorities.

Where required under the Uncertain Tax Treatment (“UTT”) regime, Ishida will proactively disclose relevant matters to HMRC in accordance with statutory obligations.”

We are committed to working with HMRC on a real time and collaborative basis, including during enquiries and risk reviews, to support timely resolution and maintain a low risk profile.

Where applicable, we disclose uncertain tax treatments to HMRC in accordance with statutory requirements.

We adopt a collaborative and transparent approach to interacting with HMRC, including timely responses to information requests and participation in real time reviews where appropriate.

Ishida is committed to interpreting and applying tax laws in a fair and reasonable way, with the help of expert advisors where necessary. We refrain from abusive practices that would be inconsistent with the intended consequences of the law, and that would as such put a strain on our relationship with HMRC.

6. Use of Technology and Controls

Ishida maintains robust financial systems and internal controls designed to ensure accurate tax reporting and compliance. Our processes support digital requirements, including Making Tax Digital for VAT, and ensure consistency and reliability across tax filings.

7. Review and Approval

This Tax Strategy has been reviewed and approved by the Board of Directors on 11 February 2026. It will be reviewed annually, or more frequently if required by regulatory or business developments.