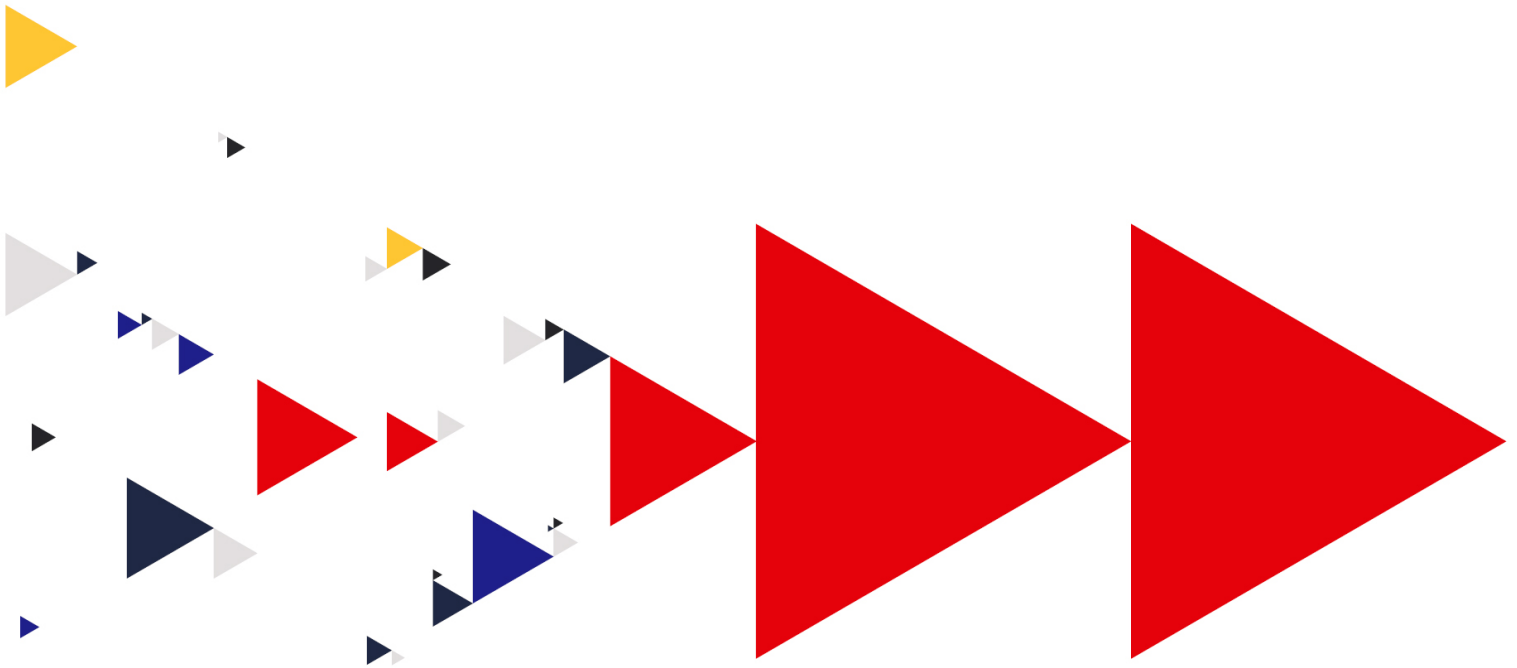




# Brexit Statement



## Ishida Brexit Statement

On 29th March 2017, the UK government triggered Article 50 which began a process for the UK to leave the European Union by April 2019 (so-called “Brexit”).

There is considerable uncertainty as the UK and EU have not concluded negotiations on the nature of the trading relationship post-Brexit. Indeed, even the timing of Brexit is not certain as there is discussion on transitional arrangements and how long these may need to be in place.

This uncertainty is unhelpful for our current and potential partners within the European Union and the UK. Within these uncertain times we would like to assure our partners that:

- ▲ Ishida Europe will continue to conform to EU legal and regulatory requirements;
- ▲ There will be no significant increase in prices because of the implementation of tariffs between the EU and UK; and
- ▲ There is security of supply across all new machines, spare parts and labour and that this can be guaranteed for the normal timeframes of existing and future portfolios.

### **Ishida Europe is well placed to give credible assurances on these concerns:**

- ▲ We already have a significant footprint within the EU – with directly-owned entities within 5 EU countries and we are currently setting up in a 6th country. Additionally, we have a network of long-established distributors in a further 12 EU countries.
- ▲ We have established a working party comprising Board members and senior managers to monitor the Brexit negotiations and to form suitable contingency plans to prevent disruption to our business and to ensure that we meet our Customers’ Service expectations.
- ▲ With established market share in each of these regions, our conformity with current and future EU regulations will continue to be of paramount importance.
- ▲ We will continue to monitor developments within the negotiations, but in any event we will be able to utilise our current network of EU entities in order to mitigate any impact of UK / EU tariffs by importing directly into the EU. Indeed, the recent EU / Japan trade deal is welcomed.
- ▲ A significant proportion of both our income and purchasing is in Euro which provides a natural hedge against currency movements.
- ▲ We also have a proven track record of trading outside the EU and managing the associated practices brought about by trading with countries where there are barriers to free trade.
- ▲ The risk that the UK will not have access to well-qualified EU citizens is also mitigated by our wide European network.

We will continue to monitor future developments and adjust our business accordingly but we believe we are well placed to meet the challenges of Brexit.