

Annual report for the year ended

31 March 2025

Epson Europe B.V.

Amsterdam

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Directors' report

General information

Epson Europe B.V. ('EEB' or 'the Company', and together with consolidated subsidiaries called 'the Group') is a wholly owned subsidiary of Seiko Epson Corporation ('SEC'), set up to control their computer peripheral and associated businesses based in Europe. The business covers the distribution of video projectors, computer peripherals and associated products in Europe, manufacturing ink cartridges in the United Kingdom ('UK'), digital inkjet textile printers in Italy, distribution of products for semiconductors, quartz devices (QD) and sensing systems in Germany. All the sales subsidiaries are located in Europe and wholly owned by Epson Europe B.V. Further EEB has several branches across Europe which perform sales and marketing supportive activities.

We herewith present the consolidated and company only financial statements of Epson Europe B.V. for the financial year ended 31 March 2025 (hereafter '2024/2025').

Developments

The financial year 2024/2025 remains to be a tough business year, due to global economy remaining below pre – pandemic levels, moderated inflation, sustained private consumption, the geopolitical risk, increased uncertainty of monetary policy by countries around Europe and continued severe price competition in the market. The Europe region has an overall 1% higher revenue compared to prior year, primarily due to the lower revenue from consumer products, decrease in projectors and industrial markets, while we have achieved 31% higher revenue compared to prior year for the Office printing business and Business Systems. In addition, the turnover on other product groups such as Industrial and Manufacturing Solutions were also slightly lower this financial year compared to prior year.

As planned, in October 2024 the company has transferred its operations outside of Europe to a newly established Epson sales sister company, that will continue to manage the Commonwealth of Independent States regions (excluding Russia and Belarus), Middle East and Africa (further referred as 'CISMETA'), under direct control of the ultimate parent Seiko Epson Corporation. Approximately 16% of the regional business and operations previously managed by Epson Europe B.V. were transferred to the new Epson Sales company.

Overall, we have a turnover of EUR 1.74 billion (2023/2024: EUR 1.92 billion), and a profit before tax of EUR 35 million (2023/2024: loss before tax of EUR 2.1 million). The main reason for the variance at gross margin level is due to the transfer of regional business in Epson CISMETA region to the new Epson Sales company, as mentioned above. The high profit in the financial year is mainly caused by the alignment of expected profits in accordance with our Advance Pricing Agreement (APA) in prior periods. The prices of the purchased goods from the head office in Japan are determined based on arm's length transaction and in compliance with the Advance Pricing Agreement (APA target), and the selling and general administrative expenses throughout the EUROPE region are closely controlled and monitored.

Impact of the Ukraine-Russia conflict

Following the transfer of Ukrainian operations to another Epson entity in October 2024, and the liquidation of Epson CIS subsidiary in Russia in May 2025, the company has no business activities in this region.

Financial position at year end

Total assets decreased by EUR 168.6 million or 19%, mainly because the company has repaid intercompany loans and transferred inventory to the sister company performing the activities in the CISMETA region.

The total fixed assets decreased by EUR 0.7 million mainly due to amortization of goodwill.

The investments in tangible and intangible fixed assets in this financial year amounted to EUR 13.8 million (March 31, 2024: EUR 10.2 million). This is related to leasehold improvements, furniture and fixtures, IT equipment, etc.

The total current assets decreased by EUR 167.9 million mainly due to decrease in Cash and Cash equivalents, which at the year-end were EUR 100 million (March 31, 2024: EUR 192 million). The decrease in cash and cash equivalents is mainly due to repayment of intercompany loans.

The directors consider that the Group can meet all its financial liabilities. Foreign currency risks are partially hedged in accordance with the policies laid down by Seiko Epson Corporation and endorsed by the directors of Epson Europe B.V.

Financial Ratios FY24

	March 31, 2025	March 31, 2024
Liquidity ratio		
Current ratio	1.62	1.40
Quick ratio	0.78	0.77
Financial leverage		
Debt ratio	0.64	0.74
Assets to Equity ratio	2.80	3.83
Liabilities to Equity ratio	1.80	2.83

Employee information

During the FY2024/2025 the average number of employees amounted to 2,259 (FY2023/2024: 2,442). Epson continues investing heavily in the training of its employees, using computer based as well as more traditional methods. For example, Epson has organized mandatory trainings for all employees on Diversity, Equity & Inclusion topics, as well as a gender equity mentoring program.

The law 'More balanced ratio between men and women in the management and supervisory board' entered into force on 1 January 2022. The aim of the law is to achieve a more balanced gender balance in the (sub)top of the Dutch business community. The law obliges 'large' companies to report their targets, action plans, male/female ratios, and results to the Social-Economic Council (SER) every year. For Epson Europe B.V. there is an obligation to disclose our targets, plans and gender ratio in the top and (sub)top. In FY2024/2025 Epson management consists of Board of Directors (100% male), Supervisory Board (67% male) and Strategic Management Forum. In the current management structure based on the Strategic Management Forum, 21% of employees are female.

Epson recognizes that gender equality is one of the greatest challenges facing the Company, particularly in Japan, and is working to achieve a state in which the percentage of women in middle management and executive management positions equals the percentage of women employees to all employees (40%) as soon as possible. The company is working on a plan to achieve this balance, but needs to consider all stakeholders, and further develop the plan.

Directors' remuneration

The bonus of the board of directors mainly depends on Seiko Epson Group's operating result, their responsibility, individual objectives, and performance results.

Company industry and functional analysis

The global Seiko Epson group is involved in the development, manufacturing, sales, marketing and servicing of information and printing solutions (inkjet printers, textile printers, and POS system), visual communications (projectors), wearable and industrial products (watches, semiconductors, micro devices, and factory automation equipment) and other products.

The industry relevant for the operations of EEB can be classified as part of the global electronic and computer storage and peripherals industry sector. EEB is the European distributor of physical products. EEB is also the European headquarter of the Epson Group and in such role, EEB provides certain intermediary coordination and support services with respect to administrative services, marketing, and operations. EEB, as the European distributor for Epson branded products, purchases products under the Epson trademark from SEC (and other group manufacturing companies). EEB then sells them to the following Epson sales companies ('ESCs') and directly to its customers within the EEB territories:

- Epson Deutschland GmbH;
- Epson France S.A.S;
- Epson Iberia SAU;
- Epson Itália S.p.A; and
- Epson UK Ltd

In addition, EEB provides certain intermediary coordination and support services to the ESCs. The ESCs are primarily responsible for maximizing sales in their territory and appoint third party distributors or dealers to distribute Epson's products to the market and to end users.

Based on EEB's transfer pricing arrangements with SEC and a tax ruling agreement with the Dutch Tax Authorities, it shall be at arm's length to remunerate EEB, as a master distributor and headquarter for the European region. Remuneration is being assessed on a frequent basis to ensure that it is always at arm's length for all activities within this region. This remuneration is then to be allocated as follows:

- to the European Sales Centres
- to the own sales activities of EEB
- to the branch activities, part of the remuneration is allocated based on cost plus
- remaining to the core activities of EEB

The net operating margin targets as agreed with SEC and reflected in our tax ruling agreement are within the range of benchmark analysis performed for these activities and shall be in line with the arm's length standard.

The other EEB's subsidiaries being Epson Europe Electronics GmbH ('EEG'), Epson Telford Ltd ('ETL'), Epson Subscription Europe B.V. ('ESE') and EIS' subsidiary Epson Como Printing Technologies Srl (ECS) have a different function.

EEG primarily sells two major product groups, being Semiconductors and QD (Quartz Devices, including timing devices and sensors). EEG has a direct transfer pricing policy with SEC. In addition, EEG provides support to create offshore revenue (business generated in Europe through engineering and design-in support which eventually generates revenue from mass production and customer orders for subsidiaries in Asia). For these activities, EEG receives commission income from SEC, which covers the costs of the engineering services.

ETL is a manufacturing unit within European division of the SEC group dealing mainly with group companies. Its principal activity is the manufacture and packing of ink cartridges and the distribution of those cartridges to fellow group companies.

ECS specializes in the development, manufacture, and sale of digital inkjet textile printers, notably the Monna Lisa* series, which it began developing with Epson in 2003. This product has established a strong brand image by providing beautiful gradations and colour reproduction, winning plaudits from customers. In addition, the company sells ink for Monna Lisa* printers and develops ink in cooperation with SEC, which include development, manufacture, and sale of textile preparation products.

The company also sells analogue printing dyes and auxiliary products, performs chemical treatment consulting for digital textile printing and Monna Lisa* sales support and sales of Epson dye sublimation large-format printers.

**Monna Lisa is the name of a series of industrial inkjet digital textile printers jointly developed by Epson and Robustelli.*

Risk section

The risk management policies and procedures are key to ensure the proper management of Epson Europe B.V. All layers of our organization understand that risk management is an important process. The risk management system is embedded in the corporate governance system. The basic approach to corporate governance is geared toward continuously increasing corporate value, and reinforcing business checks and balances, practicing sound corporate ethics, and ensuring business transparency and health. This is in compliance with J-SOX, which refers to the internal control portions of the Japanese Financial Instruments and Exchange Act, which is the main statute codifying securities law and regulating securities companies in Japan.

Following the Japanese Financial Instruments and Exchange Law, which was enacted in 2006, companies are required to evaluate the effectiveness of their internal control over financial reporting systems. This system is the Japanese version of the U.S. Sarbanes-Oxley (SOX) Act and is commonly known as "J-SOX". The system requires listed companies to establish systems to ensure the accuracy of their financial statements and disclosure items, and to evaluate the effectiveness of these systems. Since Epson Europe B.V. is a material subsidiary of SEC, a listed entity in Japan, Epson Europe B.V. needs to be compliant with J-SOX as well for certain key processes.

Main risks

Due to the group trading arrangements and transfer pricing policy agreements with SEC as described in the section "Company industry and functional analyses" above, the impact of the risks relating to Group's operations on the profit of the Group is outlined further below.

At present, we have identified the following significant factors as risks that could have a materially adverse effect on our future business, financial condition and/or operating results. These significant risks are categorized as follows:

Strategic risk area (includes price risk, technology risk, and competition risk);

- Operational risk area (product liability / warranty risk, transportation risk, and inventory risk);
- Financial risk area (includes credit risk and currency risk); and
- Compliance risk area (includes environmental risk and local laws and regulations relating to tax and copyrights).

These identified risks with the corresponding Group's policy to mitigate these risks are set out below. There may be other risk factors of which we are unaware at this time. We strive to recognize, prevent, and control potential risks and to address risks that materialize. Also, all forward-looking statements hereunder were made at Epson's discretion as of the date of this Annual Report was submitted.

Based on the Company's assessment on fraud risk, such as misappropriation of assets, there are internal controls & JSOX controls in place for high-risk areas such as revenue cut off, SG&A controls, etc. To raise the awareness for fraud risk with the employees the company conducts frequent employee trainings, holds meetings on this topic and has Ethics hotline in place.

Risk appetite is low in the current and preferred profile.

Strategic risk area

Price risk

All of Epson's products, including the core printer and projector products, are subject to the effects of vigorous competition, which could cause, among other things, prices to fall, demand to shift toward lower-priced products, and unit shipments to decline.

SEC provides the basis of the range of the net selling price. However, EEB takes strategic actions (such as discounts and rebates) to address the risk of price declines in unit shipments. To cover the risk of price decreases, EEB provides products tailored to customer needs in each market along with high-value products and services. If the selling prices will be out of the range of SEC's mandated net selling price, it needs to be approved by SEC.

As stated in the above section "Company industry and functional analyses", the risk on the profitability is mainly with SEC. If the sales price decrease, then the purchase price from SEC will also decrease on the long term to achieve the targeted margin.

Other control measures are keeping close watch on the market and have a timely communication with SEC to ensure timely development of new products and ensure updated benchmarking has taken place and update the transfer pricing agreements, as necessary.

Risk appetite is medium in the current and preferred profile. Should this risk materialize, EEB has the financial capacity to assume the risk.

Technology risk

Some of the products that we sell contain technology that places Epson in competition against other companies.

We believe that the technologies used in the products are believed to be superior to the alternative technologies of other companies. However, if consumer opinion with respect to Epson technologies changes, or if other revolutionary technologies appear on the market and compete with our technologies, we could lose our competitive advantage and our operating results could be adversely affected. This possible adverse impact on our operating results will be compensated by SEC as agreed in our transfer pricing policy agreements.

All Develop, Enhance, Maintain, Protect and Exploit control functions are performed by SEC with respect to the core Epson Intellectual Property (IP).

Control measures taken at the level of EEB are limited to the following:

- i. Keeping close communication with SEC and requesting new model developments; and
- ii. Collecting European market information by Sales & Marketing department.

The risk is with SEC, since SEC owns the Research and Development activities and Intellectual Property rights. EEB's technology risk is limited as stated in the Distributorship agreement that the intellectual property rights shall remain the exclusive property of SEC. Risk appetite is low in the current and preferred profile. Should this risk materialize and becomes high, SEC has the financial capacity to assume the risk.

Competition risk

We presently face competition from powerful companies that have advanced technological capabilities, abundant financial resources, or strong financial compositions. We also face competition from companies around the world that have market recognition, strong supply capacities, or the ability to compete on price. There is, therefore, a possibility that other companies could use their brand power, technological strength, ability to procure funds, marketing power, sales skills, low-cost production ability, or other advantages to enter business areas where we are active.

To ensure competitiveness, Seiko Epson Group is laying a strong foundation to achieve sustained growth by concentrating our management resources on the four areas of printing, visual communications, quality of life, and manufacturing, as we believe these are areas that promise future growth and where we can leverage our unique strengths. To achieve sustained growth, we are executing strategies based on a long-range vision and a mid-range business plan. Since we consider technological advantage to be a critical component of competitive strength, we are driving advances in our unique core technologies, including Micro Piezo print heads, micro-displays, sensing systems, and robots, all of which originated from the compact, energy-saving, high-precision technologies that have been Epson's unique strengths since the Company was founded. By driving advances and combining these technologies to

create platforms, we are developing and manufacturing products and providing services that meet the needs of our customers.

The competition risk is with SEC as they are responsible for the group's global strategy, Business Plan and Investment Strategy. SEC is also responsible for global price setting of its products and to ensure that it is competitive. EEB's competition risk is limited as stated in the Distributorship agreement as all the price setting functions and other functions related to patents, utility models, designs, which are the key elements in market competition, are the responsibility of SEC.

The current and preferred risk profile reflects a low appetite for risk. However, should the risk level increase, SEC possesses the financial capacity to absorb and manage it effectively.

Operational risk area

Product liability / warranty risk

Product liability risk arises when a company's products fail to perform at accepted or advertised standards or, in extreme cases, even cause its user bodily harm.

EEB provides its customers with the normal guarantee period (according to the relevant regulations). The costs of repair, replacement / swap of complete units under standard manufacturer's warranty liability are borne by EEB.

Warranty is the manufacturer's guarantee that a product is free from defects, for a stated period when purchased by the retail customer. The standard warranty of one year (in France two years due to legal reasons) is determined and approved by SEC.

For the additional warranty, called cover+, EEB determines if it offers the extended warranty, which is usually in combination with a tender or promotion.

SEC is responsible for all manufacturing defects. If the fault is due to a defect or quality issue from the factory, the warranty risk of the product is borne by SEC.

The current and preferred risk profile reflects a medium risk appetite. In the event that this risk materializes, both SEC and EEB have the financial capacity to absorb and manage it.

Transportation risk

Transportation risks are unavoidable risks associated with overseas manufacturing and sales operations. This encompasses all factors that could affect the import and export of Epson products.

SEC arranges the necessary global insurance related to the shipment of Epson products from Asian factories to EEB's Central Distribution Centre or other warehouses of EEB. SEC is also responsible for determining the logistics and supply chain management KPIs for EEB. Necessary insurance for the products delivered from EEB central warehouses to the customers are taken by EEB based on negotiations by SEC on our Global Insurance and based on the incoterms specified per country of destination.

SEC bears the risks related to the transportation, as described in the distributorship agreement between SEC and EEB.

The current and preferred risk profile indicates a medium risk appetite. If this risk were to materialize, SEC and EEB are financially equipped to manage and absorb it.

Inventory risk

Inventory risk relates to the potential losses associated with carrying finished products inventory. Potential losses include obsolescence, shrinkage, or market collapse, such that products are only saleable at prices inadequate to cover the products costs.

EEB is fully responsible for inventory risk management, as it manages the main central warehouse (CDC), and other satellite warehouses in Europe.

EEB's finance department is monitoring and recording provisions for future losses due to slow moving stock or overvalued stock. These analyses are communicated to the Product managers and Planning department for necessary actions.

There are two reasons for this provision:

- End of line stock: This covers products that have been superseded by new models or have been decided to stop its production.
- Slow moving stock: These are too high stocks compared to the monthly sales, giving rise to the possibility of a future loss, depending on the market conditions.

EEB bears the risk for obsolescence and scrap in Europe.

The current and preferred risk profile reflects a medium risk appetite. If this risk were to materialize, EEB has the financial capacity to absorb and manage it.

Other operational risk

The planned operational efficiency measures may cause a risk of loss of expertise and occasional operational disruptions.

Financial risk area

Credit risk

Customer credit risk is borne by a company when it supplies products or services to a customer and the customer defaults on such payments.

The Group's clients are subject to creditworthiness tests. Sales are subject to payment conditions of between 8 and 90 days. Majority of our trade receivables is covered by credit insurance. Therefore, the Group does not have any significant concentrations of credit risk. For companies which are not covered by the credit insurance, transactions are carried out on Cash with Order basis or a form of guarantee, which is accepted by the banks when requested from the customer. Early discount is given to minimize the credit risk and improve overall cash flow.

Currency risk

Currency exchange rate (FX) risk relates to the potential variability of profits that can arise because of changes in foreign exchange rates and arises whenever the transacting currency of an entity is different from its functional currency.

The Group is active in Europe where the currency risk mainly relates to positions in US dollars and British pounds. Based on a risk analysis, Group management determines which part of the currency risks must be hedged. Mainly due to the forward contracts and transfer pricing mechanism in place, any movement in the USD, and GBP does not have a material impact on our profitability.

Risk appetite is low in the current and preferred profile.

Cash flow risk

The risk of future cash flows from monetary financial instruments fluctuating is minimal.

The Group uses a selection of banks to be in a position to use more than one facility. Where necessary, guarantees and collaterals are granted to banks to secure facilities.

Liquidity risk

At present we do not have any problems in terms of liquidity risk. The Group has sufficient cash reserves in the event of a major economic slowdown.

Compliance risk area

Environmental risk

Epson group is subject, both in Japan and overseas, to various environmental regulations concerning industrial waste and emissions into the atmosphere that arise from manufacturing processes to scrapping. Environmental conservation is one of our most important management policies, and we proactively engage in environmental conservation efforts. For example, we have programs to develop and manufacture products that have a small environmental footprint. We also have programs to reduce energy use, promote the recovery and recycling of end-of-life products, ensure compliance with international substance regulations, and improve environmental management systems. Thanks to these efforts, we have not had any serious environmental issues to date.

Compliance remains high on the list of important management issues, and Epson is constantly developing measures to prevent and control potential issues as appropriate. All underlying processes are controlled and monitored by SEC. The CSR Director of EEB supports SEC in this respect.

This approach is contractually assumed jointly by SEC and EEB within its territories. This is laid-out in several group regulations, such as: (1) Epson group environmental action management regulation; (2) Epson group emissions management regulation; (3) Epson group zero emissions program standard; and (4) Epson group pollution control regulation.

Risk appetite is low in the current and preferred profile.

Local laws and regulations

Epson group is a multinational corporation with a variety of business operations around the globe. We ensure compliance with the laws and regulations of the countries in which we operate by building a robust compliance framework in each country and each business and by communicating the nature and importance of compliance requirements internally. The main transactions to be considered are sales to the Company's subsidiaries. For these transactions, compliance with Tax and Copyright laws are essential. To manage the specific Tax risks the Company has engaged with the Dutch Tax authorities in a so-called Horizontal monitoring concept which relies on open communication between the Company and the Tax Authorities. This Horizontal monitoring concept was initiated by the Dutch Tax authorities in the past years. The horizontal monitoring means that tax authorities try to rely on company's internal controls in place to the extent possible to limit the extent and time for a tax audit. The management of the risk on Copyright laws is realized through the implementation of the levies which have been agreed with the collecting agency within the Companies' ERP system.

Compliance remains high on our list of important management issues, and we are constantly developing measures to prevent and control potential issues as appropriate.

Risk appetite is low in the current and preferred profile.

Cybersecurity / GDPR risks

The group's security program is based on the awareness and responsibility of each individual employee. The program is executed and implemented through communication, mandated training, and appropriate reporting services. The monitoring, analysis and evaluation of cyber threats and new attack methods are also important elements in securing sensitive processes and data.

By continuous monitoring of the changing cyber security threat landscape EEB gains a deep insight around evolving cyber-attack tactics, techniques, and procedures. Incorporating this intelligence into the on-going security improvement programs, and associated security controls, is a key measure in the protection against such attacks.

Research and development

The Group did not carry out any significant research and development (R&D) activities relating to products during the year (as prior fiscal year). The main R&D activities are done by SEC.

The Group objective and outlook

The Group objective and outlook for the financial year 2025/2026 is to have a stable but slightly higher total revenue of approximately 0.4% compared to fiscal year 2024/2025 for Europe only region and to further improve profit ratios. Despite the challenging market trend, we anticipate continuing having a good stable revenue on Consumer products and Projectors, while further increasing the revenue on Professional, Office & Business printing and Commercial & Industrial, Business Systems, and Manufacturing Solutions markets.

The Company has the intention to further strengthen the Business and Strategy in the European region. In line with the global strategy to improve profitability, management has further increased the focus to improve the company cost ratio. The company is currently investigating operational efficiency measures in the Europe region that might lead to organizational restructuring as we seek to increase profitability. A small proportion of employees is expected to be impacted.

On global level the company will continue to monitor the effects of Geopolitics risk.

Subscription-based services transferred to other Group companies in April 2024, are expected to contribute to the revenue in the coming years. Currently the company identifies a steady increase in end-user base. However, the impact on total revenue remains low. As additional measure the company plans to release new propositions in Europe.

We foresee that the IT-sector will continue to be very competitive. The Group will continue to introduce more innovative products and a wider product range to remain competitive and to increase its market share in Europe.

The Group is continuing its policy of process improvement to increase the level of service provided to its customers in the most efficient, cost-effective manner.

The Group has no significant improvements planned in the risk management system other than minor changes related to the IT controls on access to the ERP system and review of the HR payroll processes.

It is also expected that future cash flows will not cause any liquidity issues in the coming fiscal year.

Based on annual rolling forecast, the Company expects to continue a going concern basis for at least 12 months after the date of these financial statements prepared according to group accounting policies.

Amsterdam, 30 June 2025

The Board of Managing Directors,

稲穂孝則

T. Inaho

藤井啓輔

K. Fujii

深石 明宏

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A. Fukaishi

Consolidated financial statements

Consolidated balance sheet as of 31 March 2025

(Before appropriation of result)

<i>in thousands of EUR</i>	Reference	March 31, 2025	March 31, 2024
<i>Assets</i>			
Fixed assets		64,475	65,199
Intangible Fixed Assets	5.1	5,328	8,414
Tangible Fixed Assets	5.2	44,449	40,657
Financial Fixed Assets	5.3	14,698	16,128
Current assets		651,596	819,462
Inventories	5.4	336,663	365,055
Receivables	5.5	215,302	262,338
Cash at banks and in hand	5.6	99,631	192,069
Total assets		716,071	884,661
<i>Equity and Liabilities</i>			
Group equity	5.7	255,517	230,772
Provisions	5.8	34,459	41,584
Non-current liabilities	5.9	23,760	25,748
Current liabilities	5.10	402,335	586,557
Total liabilities and group equity		716,071	884,661

Consolidated profit and loss account for the year ended 31 March 2025

<i>in thousands of EUR</i>	Reference	2024/2025	2023/2024
Revenue	6.1	1,715,313	1,915,701
Cost of sales		(1,265,618)	(1,425,779)
Gross profit		449,695	489,922
Selling expenses		(122,278)	(136,655)
General and administrative expenses	6.2	(295,325)	(357,282)
Total operating expenses		(417,603)	(493,937)
Operating profit		32,092	(4,015)
Gain (loss) on disposal of (in)tangible fixed assets		(343)	(56)
Financial income/(expense)	6.3	3,241	1,947
Profit before tax		34,990	(2,124)
Taxation	6.4	(11,739)	3,675
Profit/(Loss) for the year		23,251	1,551

Consolidated statement of comprehensive income for the year ended 31 March 2025

<i>in thousands of EUR</i>	2024/2025	2023/2024
Consolidated profit after tax	23,251	1,551
Other comprehensive income items that will not be reclassified to profit or loss:		
Actuarial gains/(losses) – net of deferred tax impact	<u>(387)</u>	<u>(3,880)</u>
	(387)	(3,880)
Other comprehensive income items that are or may be reclassified to profit or loss:		
Currency translation adjustments on		
Investments in subsidiaries and branches	<u>1,881</u>	<u>643</u>
	1,881	643
Total comprehensive income	24,745	(1,686)

Consolidated cash flow statement for the year ended 31 March 2025

<i>in thousands of EUR</i>	<i>Ref.</i>	2024/2025	2023/2024
<i>Cash flows from operating activities</i>			
Operating profit		32,092	(4,015)
<i>Adjustments in respect of:</i>			
Amortisation and depreciation	5.1,5.2	12,483	11,757
Gain (loss) on disposal of (in)tangible fixed assets		(343)	(56)
Movements in provisions for actuarial gains (losses) through equity	5.7	(387)	(3,880)
Movements in provisions other than deferred taxes		(6,752)	(581)
<i>Total adjustments</i>		<i>5,001</i>	<i>7,240</i>
<i>Changes in working capital:</i>			
Inventories		28,392	50,396
Receivables other than corporate taxes		49,363	10,266
Liabilities other than corporate taxes		(47,313)	(24,018)
<i>Total changes in working capital</i>		<i>30,442</i>	<i>36,644</i>
Cash generated from ordinary operations		67,535	39,869
Interest received/(paid)		2,289	(120)
Corporate income tax received/(paid)		(13,110)	(18,077)
<i>Total interest and corporate income tax received/(paid)</i>		<i>(10,821)</i>	<i>(18,197)</i>
Net cash generated from operating activities		56,714	21,672
Purchases of (in)tangible fixed assets	5.1,5.2	(13,815)	(10,245)
Disposal of (in)tangible fixed assets	5.1,5.2	825	1,818
Investment in financial fixed assets	5.3	1,097	(132)
Cash flows from investing activities		(11,893)	(8,559)
Proceeds from loans and borrowings from parent company		-	70,000
Repayment of loans and borrowings from parent company		(140,000)	(60,000)
Net cash used in financing activities		(140,000)	10,000
Increase/(Decrease) in cash and cash equivalents		(95,179)	23,113

Notes to the consolidated financial statements

1 General information

1.1 Activities

Epson Europe B.V. ('EEB' or 'the company', and together with its consolidated subsidiaries called 'the group') is a wholly owned subsidiary of Seiko Epson Corporation ('SEC') set up to control their computer peripheral and associated businesses based in Europe, Middle East and Africa ('EMEA') until 30th of September 2024. From 1st of October 2024, the business activities in Middle East and Africa have been transferred to another Epson group entity. The main impact of this transfer has been disclosed in notes 5.4, 6.1 and 2.11. The business covers the distribution of video projectors, computer peripherals and associated products in Europe and manufacturing ink cartridges in the United Kingdom ('UK'). All the subsidiaries are located in Europe and wholly owned by Epson Europe B.V. Further EEB has several branches which perform sales and marketing supportive activities.

1.2 Group Structure

Epson Europe B.V. is a wholly owned subsidiary of Seiko Epson Corporation, Japan. The financial information of Epson Europe B.V. is included in the consolidated accounts of Seiko Epson Corporation, Japan. Epson Europe B.V. ("the company"), Amsterdam was incorporated in the Netherlands on 17 January 1990. Epson Europe B.V. is incorporated under the Dutch law and has its statutory seat in Amsterdam. The company is a limited liability company with an address at Hoogoorddreef 5, 1101 BA Amsterdam and registered at the chamber of commerce under registration number 33215466.

1.3 Consolidation

The consolidation includes the financial information of Epson Europe B.V., its group companies and other legal entities in which it exercises control. Group companies are legal entities in which Epson Europe B.V. exercises direct or indirect control because of its possession of the majority of the voting rights, or whose financial and operating activities it can otherwise control. Potential voting rights that can directly be exercised on the balance sheet date are also considered. Group companies and other legal entities in which Epson Europe B.V. exercises decisive control or whose central management it conducts are consolidated in full. Minority interests in group equity and group profit are disclosed separately.

Intercompany transactions, profits and balances among group companies and other consolidated legal entities are eliminated. Unrealised losses on intercompany transactions are eliminated as well, unless such a loss qualifies as impairment. The accounting policies of group companies and other consolidated legal entities were changed where necessary, to align them to the prevailing group accounting policies.

Since the profit and loss account of Epson Europe B.V. is included in the consolidated financial statements, a summarized profit and loss account is disclosed in the company financial statements in accordance with Article 2:402 Netherlands Civil Code.

The consolidated financial statements comprise the financial information of the following companies:

	Place of incorporation	Shareholding %	
		March 31, 2025	March 31, 2024
Epson Deutschland GmbH	Düsseldorf, Germany	100	100
Epson Europe Electronics GmbH	Munich, Germany	100	100
Epson France S.A.	Levallois-Perret, France	100	100
Epson Telford Ltd	Telford, United Kingdom	100	100
Epson (U.K.) Ltd	Hertfordshire, United Kingdom	100	100
Epson Ibérica S.A.	Barcelona, Spain	100	100
Epson Italia S.p.A.	Milan, Italy	100	100
Epson CIS *	Moscow, Russia	100	100
Epson Subscription Europe B.V. *	Amsterdam, The Netherlands	100	100
Epson Como Printing Technologies S.r.l.	Como, Italy	100	100

**These companies' operational activities have ceased*

1.4 Mergers and acquisitions

Acquisitions and mergers are recognized in the financial statements according to the purchase accounting method. This means that any assets and liabilities acquired are carried at fair value as at the acquisition date. The difference between cost and the company's share in the fair value of the identifiable assets and liabilities acquired at the time of the transaction of a participating interest is recognized as goodwill.

1.5 Related-party transactions

All group companies mentioned in note 1.3 are related parties. Transactions between group companies are eliminated upon consolidation. The parent company Seiko Epson Corporation, Singapore Epson Industrial PTE, and members of the key management personnel also qualify as a related party. Further information is disclosed in note 7.1 to the consolidated financial statements.

1.6 Notes to the cash flow statement

The cash flow statement has been prepared applying the indirect method. The cash and cash equivalents in the cash flow statement comprise the balance sheet item cash at banks and in hand. Cash flows in foreign currencies have been translated at estimated average exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Income and expenses in respect of interest and taxation on profits are included in the cash flow from operating activities. Dividends paid have been included in the cash flow from financing activities.

The line-item movements in provisions are corrected for movements due to actuarial results since these results are processed through equity and not through the operating profit.

Investments in group companies are recognised at acquisition cost less cash and cash equivalents available in the company acquired at the time of acquisition.

1.7 Significant estimates

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the consolidated financial statements in future periods. If necessary for the purposes of providing the view required under Section 362(1), Book 2, of the Netherlands Civil Code, the nature of these estimates and judgments, including the related assumptions, is disclosed in the notes to the financial statement items in question. The estimates that have the most significant effect on the consolidated financial statements relate to the impairment of fixed assets, inventory, provisions for post-employment benefits, refund liabilities and contingencies. Because

majority of trade receivables is insured (see also note 4.3 on credit risks) the degree of estimation on this account is assessed as low.

2 Accounting policies for the balance sheet

2.1 General information

The consolidated financial statements are prepared in accordance with the statutory provisions of Part 9, Book 2, of the Netherlands Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board.

The financial statements are approved in the annual general meeting of shareholders to be issued in English language. The financial statements are denominated in Euro group currency.

Going concern

Based on annual rolling forecast, the Company expects to continue a going concern basis for at least 12 months after the date of these financial statements, which are prepared on a going concern basis.

In general, assets and liabilities are stated at the amounts at which they were acquired or incurred, or fair value. If not specifically stated otherwise, they are recognised at the amounts at which they were acquired or incurred. The balance sheet, profit and loss account and cash flow statement include references to the notes.

2.2 Functional currency

Items in the financial statements of group companies are stated with due observance of the currency of the primary economic environment in which the respective group company operates (the functional currency). The consolidated financial statements are denominated in Euro, i.e., the functional and reporting currency of Epson Europe B.V.

Transactions, receivables, and debts

Transactions denominated in foreign currencies in the reporting period are recognised in the financial statements at exchange rate ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date. Exchange differences resulting from settlement and translation are charged or credited to the profit and loss account.

Foreign activities

The assets and liabilities of foreign activities are translated into the group's presentation currency (euros) at the rate of exchange ruling at the balance sheet date and the income and expenses of these foreign activities are translated at the average rate of exchange for the year. Resulting exchange differences are taken directly to the legal foreign currency translation reserve. On the disposal of a foreign activity, the cumulative exchange differences taken directly to the reserves, are taken to the profit and loss account as part of the gain or loss on the sale.

2.3 Offsetting

Assets and liabilities are only offset in the financial statements if and to the extent that:

- an enforceable legal right exists to offset the assets and liabilities and settle them simultaneously; and
- the positive intention is to settle the assets and liabilities on a net basis or simultaneously.

2.4 Intangible fixed assets

Intangible assets are stated at historical cost less amortisation and impairment charges. For determining whether an impairment charge in respect of a intangible fixed asset applies, reference is made to note 2.7. A loss qualifies as an impairment loss if the carrying amount of the asset (or of the cash-generating unit to which it belongs) exceeds its recoverable amount.

Computer software and licences

Software licences acquired are capitalised at acquisition cost and amortised over their estimated future useful lives, with a maximum of 5 years. Expenditures that are attributable to the production of identifiable and unique software products controlled by the Group are capitalised. When internally produced, such assets are capitalised if future economic benefits are probable, and the expenditure can be reliably measured. Costs associated with maintaining computer software and research expenditure are recognised in the profit and loss account. Amortization is done on a straight-line basis over their estimated useful lives of 5 years. Software under development refers to internally developed software, which is transferred under the 'Software' category and started to be amortised only when the software is ready for use.

Research and development expenditures

Research expenditures are recognised in the profit and loss account. Expenditures incurred for development projects are capitalised if they satisfy the technical, commercial, and financial feasibility criteria set for them. A legal reserve equivalent to the carrying amount is formed. Capitalised software improvements are amortised on a straight-line basis as soon as the commercial production process has commenced, with amortisation being based on the estimated future useful life of the asset of 5 years.

Goodwill

Goodwill is capitalized net of accumulated amortization and impairment where applicable.

Goodwill is amortized on a straight-line basis over its estimated economic useful life of 10 years, arising from the acquisition of ForTex and Robustelli, which were merged to Epson Como (ECS) later.

The term of 10 years is selected based on a medium- and long-term corporate strategy which is usually a 10-year period range whereby the acquired company is expected to fully demonstrate its operating potential.

For impairment testing, goodwill acquired in an acquisition is, from the acquisition date, allocated to each of the cash-generating units or groups of cash-generating units that are expected to benefit from the synergy in the acquisition. The Group assesses at each reporting date, whether there is any objective evidence that goodwill is impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash generating unit (or group of cash generating units) to which the goodwill relates. When the recoverable amount of the cash generating unit is less than its carrying amount, an impairment loss is recognized.

2.5 Tangible fixed assets

Land and buildings are valued at cost plus additional direct expenses, less straight-line depreciation over the estimated economic life less impairment charges and considering any residual value. Land is not depreciated. Any impairment as at the balance sheet date is considered.

Other fixed assets are valued at acquisition or production cost including directly attributable expenses, less straight-line depreciation over the estimated useful economic life, or recoverable amount if lower. Directly attributable production cost includes the costs of the raw materials and consumables and includes installation costs.

Tangible fixed assets carried at cost do not include capitalised interest charges.

Depreciation is calculated on the following basis to write off cost over the expected useful lives of the assets and considering the residual value:

	Years	Method
Buildings	35	Straight-line
Production, Machinery, and equipment	10	Straight line
Tools, Furniture & Fixtures	2 - 10	Straight-line

If the expected depreciation method, useful economic life and/or residual value are subject to changes over time, they are treated as a change in accounting estimate.

Costs of major maintenance are recognized under cost when incurred and if the recognition criteria are met. The carrying amount of the components to be replaced will be regarded as a disposal and taken directly to the profit and loss account. All other repair and maintenance costs are taken directly to the profit and loss account.

For determining whether an impairment charge in respect of a tangible fixed asset applies, reference is made to note 2.7.

2.6 *Financial fixed assets*

Deferred tax assets

Reference is made to note 2.11 for the accounting treatment of deferred tax assets.

Pension

Reference is made to note 2.14.

Other

Other financial fixed assets are initially measured at fair value and after initial measurement at amortized cost.

2.7 *Impairment of fixed assets*

At each balance sheet date, the Group verifies whether there are one or more indications of assets being subject to impairment. If one or more indications exist, the recoverable amount of the asset is determined. If this proves to be impossible, the recoverable amount of the cash-generating unit to which the asset belongs is identified. An asset is subject to impairment if its carrying amount exceeds its recoverable amount; the recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The impairment loss is determined and recognised in the profit and loss account.

Fair value less costs to sell is determined based on the active market. For the purposes of determining value in use, cash flows are discounted using the current interest rate prevailing at the time. An impairment loss is directly expensed in the profit and loss account.

If it is established that a previously recognised impairment loss no longer applies or has declined, the increased carrying amount of the assets in question is not set any higher than the carrying amount that would have been determined had no asset impairment been recognised.

2.8 *Inventories*

Inventories are valued at the lower of cost of acquisition or production and estimated net realisable value. The costs of raw materials, consumables and goods for resale are calculated based on the first in, first out principle.

The cost of acquisition includes the purchase price and the additional costs. The additional costs include the import duties and other taxes, transport and handling costs and other costs that can be directly attributed to the acquisition of the raw materials and consumables and the finished goods.

Cost of manufacture includes the cost of raw materials used and direct production costs, plus a mark-up for indirect cost of production, excluding interest on loans. The fixed indirect costs of production are based on normal production capacity. Indirect costs included under "inventories" carried at cost of production relate to the depreciation and maintenance of plants and machinery, as well as the salary costs of the factory's management.

Allowance for obsolete inventory is based on the ageing of the items and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses and less cost to complete. Net realisable value is determined making allowance for obsolescence of inventories.

2.9 *Receivables*

Receivables are recognised initially at fair value and subsequently measured at amortised cost, which equals nominal value, less an allowance for possible uncollectible amounts.

2.10 *Cash and cash equivalents*

Cash and cash equivalents include cash in hand, bank balances and deposits held at call with maturities of less than 12 months. Cash and cash equivalents are stated at face value. Negative net balances with banks are classified as bank overdraft under current liabilities.

2.11 *Current and Deferred taxes*

Current taxes

Taxes are calculated on the profit as disclosed in the profit and loss account based on current tax rates, allowing for tax-exempt items and cost items which are non-deductible, either in whole or in part.

Tax assets and liabilities are netted if the general conditions for netting are met.

Deferred taxes

A deferred tax liability is recognized for all taxable temporary differences between the valuation for tax and financial reporting purposes. A deferred tax asset is recognized for all deductible temporary differences between the valuation for tax and financial reporting purposes and carry-forward losses, to the extent that it is probable that future taxable profit will be available for set-off. Deferred tax assets and liabilities are recognized under financial fixed assets and provisions, respectively.

Deferred tax liabilities and deferred tax assets are carried based on the tax consequences of the realization or settlement of assets, provisions, liabilities or accruals and deferred income as planned by the group at the balance sheet date. Valuation is based on current tax rates. Deferred tax liabilities and deferred tax assets are carried at non-discounted value.

Deferred tax assets and liabilities are netted if the general conditions for netting off are met.

2.12 *Dividends*

Dividend distributions to the holders of ordinary shares are recognised as a liability in the balance sheet in the period in which the dividends are approved by the company's management and shareholder.

2.13 *Provisions*

Provisions are recognised for legally enforceable or constructive obligations existing at the balance sheet date, the settlement of which is probable to require an outflow of resources whose amount can be reliably estimated.

Provisions are measured based on the best estimate of the amounts required to settle the obligations at the balance sheet date. Provisions other than pension provisions are carried at present value of the expenditure expected to be required to settle the obligations, unless stated otherwise.

If the expenditure to settle obligations is expected to be reimbursed by third parties, the reimbursement is carried as an asset at the balance sheet if it is likely to be received as soon as the entity settles the obligation.

For further details relating to the background and nature of significant provisions, reference is made to note 5.8.

2.14 Pension provision

The pension assets and liabilities are calculated in accordance with International Accounting Standards 19 (IAS19), Employee Benefits, as accepted by the Dutch accounting guidelines (RJ 271.101).

Defined Benefit Plans

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The group mainly has defined benefit schemes in the United Kingdom. These defined benefit schemes are subject to scheme funding requirements of the Pensions Act 2004. This, together with documents issued by the Pension Regulator, and Guidance Notes adopted by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension plans in the UK. The defined benefit schemes expose the Group to mainly the following risks: investment risk, interest rate risk, inflation risk and mortality risk. There were no plan amendments, curtailments, or settlements during the period.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for actuarial gains or losses and past service costs. The defined benefit obligation is updated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

In case that the group has a net asset (e.g., when fair value of plan asset is higher than the present value of defined benefit obligations) for one or more defined benefit plans, the group recognizes an asset if and to the extent that the conditions for recognizing a pension asset are met.

The group recognises all actuarial gains and losses, net of deferred tax impact, immediately in other reserves.

Defined contribution plans

For its defined contribution schemes, the group pays contributions to pension funds and insurance companies on a compulsory, contractual or voluntary basis. Except for the payment of contributions, the group has no other obligation in connection with these pension schemes. Contributions are recognised as personnel costs when incurred. Prepaid contributions are accounted for under prepayments and accrued income if this leads to a repayment or a reduction in future payments.

2.15 Financial instruments

The financial instruments within the scope of RJ 290 comprise:

- Financial fixed assets (long term receivables).
- Receivables.
- Cash at banks and in hand.
- Financial liabilities, being current and long-term liabilities.
- Derivative financial instruments.

Below the accounting policies per category are indicated.

Financial fixed assets (long term receivables)

The accounting policy for financial fixed assets is described in the note 2.6.

Receivables

The accounting policy for receivables is described in the note 2.9.

Cash at banks and in hand

The accounting policy for cash at banks and in hand is described in the note 2.10.

Financial liabilities

Financial liabilities are carried at amortized cost value using the effective interest method. When no transaction costs and premiums or discounts are applicable, the amortized cost value equals the face value.

Derivative financial instruments

The Group uses forward currency contracts with SEC to hedge its risks associated with foreign currency fluctuations. These derivative financial instruments are initially measured at fair value. Gains and losses arising from changes in the fair value are taken to the profit and loss account. The Group does not apply hedge accounting.

The fair value of financial instruments approximates the carrying value.

Fair value of financial instruments

The fair value of financial instruments traded on active markets as at the balance sheet date is determined by reference to quoted market prices, without deduction of transaction costs.

The fair value of financial instruments not traded on active markets is determined using appropriate valuation methods, including, among others:

- Using recent arm's length market transactions between independent parties
- Reference to the current market value of another instrument that is substantially the same, and,
- Discounted cash flow analysis or other valuation models

2.16 *Leases*

Assessing whether an agreement contains a lease is based on the substance at the inception date of the agreement. The agreement is regarded as a lease if the fulfilment of the agreement depends on the use of a specific asset, or on whether the lease contains the right of use of a specific asset.

Operational lease – Group as a lessee

Lease contracts for which a large part of the risks and rewards incidental to ownership of the assets does not lie with the group, are recognised as operational leases. Obligations under operational leases are recognised on a straight-line basis in the profit and loss account over the term of the contract, considering reimbursements received from the lessor.

3. Accounting policies for the profit and loss account

3.1 *General information*

Result is determined as the difference between the realisable value of the goods delivered and services rendered and the costs and other charges for the year. Results on transactions are recognised in the year in which they are realised; losses are taken as soon as they are foreseeable.

3.2 *Exchange differences*

Exchange differences arising upon the settlement of monetary items and upon the revaluation of monetary items as per year end are recognised in the profit and loss account in the period that they arise.

3.3 Revenue

Net revenue represents the proceeds from the supply of goods and services, net of taxes levied on revenue and discounts. Amounts received by the group for its own account (as principal) shall be recognized as revenue. Amounts received by the group for third parties (as an agent) shall not be recognized as revenue.

Sales of goods

Revenue from the performance obligations regarding the sale of goods are recognized in the income statement when all the significant rights to economic benefits and all significant risks are transferred to the customer, the amount of revenue and the related costs can be measured reliably, and the receipt of the proceeds is probable.

Sales of services

If the amount of revenue of a performance obligation to provide a service can be estimated reliably and the receipt of the proceeds is probable, the revenue relating to the service is recognized in proportion to the services provided.

Revenue from sales of services is recognised under the percentage-of-completion method based on the services performed to the balance sheet date as a percentage of the total services to be performed.

Warranties

Warranties which may be purchased separately by the buyer are services to be distinguished and are accounted for as a separate performance obligation. Warranties that cannot be purchased separately are only accounted for as a separate performance obligation if the warranty provides a service in addition to the assurance that the delivered good meets the agreed specifications. Other warranties are accounted for as provisions. See note 2.13 for the accounting policy on the provisions.

Transaction price

Revenue is recognized for the amount to which group expects to be entitled in exchange for the transfer of promised goods or services. If there are several performance obligations in an agreement, the total transaction price shall be allocated to the performance obligations in proportion to the value of the performance obligations.

Variable remuneration

If the transaction price includes a variable remuneration, the group estimates the amount of any variable remuneration as part of the total transition price. The group applies prudence in doing so to ensure that only revenues that have a low probability of having to be taken back later are recognized. At the end of each reporting period, the group updates the estimated amount of any variable remuneration. The group has variable remuneration in the form of volume discounts on hardware sales and hardware returns. The accounting policy for of the returns is set out below.

Returns

For all amounts received to which the group does not expect to be entitled, the group recognizes these received amounts as a repayment obligation. The repayment obligation is the group's best estimate of its obligation to repay the purchase price. Additionally, the group recognizes an asset for the group's right to recover goods from the customer in settlement of a repayment obligation. The asset is initially measured at the last applied carrying amount of the good less the expected cost of recovering that good including any write-downs of returned goods. At the end of each reporting period, the group updates the valuation of the asset and of the repayment obligation because of possible changes in the expectations about goods to be returned.

3.4 Cost of sales

Cost of sales represents the direct and indirect expenses attributable to turnover, including raw materials and consumables, cost of work contracted-out and other external expenses, personnel expenses in respect of production employees, depreciation costs relating to buildings and machinery and other operating expenses that are attributable to the cost of sales.

3.5 *Selling expenses*

Selling expenses are the direct expenses of the sales activities. Estimated expenses related to product warranties are provided for at the date of sale. Selling expenses also include warehouse charges for finished goods and trade goods, and the transport costs relating to the sales transactions.

3.6 *General and administrative expenses*

These expenses comprise costs chargeable to the year which are not directly attributable to the cost of the goods sold neither considered as selling expenses. General and administrative expenses include employee expenses of indirect personnel.

3.7 *Amortisation and depreciation*

Intangible fixed assets are amortised, and tangible fixed assets are depreciated over their estimated useful lives as from the inception of their use and considering the residual value. Land is not depreciated. Future depreciation and amortisation are adjusted prospectively if there is a change in estimated useful life.

3.8 *Employee benefits*

Regular payments

Salaries, wages, and social charges are taken to the profit and loss account when due, and in accordance with employment contracts and obligations. The group recognizes an obligation if it has demonstrably committed paying a termination benefit or transition payment. If the termination is part of a reorganization, the group includes the costs of a termination benefit or transition payment in a provision for reorganization costs.

Pensions

See further note 2.14.

3.9 *Finance income and costs*

Interest paid and received

Interest paid and received is recognised on a time-weighted basis, taking account of the effective interest rate of the assets and liabilities concerned. When recognising interest paid, allowance is made for transaction costs on loans received as part of the calculation of effective interest.

3.10 *Income tax expense*

Income tax is calculated on the profit/loss before tax in the profit and loss account, considering any losses carried forward from previous financial years (where not included in deferred income tax assets) and tax-exempt items, and plus non-deductible expenses. The income tax expense can also include the impact of changes in deferred income tax assets and liabilities owing to changes in the applicable tax rates.

The effect of application of the global minimum 15% Tax rate in the region is closely monitored. The company expects to adopt the required changes in line BEPS Pillar 2, and with the local Tax Law changes which will be effective in the Netherlands as of January 2025. Epson applied the mandatory temporary exception not to record any effects from BEPS Pillar Two during financial year 2023/2024. For the financial year 2024/2025 it is estimated that the impact on the financial statements will be negligible.

4. Financial instrumentals and risk management

General

The principal risks arising from the Group's activities are price risks, which comprise currency and interest rate risk, credit risks and cash flow risks. The Group's policy to mitigate these risks is set out below.

4.1 *Currency risk*

The Group is active in the European Union and, until October 2024, in the CIS, the Middle East and Africa regions. The Group's currency risk mainly relates to positions in US dollars and British pounds. Based on a risk analysis, Group management determines which part of the currency risks should be hedged. To achieve this, the Group uses (spot and) forward exchange contracts. The Group is further exposed to currency translation risk on its foreign activities outside of euro currency area.

4.2 *Interest rate risk*

The Group is exposed to interest rate risk on the interest-bearing receivables (mainly time deposits and cash at bank). The Group is exposed to the consequences of variable interest rates on receivables. Based on risk analysis, the management determined that the Group does not require any derivative contracts to hedge the interest risk on receivables.

4.3 *Credit risk*

The Group's clients are subjected to creditworthiness tests. Sales are subject to payment conditions of between 8 and 90 days. Majority of its trade receivables are covered by credit insurance. For companies which are not covered by the credit insurance, transactions are carried out on Cash with Order basis or a form of guarantee, which is accepted by the banks when requested from the customer. Early discount is given to minimize the credit risk and improve overall cash flow. Therefore, the Group does not have any significant concentrations of credit risk. The maximum credit risk relating to receivables, cash at bank and in hand and financial assets not shown in the balance sheet is disclosed in the notes to the items concerned.

4.4 *Cash flow risk*

The risk of future cash flows from monetary financial instruments fluctuating is minimal.

The Group uses a selection of banks to be able to use more than one facility. Where necessary, guarantees (note 5.11) and collaterals are granted to banks to secure facilities.

4.5 *Liquidity risk*

At present there are no issues in terms of liquidity risk. The Group has sufficient cash reserves in the event of a major economic slowdown.

Notes to the consolidated balance sheet

5.1 Intangible fixed assets

Intangible fixed assets are detailed as follows:

<i>in thousands of EUR</i>	Software & licenses	Software under development	Goodwill	Total
At cost	21,248	1,543	20,408	43,199
Accumulated amortisation	(18,719)	-	(16,066)	(34,785)
Balance as of March 31, 2024	2,529	1,543	4,342	8,414
<u>Cost:</u>				
Additions	(55)	476	-	421
Disposal	(2,488)	-	-	(2,488)
Exchange differences	4	-	-	4
Transfers	1,999	(1,999)	-	-
	(540)	(1,523)	-	(2,063)
<u>Amortisation:</u>				
Disposal	2,481	-	-	2,481
Amortisation	(1,269)	-	(2,041)	(3,310)
Exchange differences	(195)	-	1	(194)
	1,017	-	(2,040)	(1,023)
At cost	20,708	20	20,408	41,136
Accumulated amortisation	(17,702)	-	(18,106)	(35,808)
Balance as of March 31, 2025	3,006	20	2,302	5,328

Software improvements relate to enhancements to current software owned by the company.

Disposal entries relate to hardware licenses that are no longer in use or moved to subscription-based licenses.

The amortization charge is included in the line item general and administration expenses in the profit and loss account. The accumulated impairment charges amount EUR 0 as per March 31, 2025 (March 31, 2024: EUR 0).

There are no research and development costs that are not capitalized and included in the profit and loss under general and administration expenses (March 31, 2024: EUR 0 million).

Acquisition of Robustelli and further merger of Robustelli and Fortex.

In July 2016, Epson had acquired 100% ownership in Robustelli. The acquisition was done directly via Epson Italy (EIS), which is a wholly owned subsidiary of Epson Europe B.V. (EEB). The acquisition has been accounted for as described in note 1.5 Mergers and acquisitions. As a result of the acquisition, the fair value of customer lists of Robustelli (fair value per acquisition date: EUR 5.2 million, carrying amount per 31 March 2025: EUR 0.6 million) was recognized under 'software and licenses' and the difference between consideration paid and fair value of assets and liabilities recognized was recognized under goodwill (EUR 18.1 million as per acquisition date).

5.2 Tangible fixed assets

Tangible fixed assets are detailed as follows:

<i>in thousands of EUR</i>	Land and Building	Production, machinery and equipment	Assets in the course of construction	Tools, furniture and fixtures	Total
At cost	59,326	46,381	1,189	35,875	142,771
Accumulated amortisation	(39,245)	(33,839)	-	(29,030)	(102,114)
Balance as of March 31, 2024	20,081	12,542	1,189	6,845	40,657
Cost:					
Additions	5,750	945	3,282	3,417	13,394
Disposal	(5,294)	(2,807)	-	(5,539)	(13,640)
Exchange differences	806	929	25	205	1,965
Transfers	54	1,441	(1,389)	(106)	-
	1,316	508	1,918	(2,023)	1,719
Depreciation:					
Disposal	4,910	2,665	-	5,247	12,822
Depreciation	(2,704)	(2,904)	-	(3,565)	(9,173)
Exchange differences	(726)	(691)	-	(159)	(1,576)
Transfers	-	(35)	-	35	-
	1,480	(965)	-	1,558	2,073
At cost	60,642	46,889	3,107	33,852	144,490
Accumulated amortisation	(37,765)	(34,804)	-	(27,472)	(100,041)
Balance as of March 31, 2025	22,877	12,085	3,107	6,380	44,449

The accumulated impairment charges amount EUR 0 as per March 31, 2025 (March 31, 2024: EUR 0).

Disposal entries relate to the transfer of assets to the new CISMETA sister company.

The additions in Land and Buildings refer to leasehold improvements of Epson offices.

The construction in progress mostly consists of expenditures relating to the installation and configuration throughout the year of new machinery and equipment in Epson Telford plant.

No rights of pledge have been established on the tangible fixed assets.

The depreciation charge is included in the line items cost of sales (for the category production machinery and equipment) and general and administration expenses (for the categories land and buildings and tools, furniture and fixtures) in the profit and loss account.

5.3 Financial fixed assets

<i>in thousands of EUR</i>	March 31, 2025	March 31, 2024
Pension asset	21	177
Deferred tax assets	13,627	13,804
Other non-current receivables	1,050	2,147
Total financial fixed assets	14,698	16,128

Pension asset

Reference is made to note 5.8 of the consolidated financial statement for movement schedule and other disclosures relating to the pension asset.

Movements in other financial fixed assets can be broken down as follows:

<i>in thousands of EUR</i>	Deferred tax assets	Other non-current receivables
Balance as of March 31, 2024	13,804	2,147
Additions	2,414	20
Utilizations	(2,591)	(1,117)
Balance as of March 31, 2025	13,627	1,050

Deferred tax assets

The deferred tax assets per March 31, 2025, and March 31, 2024, mainly relate to temporary differences.

Other receivables

Other receivable is a receivable against assurers because of deferred compensation and is long term in nature.

5.4 Inventories

Inventories consist of the following:

<i>in thousands of EUR</i>	March 31, 2025	March 31, 2024
Raw materials	15,500	18,846
Work in progress	3,066	3,255
Finished products and goods for resale	318,097	342,954
Total inventories	336,663	365,055

As part of the CISMETA split in October 2024, the company transferred its inventory in South Africa, the United Arab Emirates, and partially in Germany to another Epson group entity, with a total value of approximately EUR 120 million.

Inventories gross and provision amounts consist of:

<i>in thousands of EUR</i>	March 31, 2025	March 31, 2024
Gross amount	353,504	396,251
Allowance for obsolescence	(16,841)	(31,196)
Total inventories	336,663	365,055

Inventory obsolescence provision has decreased due to transfer of certain quantity to another Epson entity as part of CISMETA split in October 2024, and catching up with sales of products purchased in previous financial year. In the financial year of 2024/2025 the combined impact of obsolescence and disposal of old inventory in the income statement was 1.9 million EUR. The consolidated inventory value of Cost of Goods Sold in 2024/2025 was 1,248 million EUR.

5.5 Receivables

Receivables consist of the following:

<i>in thousands of EUR</i>	March 31, 2025	March 31, 2024
Trade debtors	156,619	207,747
Amounts due from parent company	17,140	17,421
Amounts due from affiliated companies	5,830	926
Value added taxes ('VAT')	3,271	7,114
Corporate income tax	12,516	10,189
Prepayments and accrued income	10,151	11,064
Other receivables	9,775	7,877
Total receivables	215,302	262,338

Trade debtors consist of:

<i>in thousands of EUR</i>	March 31, 2025	March 31, 2024
Gross amount	157,212	208,307
Allowance for doubtful accounts	(593)	(560)
Total trade debtors	156,619	207,747

5.6 *Cash at banks and in hand*

The item cash and cash equivalents in the cash flow statement comprises the following:

<i>in thousands of EUR</i>	March 31, 2025	March 31, 2024
Cash at banks and in hand	99,631	192,069

The above cash at banks and in hand is at group's free disposal.

As per March 31, 2025, there are no short-term deposits (March 31, 2024: none).

5.7 *Group equity*

Equity is explained in more detail in the notes to the company balance sheet.

The movements in group equity are as follows:

<i>in thousands of EUR</i>	Group equity
Balance as of March 31, 2023	232,458
Net result for the year	1,551
Actuarial gains/(losses) net of deferred tax	(3,880)
Foreign currency translation	643
Balance as of March 31, 2024	230,772
Net result for the year	23,251
Actuarial gains/(losses) net of deferred tax	(387)
Foreign currency translation	1,881
Balance as of March 31, 2025	255,517

5.8 Provisions

The movements in provisions (excluding pension) can be stated as follows:

<i>in thousands of EUR</i>	March 31, 2025	March 31, 2024
Warranties	21,264	25,223
Other non-current provision	10,126	12,188
Other current provision	3,069	4,173
Total provisions	34,459	41,584

<i>in thousands of EUR</i>	Warranties	Other non-current provision	Other current provision
Balance as of March 31, 2024	25,223	12,188	4,173
Additions	3,771	292	575
Utilization	(4,074)	(2,367)	(1,679)
Release	(3,699)	(11)	-
Exchange differences	43	24	-
Balance as of March 31, 2025	21,264	10,126	3,069

Warranties

The warranty provision is intended to cover costs directly relating to warranties provided to the end users of Epson product. A warranty provision is recognised as soon as the products have been delivered to customers. These are mainly short-term in nature, except for some specific products and products with extended warranty, which can have a long-term nature.

Other non-current

The other non-current provision mainly includes a provision for employee benefits, asset retirement obligations (non-current), provision for legal proceeding and deferred income tax liabilities (pertaining to temporary differences on amortization of fair value adjustments on intangible and tangible assets following acquisitions done in the past).

Pension provision

The pension provision relates to pension obligations for the defined benefit schemes. The defined benefit schemes mainly relate to Epson employees in the United Kingdom, specifically in Epson UK Ltd (EUL), Epson Telford Ltd (ETL) and Epson Europe B.V. UK Branch.

There are also smaller defined benefit schemes in:

- Epson Europe B.V. in the Netherlands (new contributions are frozen and the fund is fully insured with no further liability risk to the company). This plan has net zero movements in interest income/expense, actuarial losses/gains and benefits paid.
- Epson Europe Electronics GmbH (EEG) in Germany.

The amount recognised as a defined benefit liability consists of the present value of the defined benefit obligation minus the fair value at the balance sheet date of plan assets. In March 2024 the group executed a pension buy in transaction for both UK companies for a total amount of 22.1 million EUR. The buy-in transaction resulted in a release of net pension obligation balances. The total impact on the combined income statement of past financial year was about 30 million EUR. The group is committed to follow-up with a pension buy-out transaction, which is estimated to take place within 1 year.

The amounts recognised in the balance sheet are determined as follows:

<i>in thousands of EUR</i>	March 31, 2025	March 31, 2024
Present value of defined benefit obligations	113,061	126,496
Fair value of plan assets	(113,082)	(126,673)
Net liability/(asset) arising from defined benefit obligation	(21)	(177)
<i>Provision</i>	-	-
<i>Financial fixed assets</i>	(21)	(177)

As per March 31st 2025, the non-UK part of defined benefit obligations and plan assets was both about 21.7 million EUR (net zero liability/asset).

The movement in the net defined benefit liability recognised in the balance sheet as provision for EEB Netherlands only is as follows:

<i>in thousands of EUR</i>	Pension obligations	Plan assets	Net
Balance as of March 31, 2024	19,849	(19,849)	-
Interest costs/(income)	627	(627)	-
Benefits paid	(513)	513	-
Actuarial losses/(gains)	(1,739)	1,739	-
Balance as of March 31, 2025	18,224	(18,224)	-

The movement in the net defined benefit asset recognised in the balance sheet as financial fixed asset (reference is made to note 5.3) is as follows for the UK:

<i>in thousands of EUR</i>	Pension obligations	Plan assets	Net
Balance as of March 31, 2024	103,524	(103,524)	-
Interest costs/(income)	5,107	(5,116)	(9)
Administrative expenses	-	60	60
Benefits paid	(3,052)	3,051	(1)
Actuarial losses/(gains)	(16,356)	16,314	(42)
Foreign exchange differences	2,188	(2,196)	(8)
Balance as of March 31, 2025	91,410	(91,410)	-

EEG in Germany has a small pension plan, whereby the net liability on defined pension plan was negligible at the beginning and end of the financial year (respectively 177k, 21k EUR).

Sensitivity Analysis

Expected affecting amount when expected discount rate (in thousands of euros):

March 31, 2025	Expected affecting amount when expected discount rate increases by 1%	Expected affecting amount when expected discount rate decreases by 1%
Liability on Defined Benefit Plan	(14,478)	(17,680)

The amounts recognised in the profit and loss account are as follows:

<i>in thousands of EUR</i>	2024/2025	2023/2024
Interest costs	-	104
Gain/(loss) on buy-in settlement	(9)	26,358
Administrative expenses	60	754
Total pension expenses	51	27,216

The breakdown of plan assets is the following (EEB Netherlands amount for Others is 18 million EUR per March 31st, 2025):

<i>in thousands of EUR</i>	March 31, 2025	March 31, 2024
Cash and deposit	520	537
Others	112,562	126,136
Total fair value of plan assets	113,082	126,673

The principal actuarial assumptions used for the defined benefit schemes in United Kingdom were as follows:

	March 31, 2025	March 31, 2024
Discount Rate	5.85%	4.90%
Future salary increases	3.10%	3.15%
Future pension increases	3.10%	3.15%

For the Netherlands, the discount rate was 3.7% per March 31st 2025 (3.1% per March 31st 2024).

For the EEB Netherlands, ETL and EUL defined benefit plans, the company does not expect to pay any premiums anymore for the coming years, therefore the cashflow from the company to these funds is expected to be zero. For ETL and EUL, the group is committed to follow-up with a pension buy-out transaction, which is estimated to take place within 1 year.

5.9 Non-current liabilities

Non-current liabilities comprise the following:

<i>in thousands of EUR</i>	March 31, 2025	March 31, 2024
Long term deferred income	23,760	25,748
Total non-current liabilities	23,760	25,748

The movements in non-current liabilities can be stated as follows:

<i>in thousands of EUR</i>	Long term deferred income
Balance as of March 31, 2024	25,748
Additions	1,908
Release	(3,030)
Reclassification to current liabilities	(905)
Exchange differences	39
Balance as of March 31, 2025	23,760

5.10 Current liabilities

Current liabilities comprise the following:

<i>in thousands of EUR</i>	March 31, 2025	March 31, 2024
Trade payables	7,700	8,267
Accounts payable to parent company	178,583	205,989
Accounts payable to affiliated companies	1,560	1,747
Rebates	108,589	109,897
VAT payables	13,025	15,460
Other payables	34,500	37,927
Corporate tax	5,720	4,656
Wage tax and social securities	6,407	7,216
Bonus accruals	5,946	7,065
General accruals	20,509	24,300
Deferred income	16,396	18,820
Short-Term loans payable to parent company	-	140,000
Other current liabilities	3,400	5,213
Total current liabilities	402,335	586,557

Interest bearing liabilities relate to cash pooling with subsidiaries and are using EURIBOR 1 Month + 25p interest rates.

At the end of the financial year, the company has paid completely back the outstanding balance of intercompany loan balance of 140 million EUR to the parent.

5.11 Contingencies and commitments

Long term financial obligations

Rental, operating leases and other commitments entered with third parties' amount to approximately EUR 51.2 million (31 March 2024: EUR 52.6 million).

The maturity date of these commitments can be broken down as follows:

<i>in millions of EUR</i>	March 31, 2025	March 31, 2024
With a term of less than to one year	19.2	17.5
With a term of one to five years	28.3	29.7
With a term of more than five years	3.7	5.4
Total contingencies and commitments	51.2	52.6

The rental charges, which are operating lease expenses for the year amounted to EUR 22.7 million (31 March 2024: EUR 24 million).

Cash management arrangements

The company and most of its subsidiaries have a cash management arrangement with selected group banks.

Belgium Copyrights

Reprobel is a cooperative society in Belgium appointed by Royal Decree to collect and distribute copyright levies (a reprographic fee for copiers and similar devices with at least a copying or scanning function). Copyright levies were paid by the company - as of 2008 as "importer" according to an agreement with Reprobel - based on copy speed in the normal mode of the devices. However, Reprobel disputes the amount of levies paid and claims that the company should have used the copy mode in draft speed (which is higher and would result in higher fees), being the base for the tariff to be paid. Epson was anticipating Reprobel to file summons against Epson at the same Dutch speaking chamber of the Brussels' Court of First Instance that ruled favourably for Reprobel in the DELL case (confirming that copy speed in draft mode should be the criterion for determining the copyright levies), and as a defence filed a 'counterclaim' against Reprobel at the French speaking chamber of the Brussels' Court of First Instance, before Reprobel's summons were served to Epson.

On 2 July 2012 the Court of First Instance dismissed Epson's case, while accepting Reprobel's claims and ordered Epson to pay the provisional amount of 1 EUR. This is just a formal order, the full amount that Epson would have to pay would still have to be determined. Reprobel still have not formally served the judgement on us and cannot enforce it until they do so. There is no time limit for this – they could delay service for one or more years. Our time limit for filing an appeal would only start then. In parallel to the Epson action, HP also brought similar proceedings against Reprobel. They had some limited success at first instance but did not win outright. HP and Reprobel both appealed to the Belgian Court of Appeal. The Court of Appeal identified several questions on which it wished to get an opinion from the Court of Justice of the European Union (CJEU)– concerning whether the relevant Belgian law conformed to EU law. Epson obtained approval from the Belgian Court to 'intervene' in the HP case and made representations in support of HP to the CJEU. The CJEU decision (case C-572/13 Hewlett-Packard Belgium vs. Reprobel) was delivered in November 2015 and ruled about the incompatibility of the Belgian reprography levy collection system with the EU Copyright Directive. The CJEU decision was very helpful for HP, Epson and other printer companies. Based on this CJEU decision, no provision was recognized by Epson.

Following the CJEU decision, the HP case went back to the Belgian Court of Appeal for a decision. Coherent to the intervention in the HP case at the CJEU, Epson did prepare short written briefs – basically confirming that the Belgian

copyright levies legislation should be considered null and void- to assist HP in their case. These briefs were filed on 28 February 2016. Hearings took place in October 2016. The Court of Appeal delivered a ruling on 12 May 2017. It dismissed HP's claims claiming that the EU Copyright Directive upon which HP (and Epson) relied lacked the direct effect for national courts to enforce it. The Court of Appeal then applied the Belgian Royal Decree. An expert has been appointed to establish the objective copy speed of all equipment that HP put on the Belgian market from 23 December 2002 to 10 March 2017. The expert was also asked to reconcile parties, if possible. Both HP and Epson have lodged an appeal before the Supreme Court against the ruling of the Court of Appeal dated 12 May 2017 arguing that the Court of Appeal misapplied the CJEU ruling. In September 2020 the Belgian Supreme Court rejected HP's (and Epson's) arguments. The case was then returned to the Court of Appeal again where the expert was yet to issue a final report in that procedure.

It should be noted that the decision of the Supreme Court was rendered in the case of HP to which Epson had intervened. It does not discard the proceedings in Epson's case against Reprobel.

However, in the meantime HP and Reprobel have reached a settlement in this matter. Therefore, this case can formally be considered closed. Since Epson only intervened in the case on a voluntary basis and no direct claims were made against Epson by Reprobel, this "joint case" is also formally closed for Epson.

Epson's own case against Reprobel remained unchanged.

Bank facilities and guarantees

The Group has available bank facilities with a maximum amount of EUR 75 million (31 March 2024: EUR 75 million).

6. Notes to the consolidated profit and loss account

6.1 Revenue

The breakdown of revenue by geographical area is as follows:

<i>in thousands of EUR</i>	2024/2025	2023/2024
The Netherlands	120,965	106,017
Europe	1,469,384	1,411,165
CIS	9,774	18,662
Middle East & Africa	110,855	294,772
Other	4,335	85,085
Total revenue	1,715,313	1,915,701

The primary reason for the revenue decline in the CIS, Middle East & Africa, and Other regions is the transfer of operations to another Epson Group entity, effective October 2024. Further details can be found in the director's report.

The breakdown of revenue by category is as follows:

<i>in thousands of EUR</i>	2024/2025	2023/2024
Trade activities	1,658,550	1,858,745
Rendering of services	56,763	56,956
Total revenue	1,715,313	1,915,701

6.2 General and administration expenses

The general and administration expenses include wages and salaries, and social security costs. These can be broken down as follows:

<i>in thousands of EUR</i>	2024/2025	2023/2024
Wages and salaries	143,476	157,206
Social security charges	28,809	29,064
Pension expenses *	12,111	40,798*
Other general and administrative expenses	110,929	130,214
Total general and administration expenses	295,325	357,282

* Including Pension Buy-in (30 million Eur)

Wages and salaries

The average number of personnel employed by the company and its consolidated group companies during the year ended 31 March 2025 was 2,279 (2023/2024: 2,442). The number of employees employed outside the Netherlands was 2,056 (2023/2024: 2,234). The decrease of employees outside of the Netherlands is mainly due to the transfer of their contract to our sister company CISMETA.

These average number of employees are from the following departments:

	2024/2025	2023/2024
Sales and marketing	1,323	1,438
Manufacturing	369	366
Technical	125	87
Administration and finance	442	550
Total average number of employees	2,259	2,442

Pension expenses

<i>in thousands of EUR</i>	2024/2025	2023/2024
Pension expenses defined benefit schemes	-	30,328
Pension expenses contribution schemes	12,111	10,470
Total general and administration expenses	12,111	40,798

Please refer to note 5.8 for more explanation on the pension expenses movements.

General and administrative expenses

The general and administrative expenses for the financial year under review include depreciation and amortisation charges EUR 9 million (2023/2024: EUR 8 million). This amount includes amortisation of goodwill of EUR 2 million (2023/2024: EUR 2 million).

6.3 *Financial income and expenses*

<i>in thousands of EUR</i>	2024/2025	2023/2024
Interest income	6,512	5,191
Interest expense	(4,217)	(5,304)
Pension benefit interest cost	(1)	(104)
Exchange rate differences	953	2,171
Other finance costs	(6)	(7)
Total financial income and expenses	3,241	1,947

6.4 Taxation

The taxation on result on ordinary activities amounting to EUR 11.7 million can be specified as follows:

<i>in thousands of EUR</i>	2024/2025	2023/2024
Result from ordinary activities before taxation	34,990	55,010
Current taxes	(11,847)	(3,326)
Deferred taxes	108	7,001
Total taxation on result	(11,739)	3,675
Local tax rate in the Netherlands	25.8%	25.8%

Effective tax rate reconciliation

<i>in thousands of EUR</i>	2024/2025	Effective Tax rate %	2023/2024	Effective Tax rate %
Result from ordinary activities before taxation	34,990		(2,124)	
Standard Income Tax at Dutch tax rate (25.8%)	(9,027)	-25.80%	548	-25.80%
Permanent differences	(765)	-2.19%	(3,448)	162.34%
Corporate tax in past taxable years	(809)	-2.31%	3,106	-146.23%
Previously unrecognized tax losses	-		4,308	-202.82%
Effect of differences with local tax rates	(712)	-2.03%	(1,131)	53.25%
Others	(426)	-1.22%	292	-13.75%
Total taxation on result	(11,739)	-33.55%	3,675	-173.02%

The applicable tax rate is based on the relative proportion of the group companies' contribution to the result and the tax rates prevailing in the countries concerned. The taxable result has been calculated based on the pre-tax income whereby permanent and temporary differences have been considered.

A tax ruling with the Dutch Tax Authorities has been agreed. In essence, the ruling is with the Dutch Tax Authorities to avoid any issues with generating sufficient taxable profits. Should there be insufficient profit, the tax charge will – as a minimum – amount to a certain percentage of the net sales, with different percentages applicable to the European sales companies (ESC) sales and sales via the branches (which are mainly located in geographical areas serving emerging markets). Corporate tax in past taxable years movement is based on final assessments received in FY24 from Dutch tax office.

The amount of deferred taxes processed through equity is EUR 0.01 million (2023/2024: EUR 1.1 million).

7. Supplementary information

7.1 Related parties

Purchases of goods are mainly from the parent company for an amount of EUR 1.1 billion (2023/2024: EUR 1.2 billion). Transfer Pricing policies are in place to ensure that the remuneration on the goods purchased is at arm's length over a period of time. The Group accounted for sales to the parent company amounting to EUR 81 million (2023/2024: EUR 86 million). These sales were at arm's length.

7.2 Subsequent events

There were no other material non-adjusting subsequent events.

Company balance sheet as of 31 March 2025

(Before appropriation of result)

<i>in thousands of EUR</i>	Reference	March 31, 2025	March 31, 2024
Assets			
Fixed assets		156,233	146,258
Intangible Fixed Assets	2.1	2,296	2,652
Tangible Fixed Assets	2.1	1,996	2,298
Financial Fixed Assets	2.2	151,941	141,308
Current assets		526,072	674,186
Inventories	2.3	300,386	319,202
Receivables	2.4	148,405	197,267
Cash at banks and in hand	2.5	77,281	157,717
Total assets		682,305	820,444
Equity and Liabilities			
Equity	2.6	255,517	230,772
Share capital		95,000	95,000
Share premium		478	478
Other reserves		147,100	145,730
Foreign currency translation reserve		(10,106)	(11,987)
Result of the year		23,045	1,551
Provisions	2.7	5,665	10,459
Non-current liabilities	2.8	3,790	5,308
Current liabilities	2.9	417,333	573,905
Total liabilities and equity		682,305	820,444

Company profit and loss account for the year ended 31 March 2025

<i>in thousands of EUR</i>	Reference	2024/2025	2023/2024
Share in results of group companies	2.2	25,838	(787)
Other results after taxation		(2,793)	2,338
Net result of the year		23,045	1,551

Notes to the company financial statements

1. Summary of significant accounting policies

Apart from the accounting policy stated below, the significant accounting policies followed in the preparation of these financial statements concur with those set out in the Notes to the consolidated financial statements.

1.1 *Investments in group companies*

Investments in which the company exercises decisive control or significant influence are stated at net asset value. The company is considered to exercise significant influence if it holds at least 20% of the voting rights.

Net asset value is calculated using the accounting policies applied in these financial statements. Asset revaluations of investments in group companies are recognised in the revaluation reserve. Investments whose financial information cannot be aligned to these policies are valued based on their own accounting policies. Investments with an equity deficit are carried at nil. A provision is formed if and when Epson Europe B.V. is fully or partially liable for the debts of the investments or has the firm intention to allow the participating interest to pay its debts. Dividend received from investments in group companies is deducted from the carrying amount.

Investments acquired are initially measured at the fair value of the identifiable assets and liabilities upon acquisition. Any subsequent valuation is based on the accounting policies that apply to these financial statements, taking into account the initial valuation.

Investments in which no significant influence can be exercised are recognised at cost. If an asset qualifies as impaired, it is measured at its impaired value; any write-offs are recorded in the profit and loss account.

2. Notes to the balance sheet and profit and loss account

2.1 Intangible and Tangible fixed assets

Intangible fixed assets are detailed as follows:

<i>in thousands of EUR</i>	Software & licenses	Development expenditure	Total
At cost	11,242	1543	12,785
Accumulated amortisation	(10,133)	-	(10,133)
Balance as of March 31, 2024	1,109	1543	2,652
Cost:			
Additions	15	456	471
Disposal	(762)	-	(762)
Transfers	1,907	(1,999)	(92)
	1,160	(1,543)	(383)
Amortisation:			
Disposal	762	-	762
Amortisation	(735)	-	(735)
	27	-	27
At cost	12,402	-	12,402
Accumulated amortisation	(10,106)	-	(10,106)
Balance as of March 31, 2025	2,296	-	2,296

The research and development costs that are not capitalized and which are included in the company profit and loss account under other results after taxation has a total amount of EUR 0 million (March 31, 2024: EUR 0 million).

Tangible fixed assets are detailed as follows:

<i>in thousands of EUR</i>	Land and Building	Other	Total
At cost	2,983	10,451	13,434
Accumulated amortisation	(2,230)	(8,906)	-11,136
Balance as of March 31, 2024	753	1,545	2,298
Cost:			
Additions	274	825	1,099
Disposal	(1,119)	(2,216)	(3,335)
Exchange differences	23	33	56
Transfers	-	(91)	(91)
	(822)	(1,449)	(2,271)
Depreciation:			
Disposal	847	2,416	3,263
Depreciation	(299)	(948)	(1,247)
Exchange differences	(9)	(60)	(69)
Transfers	-	22	22
	539	1,430	1,969
At cost	2,161	9,002	11,163
Accumulated amortisation	(1,691)	(7,476)	(9,167)
Balance as of March 31, 2025	470	1,526	1,996

2.2 Financial fixed assets

Financial fixed assets consist of the following:

<i>in thousands of EUR</i>	March 31, 2025	March 31, 2024
Investment In Group Companies	149,260	139,885
Deferred tax assets	2,274	436
Other non-current receivables	407	987
Total financial fixed assets	151,941	141,308

Investments in group companies

Investments in group companies represent the company's shares in group companies.

The shares in group companies relate to:

	Place of incorporation	Shareholding %	
		<u>2024/2025</u>	<u>2023/2024</u>
Epson Deutschland GmbH	Düsseldorf, Germany	100	100
Epson Europe Electronics GmbH	Munich, Germany	100	100
Epson France S.A.	Levallois-Perret, France	100	100
Epson Telford Ltd	Telford, United Kingdom	100	100
Epson (U.K.) Ltd	Hertfordshire, United Kingdom	100	100
Epson Ibérica S.A.	Barcelona, Spain	100	100
Epson Italia S.p.A.	Milan, Italy	100	100
Epson CIS *	Moscow, Russia	100	100
Epson Subscription Europe B.V.*	Amsterdam, The Netherlands	100	100

*These companies' operational activities have ceased

The movements in investments in group companies were as follows:

<i>in thousands of EUR</i>	2024/2025	2023/2024
Opening balance	139,885	116,069
Capital contribution	-	43,730
Decrease due to dividend of group companies	(17,623)	(16,191)
Share in results of group companies	25,838	(787)
Actuarial gains and losses of group companies, net of deferred tax	(181)	(3,880)
Foreign exchange results of group companies	1,341	1,009
Other movement	-	(65)
Closing balance	149,260	139,885

In March 2024, Epson Europe B.V. injected about 43.7 million EUR capital into EUL (27.3 million EUR) and into ETL (16.4 million EUR) to finance the pension buy-in.

Deferred tax assets

Deferred tax assets relate to temporary differences. An amount of EUR 2.3 million (2023/2024: EUR 0.5 million) is expected to be recovered over the coming years.

2.3 Inventories

Inventories consist of the following:

<i>in thousands of EUR</i>	March 31, 2025	March 31, 2024
Finished products and goods for resale	300,386	319,202
Total inventories	300,386	319,202

Inventories gross and provision amounts consist of:

<i>in thousands of EUR</i>	March 31, 2025	March 31, 2024
Gross amount	310,479	342,632
Allowance for obsolescence	(10,093)	(23,430)
Total inventories	300,386	319,202

2.4 Receivables

Receivables consist of the following:

<i>in thousands of EUR</i>	March 31, 2025	March 31, 2024
Amounts due from parent company	1,235	990
Amounts due from group companies	92,139	92,054
Trade debtors	25,423	61,013
Value added taxes ('VAT')	1,738	2,920
Interest bearing receivables from group companies	3,586	21,460
Corporate income tax	10,823	8,583
Prepayments and accrued income	7,045	7,976
Other receivables	6,416	2,271
Total receivables	148,405	197,267

Trade debtors consist of:

<i>in thousands of EUR</i>	March 31, 2025	March 31, 2024
Gross amount	25,425	61,032
Allowance for doubtful accounts	(2)	(19)
Total trade debtors	25,423	61,013

2.5 *Cash at banks and in hand*

Cash and bank balances consist of the following:

<i>in thousands of EUR</i>	March 31, 2025	March 31, 2024
Cash at banks and in hand	77,281	157,717

The above cash at banks and in hand is at company's free disposal.

As per March 31, 2025, there are no short-term deposits (March 31, 2024: none).

2.6 Shareholder's equity

The movements in shareholder's equity are as follows:

<i>in thousands of EUR</i>	Share capital	Share premium	Other reserves	Foreign currency translation reserve	Result for the Year	Total
Balance as of March 31, 2023	95,000	478	114,351	(12,630)	35,259	232,458
Appropriation of result	-	-	35,259	-	(35,259)	-
Net result for the year	-	-	-	-	1,551	1,551
Actuarial gains/(losses) subsidiaries, net of deferred tax	-	-	(4,193)	-	-	(4,193)
Change in accounting policy (IAS12)	-	-	313	-	-	313
Foreign currency translation of the branches	-	-	-	(366)	-	(366)
Foreign currency translation of Subsidiaries	-	-	-	1,009	-	1,009
Balance as of March 31, 2024	95,000	478	145,730	(11,987)	1,551	230,772
Appropriation of result	-	-	1,551	-	(1,551)	-
Net result for the year	-	-	-	-	23,045	23,045
Actuarial gains/(losses) subsidiaries, net of deferred tax	-	-	(181)	-	-	(181)
Foreign currency translation of the branches	-	-	-	540	-	540
Foreign currency translation of Subsidiaries	-	-	-	1,341	-	1,341
Balance as of March 31, 2025	95,000	478	147,100	(10,106)	23,045	255,517

The share capital of the company is as follows:

<i>in thousands of EUR</i>	March 31, 2025	March 31, 2024
<i>Authorised</i> 170,000,000 shares of EUR 1 each	170,000	170,000
<i>Issued and paid-in</i> 95,000,000 shares of EUR 1 each	95,000	95,000

Proposed appropriation of the net result for the year

The Directors of the Company propose to add the net result for the year to other reserves. This proposal has not been reflected in these financial statements.

2.7 Provisions

<i>in thousands of EUR</i>	March 31, 2025	March 31, 2024
Warranties	4,591	6,899
Other provision	1,074	3,560
Total provisions	5,665	10,459

The movements in provisions can be stated as follows:

<i>in thousands of EUR</i>	Warranties	Other	Total
Balance as of March 31, 2024	6,899	3,560	10,459
Usage	(2,308)	(2,486)	(4,794)
<i>Usage</i>	(2,308)	(2,486)	(4,794)
<i>Release</i>	-	-	-
Balance as of March 31, 2025	4,591	1,074	5,665

The warranty and other provisions are mainly short term in nature.

The provision for negative equity EUL is settled due to the capital contribution, because EUL's equity was positive as of March 31st, 2025.

2.8 Non-current liabilities

Non-current liabilities comprise the following:

<i>in thousands of EUR</i>	March 31, 2025	March 31, 2024
Long term deferred income	3,790	5,308
Total non-current liabilities	3,790	5,308

The movements in non-current liabilities can be stated as follows:

<i>in thousands of EUR</i>	Long term deferred income
Balance as of March 31, 2024	5,308
Additions	137
Decrease	(1,655)
Balance as of March 31, 2025	3,790

2.9 Current liabilities

Current liabilities comprise the following:

<i>in thousands of EUR</i>	March 31, 2025	March 31, 2024
Trade payables	1,824	1,753
Accounts payable to parent company	172,023	196,242
Accounts payable to group companies	3,855	5,341
Rebates	25,970	26,536
VAT payables	7,764	7,055
Other payables	9,365	12,092
Wage tax and social securities	2,924	3,462
Bonus accruals	2,463	3,106
General accruals	9,413	11,662
Deferred income	2,729	4,334
Interest bearing liabilities	177,826	301,326
Other current liabilities	1,177	996
Total current liabilities	417,333	573,905

Interest bearing liabilities relate to cash pooling with subsidiaries and are using EURIBOR 1 Month + 25p interest rates.

2.10 Audit fees for the group

The following audit fees were expensed by EY Accountants B.V. and other Ernst & Young in the profit and loss account in the reporting period:

<i>in thousands of EUR</i>	2024/2025		2023/2024	
	EY Accountants B.V.	Other Ernst & Young	Ernst & Young Accountants LLP	Other Ernst & Young
Audit services	785	669	747	640
Tax advisory services	-	504	-	828
Non-assurance related fees	-	158	10	365
Total	785	1,331	757	1,833

2.11 Headcount

	2024/2025	2023/2024
Sales and marketing	472	693
Technical	51	77
Administration and finance	264	290
Total employees	787	1,060

The decrease in employees is due to the transfer of operations outside of Europe to other Epson group company (see Director's report section).

3. Supplementary information

3.1 Contingencies and commitments

Long term financial obligations

Rental, operating lease and other commitments entered with third parties' amount to approximately EUR 23.6 million.

The maturity date of these commitments can be broken down as follows:

<i>in millions of EUR</i>	March 31, 2025	March 31, 2024
With a term of less than to one year	12.2	12.1
With a term of one to five years	11.4	20.1
With a term of more than five years	-	(0.8)
Total contingencies and commitments	23.6	31.4

Cash management arrangements

The company and certain group companies entered cash management arrangements with selected group banks. The company also guarantees the payment of debt within the EUR and GBP cash pools for all participating group companies.

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Reference is made to note 5.11 of the consolidated financial statements for further details.

Bank guarantees

The Company also has available bank facilities with a maximum amount of EUR 75 million (March 31, 2024: EUR 75 million).

3.2 Financial instruments

Epson Europe B.V. is the only company in the group with commitments from derivative financial instruments. Reference is therefore made to Note 2.15 to the consolidated financial statements.

3.3 Directors' remuneration

The amount required to be disclosed, as referred to in Article 383.1, Part 9, Book 2 of the Netherlands Civil Code, for the remuneration of the Board of Directors amounts to EUR 233 thousand (2023/2024: EUR 523 thousand). The supervisory board members do not receive any remuneration from Epson Europe B.V. Due to the average time spent by the supervisory board members on Epson Europe B.V., management does not present an amount relating to directors' remuneration, which management considers materially in line with the pro-rata approach of disclosing the supervisory board's remuneration.

3.4 Subsequent events

Please refer to note 7.2 of the consolidated financial statements.

Amsterdam, 30 June 2025

The Board of Managing Directors,

藤井啓輔

K.Fujii

稲穂孝則

T.Inaho

深石 明宏

深石 明宏 (Aug 4, 2025 12:06:29 GMT+9)

A.Fukaishi

The Board of Supervisory Directors,

水上昌治

Masaharu Mizukami (Aug 5, 2025 14:37:37 GMT+9)

M. Mizukami

根村 絵美子

E. Nemura

Y. Takakura

Yosuke Takakura (Aug 1, 2025 22:53:39 GMT+9)

Y.Takakura

Other information

Profit appropriation according to the Articles of Association

Article 19 of the company's Articles of Association provides that the net result for the year shall be at the disposal of the Shareholder at the General Meeting.

Branches and Representative Offices

Branches and Representative offices are located in:

<u>Country:</u>	<u>Trade Name:</u>
Benelux	Epson Europe B.V. - Zaventem
Czech Republic	Epson Europe B.V. - organizacni slozka
Denmark	Epson Denmark, Filial Af Epson Europe B.V.
Finland	Epson Europe B.V. - Suomen Sivuliike
Hungary	Epson Europe B.V. - Magyarorszagi Fiolktelepe
Israel	Epson Europe B.V. – Israel
Kazakhstan	Epson Europe B.V. – Almaty
Kenya	Epson Europe B.V. – Nairobi
Lithuania	Epson Europe B.V. Lietuvos filialas
Morocco	Epson Europe B.V. – Casablanca
Norway	Epson Europe B.V. Norway Branch
Nigeria	Epson Europe B.V. – Lagos
Poland	Epson Europe B.V. Oddzial w Polsce
Romania	Epson Europe B.V. Amsterdam Sucursala București
Saudi Arabia	Epson Europe B.V. – Riyadh
South Africa	Epson Europe B.V. Incorporated (in the Netherlands)
Switzerland	Epson Europe B.V, Amsterdam (Pays-Bas), Succursale de Marly
Sweden	Epson Europe B.V. - Filial Sverige
Ukraine	Epson Europe B.V. – Kiev
UK	Epson Europe B.V. UK Office
UAE	Epson Europe B.V. Middle East Office

Independent auditor's report

The independent auditor's report is included in the next pages.

Independent auditor's report

To: the shareholder and supervisory board of Epson Europe B.V.

Report on the audit of the financial statements 31 March 2025 included in the annual report

Our opinion

We have audited the accompanying financial statements for the financial year ended 31 March 2025 of Epson Europe B.V. based in Amsterdam.

In our opinion, the financial statements give a true and fair view of the financial position of Epson Europe B.V. as at 31 March 2025 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The consolidated and company balance sheet as at 31 March 2025
- The consolidated and company profit and loss account for the year then ended
- The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of Epson Europe B.V. (the company) in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for professional accountants).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error.

Our audit response related to fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the supervisory board exercises oversight, as well as the outcomes.

We refer to section Main Risks of the directors' report for the board of managing director's (fraud) risk assessment

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We addressed the risks related to management override of controls, as this risk is present in all organizations. For these risks we have performed procedures among other things to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in Note 1.7 to the financial statements. We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties.

When identifying and assessing fraud risks, we presumed that there are risks of fraud in revenue recognition. We considered among other things the company's bonus plan of top management, tested the timing of transfer of risks & rewards for transactions of recognized revenue in close to the balance sheet date and assessed credit memos recorded after balance sheet date. We designed and performed our audit procedures relating to revenue recognition responsive to this presumed fraud risk.

Additionally, to respond to the risk of management override of controls related to understating expenses to improve operating result, we specifically performed a search for unrecorded liabilities to test the completeness of expenses. We also performed specific journal entry testing procedures to respond to the identified risk.

We considered available information and made enquiries of relevant executives, directors, internal audit, legal, compliance, human resources and local finance managers.

The fraud risks we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations

We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the management board, reading minutes, inspection of internal audit and compliance reports and performing substantive tests of details of classes of transactions, account balances or disclosures.

We also inspected lawyers' letters and correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally, we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern

As disclosed in section Going concern in 2.1 to the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, management made a specific assessment of the company's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with management exercising professional judgment and maintaining professional skepticism.

We considered whether management's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Based on our procedures performed, we did not identify material uncertainties about going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

Report on other information included in the annual report

The annual report contains other information in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of the board of managing directors and the board of supervisory directors for the financial statements

The board of managing directors is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the board of managing directors is responsible for such internal control as the board of managing directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board of managing directors is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board of managing directors should prepare the financial statements using the going concern basis of accounting unless the board of managing directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The board of managing directors should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The board of supervisory directors is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material misstatements, whether due to fraud or error during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The Information in support of our opinion section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.

Our audit included among others:

- ▶ Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- ▶ Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- ▶ Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of managing directors
- ▶ Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- ▶ Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision, review and evaluation of the audit work performed for purposes of the group audit. We bear the full responsibility for the auditor's report.

Communication

We communicate with the board of supervisory directors and board of managing directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amsterdam, 9 July 2025

EY Accountants B.V.

signed by T. Wiffrie