


A decorative graphic on the left side of the slide features several overlapping, curved blue shapes that create a sense of motion and depth, resembling a stylized wave or a modern architectural element. The colors range from a deep blue to a lighter, almost white blue.

Visual Communications Small Meeting

December 1, 2023

Seiko Epson Corporation



Our philosophy of efficient, compact and precise innovation enriches lives and helps create a better world.

Epson was founded in Japan, a nation blessed with outstanding natural beauty and a rich cultural heritage. Our commitment to protecting such abundant gifts for future generations has never wavered. We constantly pay close attention to social issues and dedicate ourselves to addressing them, as our timely elimination of chlorofluorocarbons makes clear.

Underpinning everything we do is the philosophy of efficient, compact, precise innovation. After all, bigger is not always better.

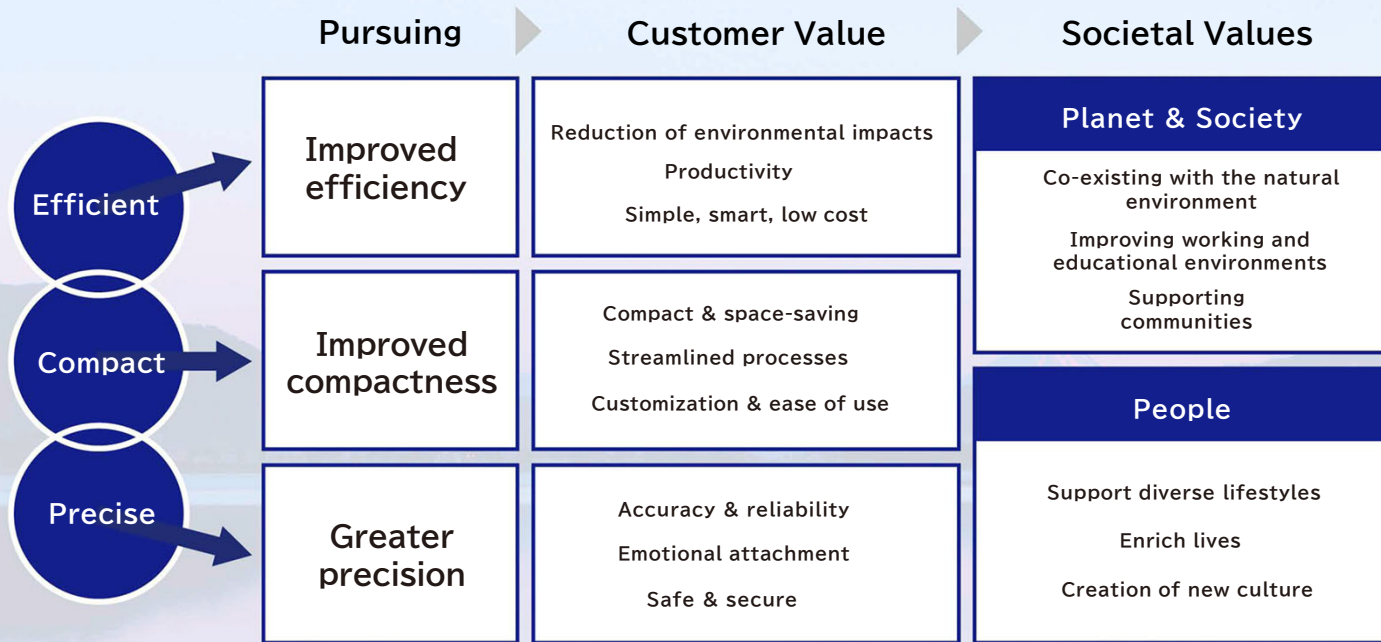
We firmly believe that energy saving solutions, space saving innovation and ultra-high precision help to protect the natural environment and enrich communities.

With our philosophy of efficient, compact, precise innovation, we deliver more meaningful value that enriches lives and helps create a better world.

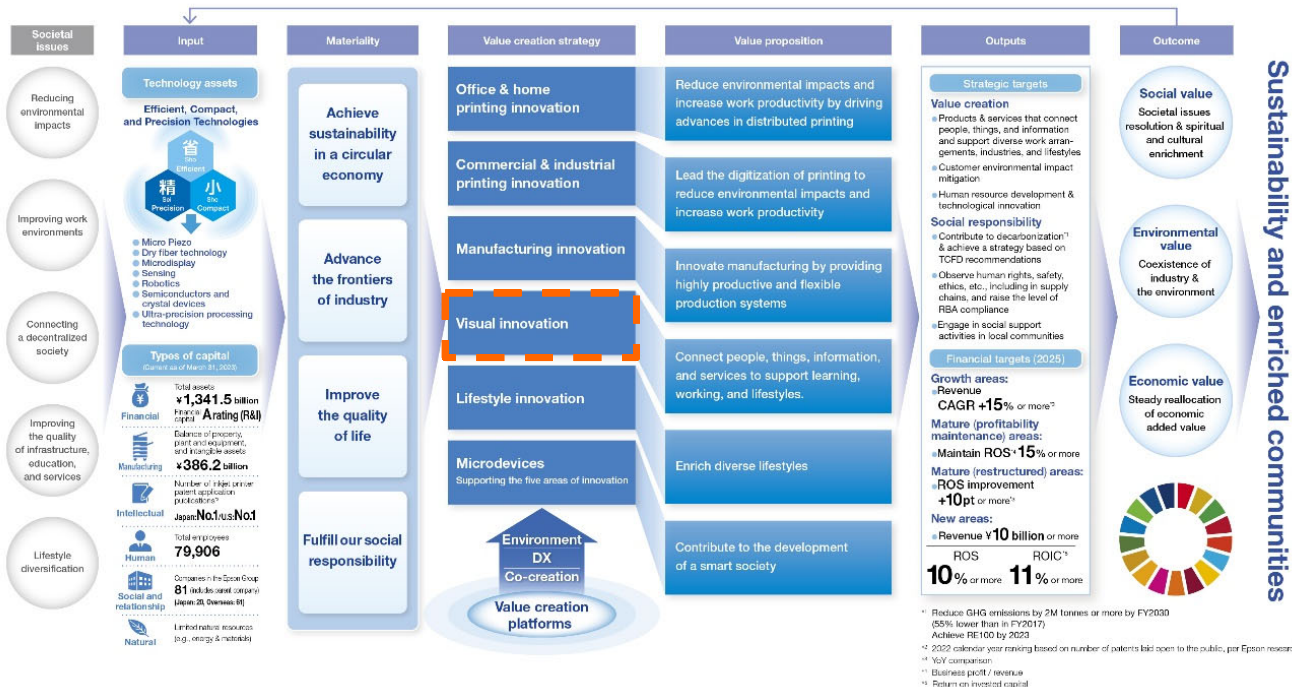
We will continue to strive towards realizing this purpose.

Value created by the corporate purpose

Our products and services, based on our unique philosophy of efficiency, compactness, and precision, create meaningful customer value that extends to the wider world.



- Visual communications business will strive to achieve sustainability and enriching communities through visual innovation based on unique core technologies

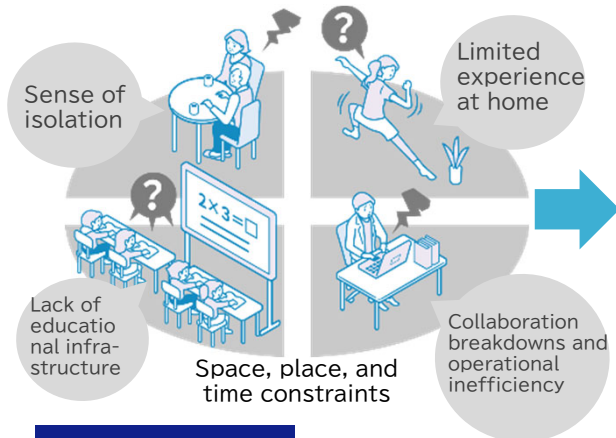


Sustainability and enriched communities

¹⁾ Reduce GHG emissions by 2M tonnes or more by FY2030 (55% lower than in FY2017).
²⁾ Achieve PET-100 by 2023.
³⁾ 2022 calendar year ranking based on number of patents held open to the public, per Epson research.
⁴⁾ YoY comparison.
⁵⁾ Business profit / revenue.
⁶⁾ Return on invested capital.

- Connect people, things, information, and services with inspiring video experiences and quality visual communications to support learning, working, and lifestyles

- Achieve sustainability in a circular economy
- Advance the frontiers of industry
- Improve quality of life



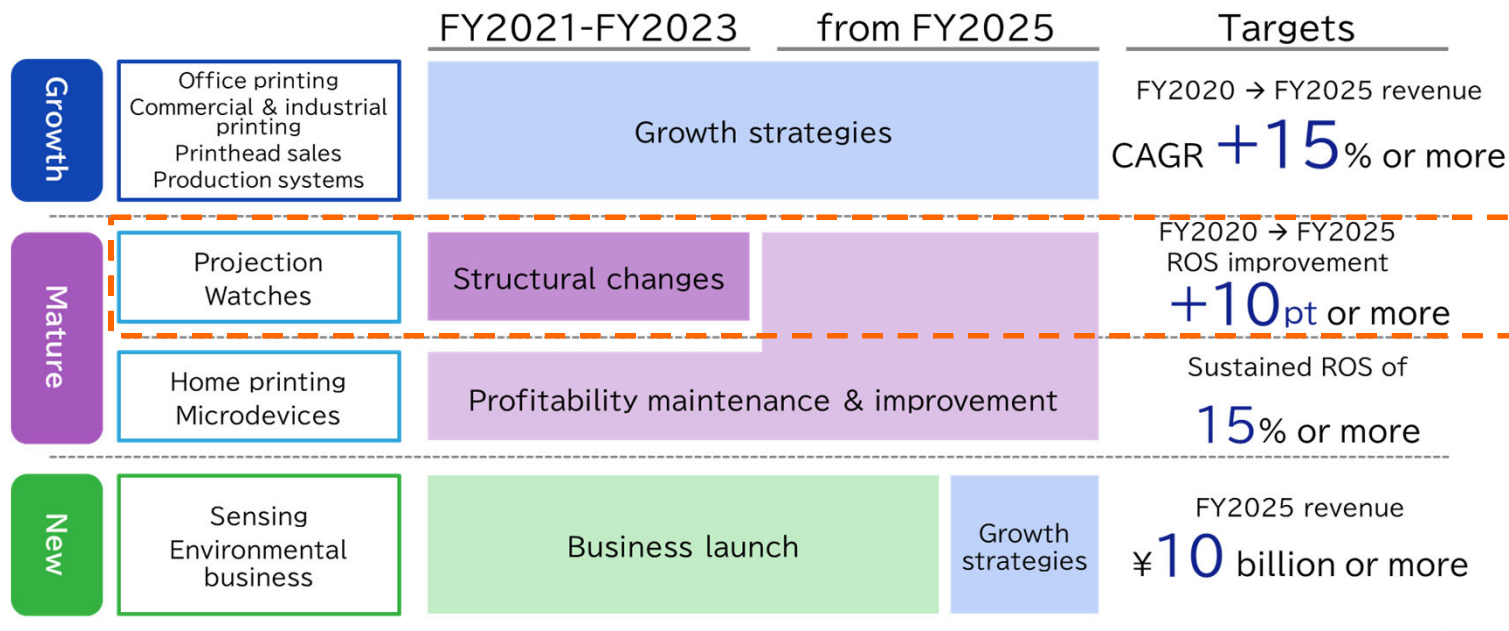
Space, place, and time constraints

Value proposition

- Equal, high-quality learning environment
- Higher productivity and creativity
- Support lifestyle and work arrangement diversification
- Enrich lives



- Restructuring for visual communications (projection) business progressed ahead of schedule



Visual communications performance trend

Consolidated

(FY2022)

Revenue

1330.3 Billion JPY

Business profit*

95.1 Billion JPY

*Business profit is calculated by deducting cost of sales and SGA expenses from revenue, similar to concept of operating income under J-GAAP

- Dropped in profitability due first to projector market shrinking from the lowering price trend of FPDs, then from COVID-19 (FY2018→FY2020)
- Regained profitability by restructuring

Revenue breakdown

(FY2022)

Manufacturing-related & Wearables

16.1%

16.3%

Visual Communications

Commercial & Industrial Printing

Office & Home Printing

67.6%

Printing Solutions

Visual Communications

(FY2022)

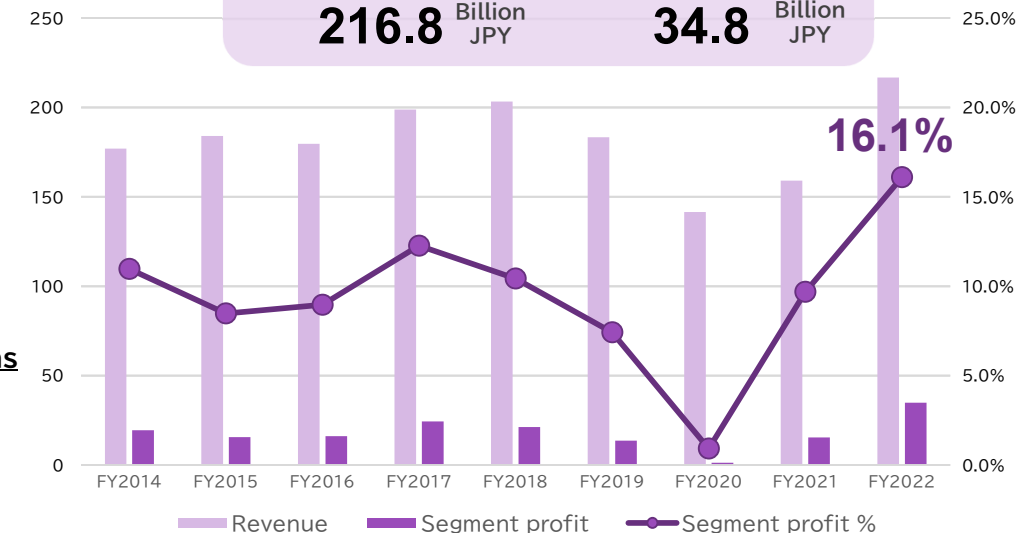
Revenue

216.8 Billion JPY

Segment profit

34.8 Billion JPY

(Billion JPY)



Origin of visual communications

- Technology originated from LCDs developed for watches
- Lead the creation of projector market from the start

1973

World's First Digital
Quartz Watch
with 6-digit LCD



Microdisplay technology
(liquid crystal)

over **50** years

1982

World's First TV Watch



1984

World's First LCD
Pocket Color TV



Projection
technology

over **30** years

1989

The First Epson
LCD Projector-VPJ-700



■ Expanded lineup for various applications

High Brightness

Event



Business

Corporate



Education



Home/ Smart

Home



HMD



High Brightness: Projectors over 10,000 lm brightness

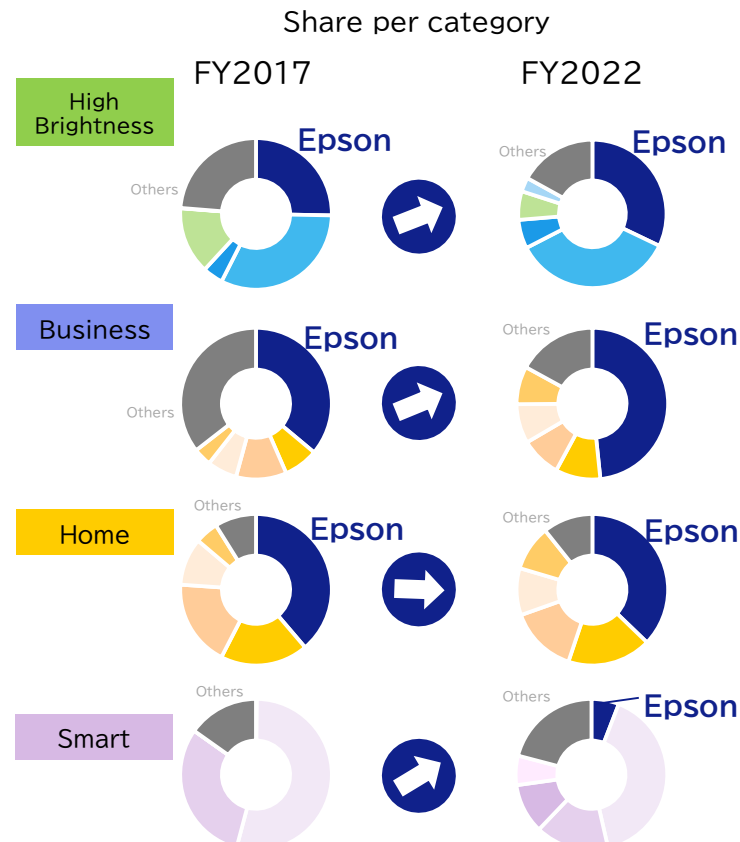
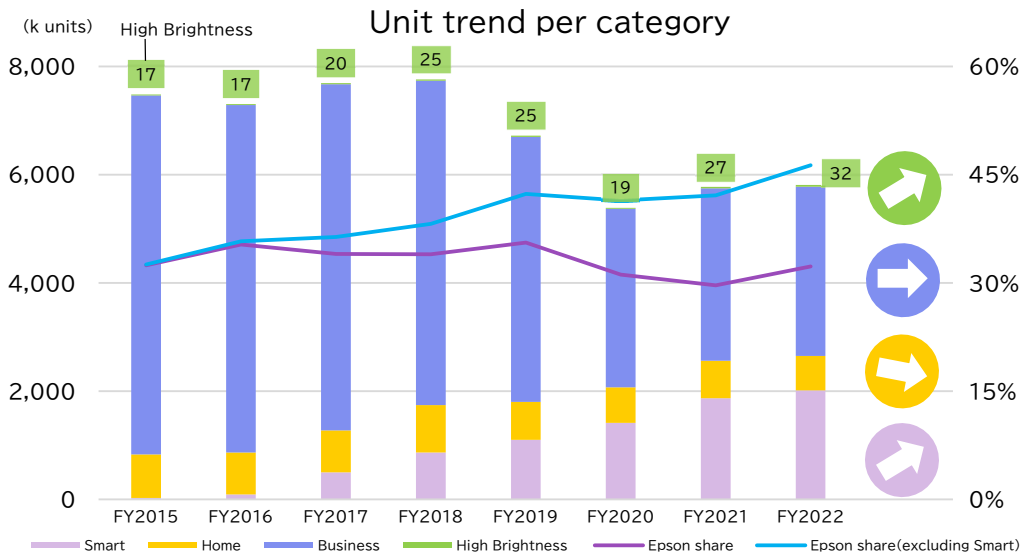
Business: Projectors below 10,000 lm brightness for education and corporate

Home: Projectors over 500 lm for home, excluding smart projectors

Smart Projector: Projectors over 500 lm, with standalone network connectivity and video streaming service usability

Projector market and share

- Epson leads market development and growth in the business category
 - In the existing market (business, home), market has stabilized as downward price trend for FPDs has loosened
 - Epson will keep dominant positioning
- Opportunities in high brightness and smart categories to expand the market and improve market share
 - Grow market share by advancing technology and expanding product lineup



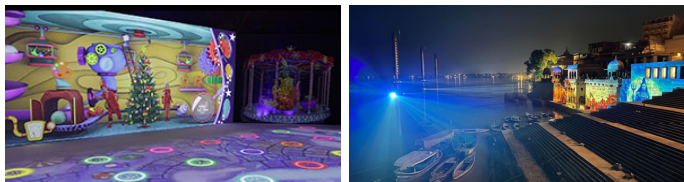
Data source: Epson

Market opportunities

- High brightness: Growth in North America and Western Europe, as well as Middle East, China, and India
- Smart: Growth started in China and seen to spread to other areas

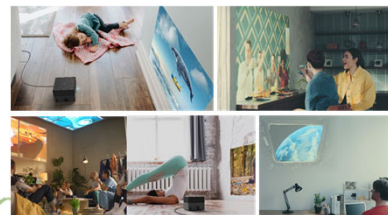
High brightness

Boost from investment in culture and tourism



Smart

Widespread use of media streaming services boosting demand, from a popular niche for younger demographics in China to global growth



Future actions

- Maintain competitive advantage through advances in hardware and digital services, and by improving global customer touch points

High Brightness

Hardware



Reliability, compact, lightweight
Strengthen lineup

×

Business



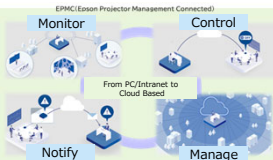
Efficiently increase lineup
through platforming

Home/ Smart



Strengthen lineup

Digital services



Stable operation and reduction in control cost using software for status monitoring, control, and management software

×



New purchasing programs including remote hardware control and management

Global sales offices

60+

Maintain strong relationship with sales channels and education agencies

Customer touchpoints

Expand sales channels
Strengthen ties with co-creation partners

Strengthen marketing and relationship with customers with smartphone apps
Strengthen cooperation with platformers

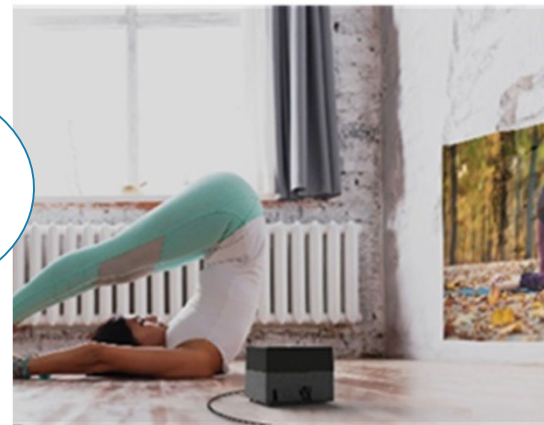


Realizing visual innovation



Enrich lives

Various immersive experiences at home



Enable high-quality learning anywhere in the world

Realistic distant communications



EPSON

Appendix

- Lead the evolution by leveraging strong touchpoint with customers and offering products matching user needs



Lead market development for interactive projectors



Closed captioned



Increased dust resistance
(Protection from environment)



Integrated handles
(Easier installation)



Auto focus, auto keystone
(Shorten installation time)

Projector Professional Tool
(Easier installation and operation)



Compact, lightweight
(Lower transport cost,
easier to install)



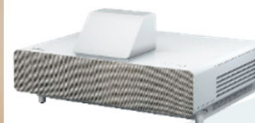
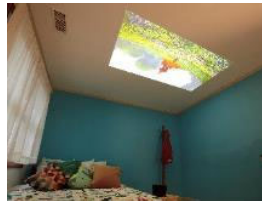
Camera to adjust for
multiple projectors
(Shorten adjustment
time)



Zero offset lens
(better installation)

Evolution of home projectors

- Lead the evolution by leveraging strong touchpoint with customers and offering products matching user needs



First Epson ultra-short throw for home (Place near wall)

2003
First Epson home model 480p (Movie viewing)



Horizontal and vertical lens shift (better installation)



Laser light source & 4K* HDR (Color reproducibility)



3,000lm (Viewable in bright rooms)



New concept Integrated DVD player and speaker (Easy to use)



Usable with dongles. projection to ceiling (Easy to carry and place)



Smart projector All-in-one, compact, auto configuration, Yamaha speaker (Easy to carry and place)

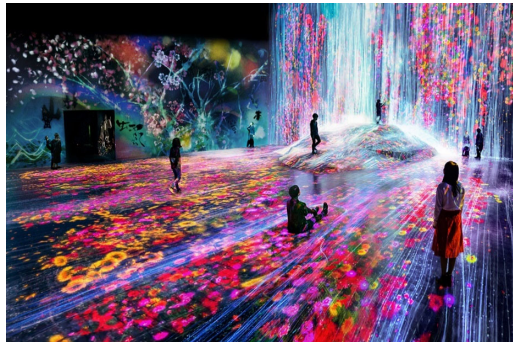


Smart projectors for China

*4K Resolution Enhancement Technology shifts each pixel to produce an image on screen, up to the stated specification

Advantages for using projectors

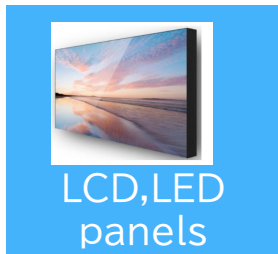
- Unrestricted video expression
 - Various ways to display; freedom in size and shape
 - Combination using multiple projectors
- Compact and lightweight for better transportability



Hardware weight comparison versus
LCDs & LEDs for 200inch display: 1/10 to 1/20
(Data source: Epson, figures are approximate)



EB-PU22/PU21/PU20/PU10 Series



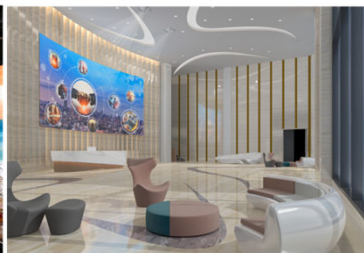
16~49units

25kg



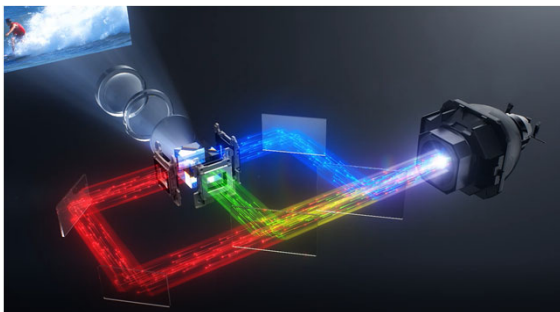
300*1 - 500*2 kg

*1: When using 16 55inch panels
*2: When using 49 28inch panels



3LCD

- Project true images that are bright, beautiful, and colorful



Create images with millions of colors by separating light source into 3 primary colors of light: red, green, and blue, creating images on LCDs for each color, and combining them into a single beam



3LCD

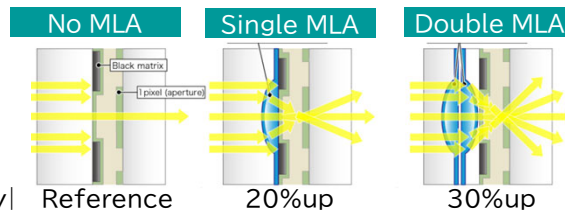


Other technologies

Unique LCD panel

- Develop and manufacture HTPS (high temperature polysilicon LCD) panels in-house
- High performance with MLA and other technologies

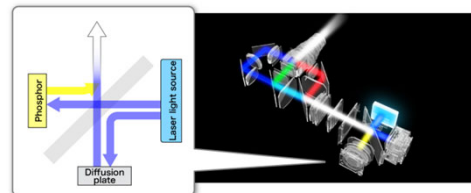
MLA (Microlens Array) : Technology for gathering light in opaque areas and sending them to apertures using lens refraction



Light use efficiency |

Laser light source

- Optical engine with Long life, high efficiency, and high color reproducibility



Technology to produce white light by creating yellow light from blue laser and reuniting them, using unique phosphor technology and light design

- Peripheral technology supporting new value creation
- Global No.1 in intellectual properties*

*Aggregate number of granted patents between 2012 and 2021 (China, Europe, Japan, USA) as of Nov 16, 2022

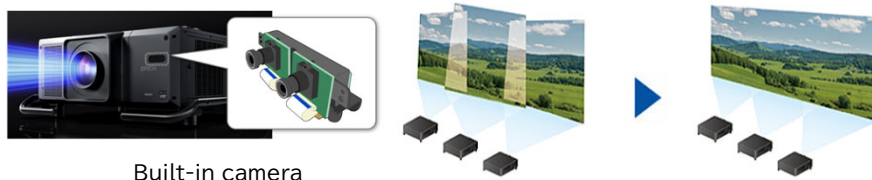
Ultra-short throw

- More freedom for installation



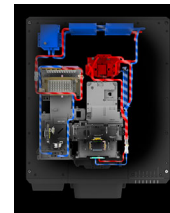
Camera application

- Blending several projectors using built-in camera and calibration software



Anti-heat

- Liquid cooling system to achieve long-term reliability



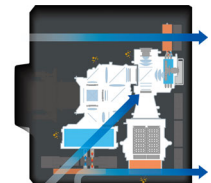
Optical engine achieving both cooling and sealing performance

LCD panel is also liquid cooled

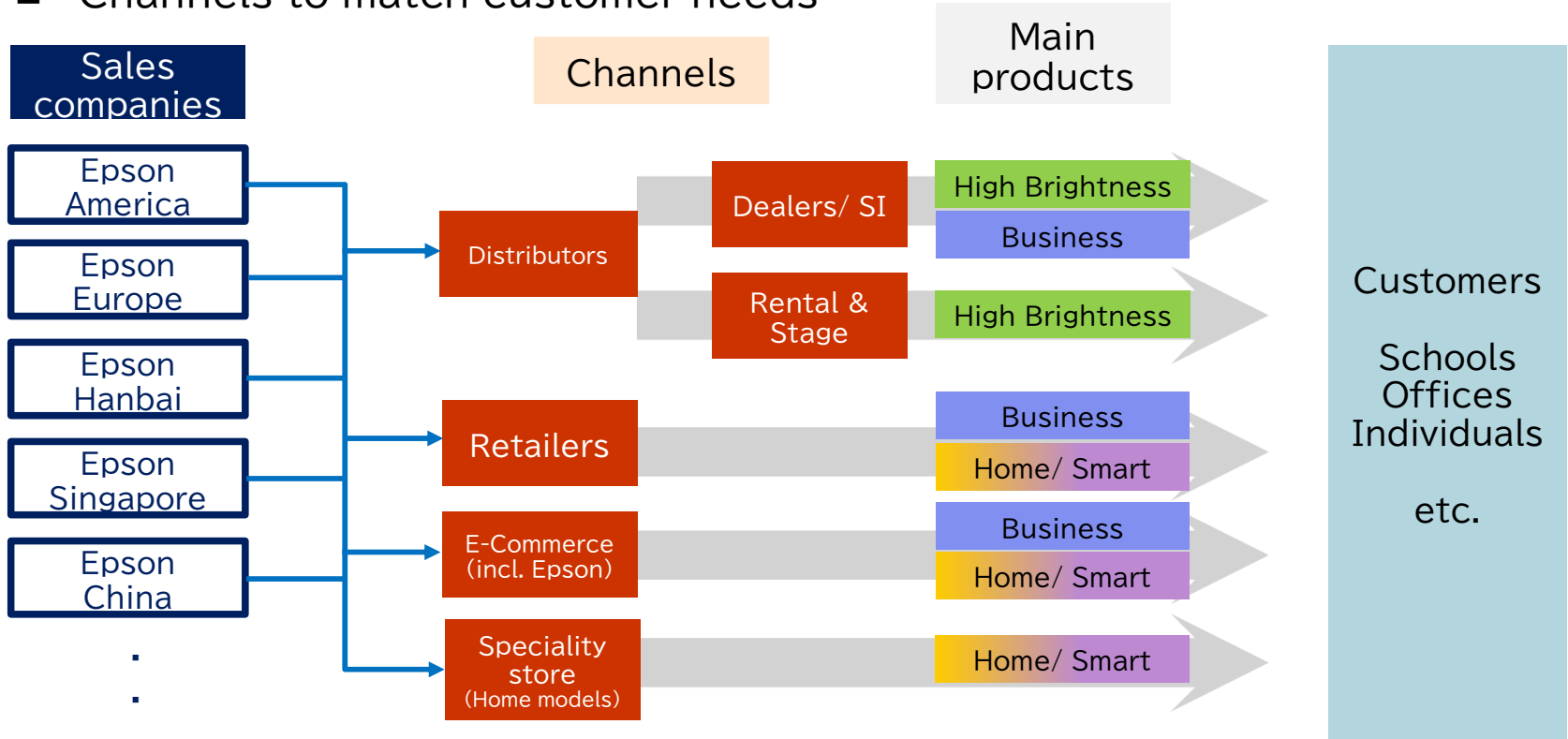


Anti-dust

- High anti-dust performance through sealing and optimized airflow
- Reduce maintenance frequency by preventing performance degradation



Channels to match customer needs



- Development and design in Japan, manufacturing in Asia
- Offering value globally through global sales and service sites

Development/ Design



Sales/ Service

Global sales & support organization



Manufacturing

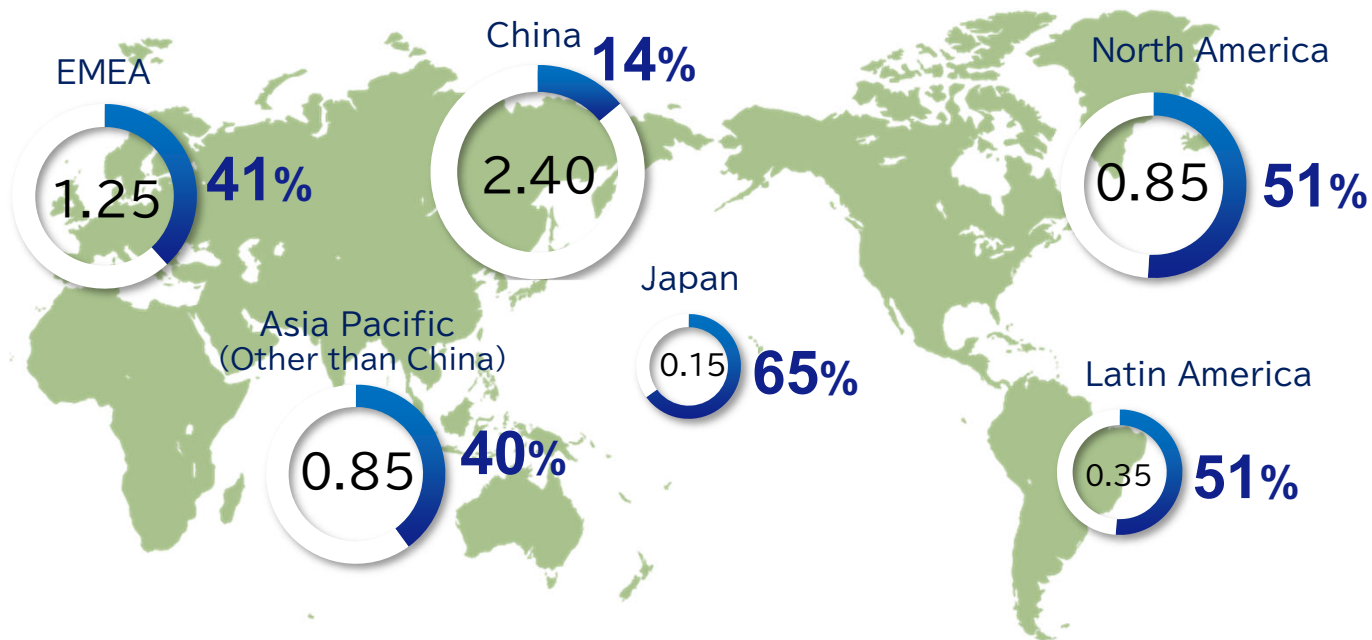


Projector market by area

- Continue with efforts to keep and/ or increase share in each area

Market size and Epson share (FY2022)

Million units, approximate



Data source: Epson

EPSON