

Epson Group

Integrated Report 2025



Management Philosophy

Epson aspires to be an indispensable company, trusted throughout the world for our commitment to openness, customer satisfaction and sustainability. We respect individuality while promoting teamwork, and are committed to delivering unique value through innovative and creative solutions.

EXCEED YOUR VISION

As Epson employees, we always strive to exceed our own vision, and to produce results that bring surprise and delight to our customers.

Our Purpose



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 achieving this purpose.

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 ■ Period covered: April 1, 2024 to March 31, 2025 (Some information is from outside this period.)
 ■ Organizations covered: 89 Epson Group companies (including Seiko Epson)
 * "Epson" refers to the Epson Group, unless indicated otherwise.
 * Performance figures presented in this report are rounded down to the nearest display unit.
 * Please do not use images and other content in this report without permission.

■ Editorial Policy
 Epson creates and publishes an integrated report to foster better understanding of Epson's corporate purpose among its shareholders, investors, and other stakeholders, as well as to create a virtuous cycle that helps Epson further enhance its corporate value by refining its strategies through discussions with stakeholders.
 This year's Integrated Report was prepared with particular attention to insights gained from meetings with shareholders and investors, as well as to enhancing understanding of Epson's strengths as a global company.

■ Disclaimer
 This report includes forward-looking statements, estimates, and plans. Projections herein are based on the best information available at the time of publication. Actual results may vary from those discussed.

CEO Message

Leveraging a Customer-Centric Approach to Create High Value and Moving Swiftly to Implement Management Strategies for the Next Decade

I would like to introduce myself as head of the Epson Group and extend a warm welcome to our shareholders, investors, and stakeholders.

I joined Epson in 1988 and spent my first years pioneering new product areas, followed by 12 years overseas developing new businesses and driving marketing innovations. Since returning to Japan, I have worked across a wide range of areas, including strategic planning in and head of the printer business, where I have always been guided by the customer-first tenet of solving customer challenges. My time abroad was a valuable opportunity to learn from customers and colleagues who came from different cultures and spoke different languages, but it also afforded by a chance to take on the challenge of opening new frontiers and transforming how we deliver value to customers. These experiences are a great asset to me. They shaped in me a core belief that hidden gems of value creation are found wherever customers are, waiting to be uncovered and illuminate our strategic path.

FY2025 marks the 50th anniversary of the Epson brand. It is also a year in which we will formulate a new long-term strategy for the next stage of growth. Customer trust in the Epson brand stands as proof of value delivered. We take a look back on how this trust was earned and work to enhance corporate and shareholder value for the next decade.

Junkichi Yoshida

President and Representative Director, Chief Executive Officer
Seiko Epson Corporation

Profile

4/1988	Joined Seiko Epson Corporation (SEC)
4/2012	SEC P Strategic Planning Department General Manager
4/2019	SEC DX Division Deputy General Administrative & P Strategic Planning Department General Manager
6/2020	SEC Executive Officer, DX Division Deputy General Administrative Manager & P Strategic Planning Department General Manager
10/2020	SEC Executive Officer, DX Division Deputy General Administrative Manager & Printing Solutions Operations Division Deputy Chief Operating Officer
4/2021	SEC Executive Officer, Printing Solutions Operations Division Chief Operating Officer
6/2024	SEC Director, Executive Officer, Printing Solutions Operations Division Chief Operating Officer
4/2025	SEC President and Representative Director



Unlocking Epson's Potential

First, I would like to share what it means for me to have been entrusted with steering Epson at this juncture in its history. Epson is a technology-driven company, and many of its past leaders who created and sustained growth came from technology development backgrounds. At the same time, I recognize that we have not fully converted Epson's efficient, compact and precise technologies into true customer value. My mission—and what people both inside and outside the company expect—is to address this challenge by executing customer-centric strategies.

During my approximately seven years in the U.S. and five years in Singapore, I engaged in a wide range of activities, including new business development, while working with people from different cultures and different value systems.

I worked to expand sales of business projectors in North and South America during the infancy of these products. I have also always tried to create and provide innovative customers experiences, even when that meant working with other companies. For example, I helped to transform the culture of photo printing by proposing that we cross-sell our home printers together with other manufacturers' digital cameras, which were then a niche market. In the rapidly rising markets of Southeast and South Asia, I initiated innovations in sales and service networks, laying the foundation for networks that would later connect with customers. By taking on these challenges, I gained a global perspective, learned the essentials of new business development, and built trust with senior managers in local sales operations. These experiences became the basis for my strategic work after returning to Japan, supporting new business development and the entry into new fields as a business leader. I believe this background has enabled me to pursue not only product strategies, but also realistic, customer-centric business strategies aimed at enhancing long-term corporate value.

Epson has contributed to society through outstanding technology, but significant potential still lies untapped. My job is to see to it that we unlock that potential and steadily create corporate value by rapidly executing strategies to deliver greater customer value, generate profit, and invest in future growth.

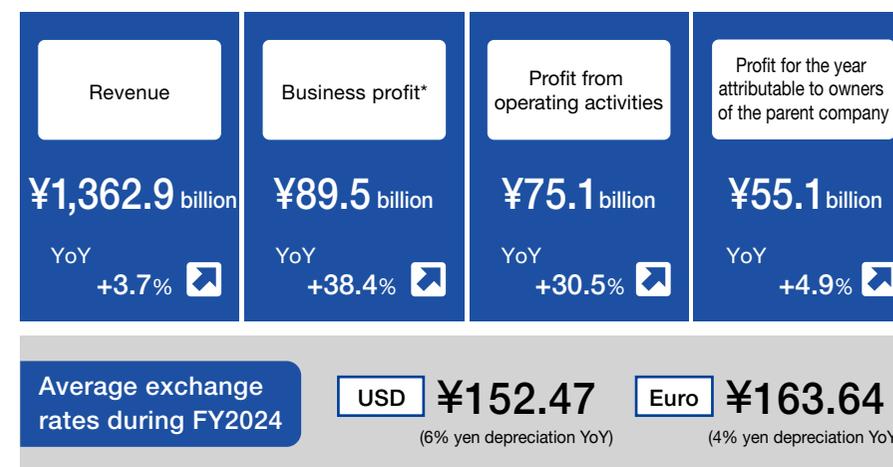
FY2024 Performance Review

In FY2024, we had ¥1,362.9 billion in revenue and ¥89.5 billion in business profit, representing year-on-year growth in both. Return on sales (ROS) improved to 6.6% from 4.9% in FY2023. Key drivers included strong sales of high-capacity ink tank printer models in the Printing Solutions segment despite intensified competition, along with operational innovations and fixed-cost controls across businesses and Group companies.

However, these results were partly supported by tailwinds in the form of foreign exchange rates, and profitability remains insufficient in some businesses.

Our share price has been soft since the fourth quarter of FY2024, with the price-to-book ratio (PBR) falling below 1, highlighting challenges in terms of capital market valuation.

While external factors like exchange rate fluctuations play a role, we recognize that investors are cautious about Epson's long-term growth, profitability, and ability to execute strategy, and that they are increasingly concerned about our short-term performance.



* Business profit is similar to operating income under J-GAAP, both conceptually and numerically. Epson began using business profit as an indicator after adopting IFRS.

FY2025 Outlook and Challenges

We expect the environment to remain uncertain in FY2025, with factors such as U.S. tariff policies continuing to pose challenges. We will closely monitor developments and will respond to changes swiftly and flexibly. At present, we anticipate revenue growth but are facing a decline in business profit.

We are keenly aware that external factors, particularly currency fluctuations and U.S. tariffs, will have an unusually large impact in FY2025 compared to previous years. In addition, U.S. tariff measures have heightened uncertainty not only within the U.S. but across the global economy, making market forecasting increasingly difficult.

Given this, we are carefully assessing market and competitive volatility risks. Factoring these risks into our financial outlook will provide better visibility and enable us to implement actions to improve performance.

Our next long-term strategy is currently being formulated, but we will continue to strive to enhance corporate value by leveraging Epson's strengths, including our efficient, compact, and precise technologies, to create value recognized by customers. Digitalization will be the key to growth particularly in commercial and industrial printing. We will steadily advance digitalization initiatives, including leveraging Fiery, LLC, which became a wholly owned subsidiary in December 2024.

→ For details, see P21-22, "Financial Initiatives to Increase Corporate Value."

Growth Strategy and Business Strategy Progress

The fundamental challenge we must address is to fully leverage our technologies and resources and truly convert them into customer value by solving customer challenges. This is the foundation for sustained growth and improved profitability. To tackle this challenge, I will focus on driving transformation in the three priority areas described below. The question I keep asking myself is "Are we truly maximizing our capabilities in the service of our customers?"

I am confident that both short-term and long-term business growth are possible if we fully leverage our technological and manufacturing capabilities, global supply chain, and a sales network spanning more than 150 countries and regions.

1 Commitment to customer-driven innovation

Attention to detail is key to a successful strategy. Those details are found in customer operations. I used to observe how customers in emerging markets used our products. The lessons I learned led to the creation of Epson's EcoTank printers, which offer superior inkjet technology while meeting the need for reliable yet affordable high-volume printing. We have sold more than 100 million EcoTank models in the 14 years since their launch. They have earned loyalty and are a pillar of profitability.

This example demonstrates not only the value of ideas originating from new technology but, more important, the significance of starting from customer challenges. Going forward, all Epson businesses will adopt a fundamentally customer-centric approach, aligning every part of the value chain—R&D, product planning, marketing, and sales—toward a single goal: creating customer value.

The Fiery acquisition was a critical step in realizing our strategy to provide end-to-end workflow solutions for customers in the commercial and industrial printing sectors.

The Value That Fiery Provides

Expanding Customer Value Through the Synergy of Epson's Technology and Fiery's Software



Toby Weiss

CEO
Fiery, LLC

Fiery is the world's leading provider of digital front-ends (DFEs) and workflow solutions for the print industry. Fiery and Epson have already begun a process of fruitful collaboration, with the initial focus on deploying Fiery's solutions in Epson's commercial and industrial printers. This marks the first step toward realizing the potential synergies between us. As the next step, we will deepen our technical collaboration between Epson's solutions and Fiery's software to advance the digitalization of the industrial print market, which still relies heavily on analog printing. We will continue our spirit of Fiery innovation to provide products and services that exceed our customers' expectations.

2 Optimizing the business portfolio to accelerate growth

To enhance corporate value, we must continuously optimize our business portfolio and improve capital efficiency. We will objectively assess the growth potential of each business from the perspectives of market growth, profitability, and our ability to leverage our strengths. Based on this, we will strategically reallocate resources to growth areas. For Epson to continue to grow, it is imperative that we further develop our core businesses while also translating value created in new areas into additional growth. We are reviewing the portfolio approach outlined in our long-term vision, Epson 25 Renewed, and reassessing the value propositions, profitability, and business models across all businesses. These considerations will be reflected in our next medium- and long-term plans.

In Printing Solutions, we aim to enhance the value we provide to achieve further growth. We also see promising opportunities in other areas where Epson's unique value can make a difference and will decisively invest management resources in them. These include areas such as education within Visual Communications and AI and communications within Microdevices. We will integrate these activities into our portfolio, taking into account the business environment and potential while making informed decisions based on our technology assets and intellectual property. We will also allocate the right talent to the right areas and drive structural transformation to enable future growth.

Meanwhile, we will continue to monitor PBR improvement, balancing long-term growth with capital efficiency to enhance corporate value. Businesses that cannot deliver expected returns will be carefully evaluated, but all decisions will be guided by whether they contribute to Epson's overall corporate value. Looking ahead, we will consider expanding our portfolio through M&As and joint ventures to build multiple engines for

growth while achieving financial targets. We will also rigorously assess the business potential of technology development projects—the foundation of value creation—and explore collaboration and M&As as needed. The asset value of intellectual property that results from our development efforts will be evaluated and managed to help enhance competitiveness and maintain profitability.



3 Deepening sustainability management

Epson has always sought to balance business growth with sustainability. We regard sustainability as a fundamental requirement for earning trust. Personally, I believe sustainability should not be treated as a mere management issue but should be embedded organically into every aspect of our organization and business. Sustainability is a core tenet of Epson's management approach. It is expressed in our Management Philosophy as a "commitment to sustainability" and in our corporate purpose statement as "innovation [that] enriches lives and helps create a better world."

To oversee sustainability initiatives across the Epson Group, we created a Sustainability & Corporate Communications Promotion Office that reports directly to me as president. Public demands and critical issues are deliberated by the Management Strategy Council, an advisory body to the president, which determines Group strategy and direction. Important matters are regularly reported to the board of directors to ensure proper oversight. Companies are being held more accountable than ever for complying with increasingly strict environmental regulations and for reducing carbon emissions across supply chains. In response, Epson has set ambitious environmental targets for becoming carbon negative and underground resource free by 2050. Moreover, in 2023, we completed the global transition to 100% renewable electricity across all Epson offices and factories. A philosophy of efficient, compact, and precise innovation is in our DNA. It is what drives us to reduce our environmental footprint by reducing waste, maximize output with the minimum resources, and attain the ultimate in accuracy. Our inkjet technology delivers superior environmental performance compared to laser printers by reducing waste and energy consumption. This enables us to provide clear value to customers striving to decarbonize while also delivering economic benefits in the form of lower costs and higher productivity. I am confident that this approach represents Epson's unique model of sustainability management and contributes to enhancing corporate value. Sustainability initiatives also create opportunities to co-create new value with customers and partners. The driving force behind this is our people. How we link human capital to management strategy will be a key factor going forward. We will also continue to respect human rights, build responsible supply chains, and strengthen governance to fulfill our social responsibilities while achieving sustainable growth.

→ For details, see P23-26, "Sustainability Management."

Challenges and Initiatives in Our Global Strategy

Epson generates more than 80% of its revenue overseas and proudly considers itself a global company. I myself have accumulated overseas experience by embedding myself in markets across the U.S., Latin America, Southeast Asia, and South Asia.

Looking ahead, our focus for global expansion is on high-growth markets in the emerging economies of Southeast Asia, South Asia (especially India), the Middle East, Africa, and Latin America. Sales in Southeast Asia continue to grow. In India, we are advancing initiatives aligned with the “Make in India” policy by building on the long-established operations of Epson India, while also capitalizing on Fiery’s software development hub in Bangalore and a new manufacturing site in Chennai.

We enhanced flexibility and speed in the Middle East and Africa last year by having our sales companies there report directly to the Head Office in Japan instead of through our European regional headquarters. I believe there is still significant growth potential in these emerging markets.

From my experience, customers in emerging countries tend to be flexible and creative, with an openness to adopting convenient and innovative products. This is one of the reasons EcoTank printers have been so well received in these markets.

At Epson, we tailor management to local characteristics, with structures that ensure strong governance while empowering local leaders to make independent decisions. This approach allows us to fully leverage the strengths of our global network and deliver value rooted in each region.

Sales Strategy in Emerging Markets

Southeast Asia: Local production unlocks growth potential



Siew Jin Kiat

Managing Director
Epson Singapore Pte. Ltd.

Southeast Asia presents rapid growth potential and a rising middle class. In Indonesia, our local manufacturing presence contributes to local economy by spreading Epson’s TKDN-certified (made in Indonesia) products. For home and SOHO segments, our high-capacity ink tank models provide cost-effective printing solutions. In corporate and government sectors, Epson’s business inkjets address concerns for sustainability. The high-brightness projector and robotics businesses are also growing. Epson Singapore is poised to strengthen our core businesses while riding on this region’s promising growth.

India: Riding the wave of economic growth with expanding domestic bases



Samba Moorthy

Managing Director
Epson India Pvt. Ltd.

India is a market with high growth potential, driven by economic expansion and rising purchasing power. Epson is promoting the transition to high-capacity ink tank printers for homes and offices, as well as environmentally friendly business inkjets. We are also driving transformation in the apparel sector with digital textile printers and are accelerating robotic automation in the manufacturing sector. In support of the “Make in India” initiative, we will tap into growth markets such as education, manufacturing, and finance, aiming to build sustainable trust and growth through localization and excellent service.

Sales Strategy in Emerging Markets

Africa: Tapping into the booming education market with our strength in energy performance



Neil Colquhoun

President
Epson Middle East FZCO

In Africa, the education technology market is expected to grow rapidly alongside a surge in the young population. However, many schools lack basic infrastructure such as electricity, making the improvement of educational environments an urgent issue. Epson supports education through energy-efficient, high-quality products. In regions with unstable power supply, we are expanding our provision of solutions bundled with power sources, in collaboration with local partners. We contribute to the achievement of SDG4 and lead efforts to strengthen education systems.

South America: Aiming for growth with a multifaceted market penetration strategy



Keith Kratzberg

President
Epson America, Inc.

South America has a strategic importance in our future growth, with the potential of further widespread adoption of ink tank models. We have been promoting business expansion by penetrating the market using SNS and other means and strengthening e-commerce functions. We are also expanding our direct sales to sustainability-focused industries and office-sharing models for small and medium-sized businesses. By providing affordable and environmentally friendly printing solutions, we aim to grow our business and create value in South America.

We have consistently prioritized risk diversification and flexibility in our production systems. Following the BCP measures during the COVID-19 pandemic, we strengthened our distributed manufacturing network to ensure supply continuity even when certain functions or processes face disruptions. We began producing consumables in or near the point of consumption, enabling faster delivery. Having multiple sites with equivalent manufacturing capabilities also allows us to respond swiftly to external changes. This proved invaluable when changing production sites to address U.S. tariff measures this year. Our global strategy emphasizes tailoring products and services to the unique characteristics of each market and the needs of customers in them. Close collaboration between local leaders and our Head Office—across both sales and production—remains essential to meeting regional challenges and expectations. I believe this approach is key to sustaining Epson's long-term growth.

Strengthening Customer Relationships

Strengthening customer relationships is a priority. To grow, we must move beyond one-time hardware sales and build ongoing relationships through services and other value-added offerings. This has long been a strategic focus for us and remains a critical driver for future growth. Expanding traditional B2B relationships into B2C, while also elevating the value we deliver in B2B, represents a major theme going forward. By deepening engagement and creating continuous touchpoints, we aim to foster stronger,

Manufacturing Strategy in Emerging Markets

Indonesia: Factories that can handle distributed production & the challenge of adding design capabilities



Emile Pattiwael

President
PT Indonesia Epson Industry

Outside Japan, most high-complexity products have traditionally been manufactured in China. Through close collaboration with suppliers, we have enhanced our manufacturing and production engineering capabilities, enabling distributed production even for difficult-to-manufacture products. Our factory, which once focused solely on manufacturing, has evolved into a hub that also handles product design and, increasingly, product planning. This transformation allows us to leverage design capabilities within emerging market production sites to create products tailored to local needs and deliver them efficiently—strengthening our ability to capture growth opportunities in these markets.

more sustainable relationships with our customers.

To strengthen customer engagement, we are advancing digital initiatives that transform customer relationships from a one-time hardware purchase to an ongoing relationship that really begins after the purchase. Key measures include leveraging CRM and introducing subscription-based business models. For example, EcoTank printers for home and SOHO use and Epson Smart Panel printers combine ease of operation with integrated services, enabling personalized recommendations in B2C. Subscription services such as ReadyPrint and Colorio Smile Plus further reinforce engagement, creating long-term value for customers.

Leveraging the ability to provide affordable digital input and output through scanners and printers, we are exploring new relationship models such as B2B2C.

This involves partnering with other companies to extend a single device across multiple services, creating integrated solutions and added value. This idea aligns with our “Epson as a Service” vision, enabling us to deliver comprehensive offerings beyond hardware and deepen customer engagement through collaborative ecosystems.

Epson as a Service represents our commitment to creating new value tailored to each region. This is made possible by our core technologies, including inkjet, optical engines, actuators, and sensors, combined with hardware excellence. Building on these assets, we have delivered solutions across diverse sectors, from education and healthcare to retail, logistics, finance, construction, and manufacturing.

Epson Smart Panel



An app that makes it easy to print, scan, check ink levels, and manage maintenance from your smartphone or tablet.

Strengthening Customer Relationships



Takanori Inaho

President
Epson Europe B.V.

Europe:

Evolving to a relationship of trust and co-creation beyond mere transactions

In B2C, through the subscription service ReadyPrint, we propose the best plan according to changes in usage conditions, ensuring long-term satisfaction of each customer. We have also begun activities to reduce environmental impact by collecting and reusing used consumables. In B2B, we propose effective service with a strong focus on field usability, enabled by accurate understanding of on-site issues by usage-condition analysis, remote maintenance, and fault detection using integrated equipment management tools such as PORT.

Our inkjet innovations, supported by advanced printhead technology and supply capabilities, address a wide range of user needs. Applications for our printheads in others' manufacturing equipment help our customers expand their businesses. By combining products with services, we aim to go beyond simple product supply, creating greater value and fostering lasting relationships to become an indispensable partner.

That said, these efforts are still in the early stages. Moving forward, it is essential not only to offer products but also to provide comprehensive proposals that include usage methods, problem-solving approaches, and the processes needed for implementation. Strengthening customer relationships is a universal priority across all regions, and we are already taking concrete steps at overseas subsidiaries to build deeper connections by rethinking traditional approaches.

Team Management that Enhances Speed and Execution

I value quality debate and rapid decision-making and execution. The management team, including Executive Directors Yoshino and Fukaishi, has people with extensive on-the-ground experience in sales, development, and production. While we sometimes engage in vigorous debate, we share the same goals based on long-standing trust. Leveraging diverse expertise and practical insights, we will ensure steady progress in driving transformation.

Creating an environment where all employees can take initiative and contribute is also something I value as a leader. I want everyone to fully unleash their creativity and boldly take on tough challenges. To encourage this and allay fears, I have made it clear that I will accept responsibility for failure. Business always involves risk, but by accelerating the hypothesis-testing cycle and making timely adjustments, we can hedge risks, deliver better products and services, and build success step by step.

It is essential for management to engage in quality debate that leads to sound decision-making. We define what, how, and by when our goals are to be achieved and rapidly implement the PDCA (Plan, Do, Check, Act) cycle. Furthermore, governance today must not only safeguard but also strengthen earning power. A proactive governance framework enables swift and flexible management decisions in times of crisis. Our outside directors play a critical role in this. To ensure more accurate advice, we provide ample information and time for discussion at board meetings, while continuously refining our operational practices.

Director/Executive Officer Messages

Preparing the Next Strategic Corporate Vision



Yasunori Yoshino
Director, Executive Officer

Corporate Strategy Division
General Administrative Manager;
Manufacturing Solutions
Operations Division Chief
Operating Officer

I am spearheading the development of a vision for the next decade. This is a critical step for achieving both sustainability and growth. By leveraging Epson's efficient, compact, and precise technologies, diverse value, manufacturing excellence, a global sales network, and strong customer trust, we will compete in growth markets and deliver solutions tailored to the needs of industries and communities, creating new value and paving the way for transformation. Formulating a vision is not only about presenting a picture of the future; it is an essential process for uniting the will of the entire organization to make that vision a reality. I will promote discussion and bridge the divide across positions and generations. I will also lead to ensure that employees believe in themselves and actively contribute to shaping the future. Rising to the challenge, we will ensure growth.

Driving Epson's Global Sales Strategy



Akihiro Fukaishi
Director, Executive Officer

Sales & Marketing Division
General Administrative Manager;
P Commercial & Industrial
Solutions Operations Division
Chief Operating Officer

We are leveraging our worldwide sales network to strengthen customer relationships through localized support and services and ensure sustained growth. Epson has already established a presence in emerging markets. We will further reinforce our presence to meet expanding demand as populations grow. This includes developing, manufacturing, and delivering products tailored to local needs. In China, we will accelerate collaboration with local technology innovators and expand services across Asia to deliver greater value to customers. We will give local leaders who understand local needs decision-making authority while strengthening global collaboration. In regions where Epson's brand power gives us an advantage, we will move beyond hardware to deliver the solutions and value customers truly need. Drawing on my own overseas experience, I will ensure fast, flexible decision-making to bring Epson's value to customers worldwide.

The Power of People and Engagement

I have always focused on how to unlock Epson's full potential—and the answer lies in the power of people. No matter how advanced our technologies or systems are, their true value comes from the passion and willingness of employees to take on challenges and work as a team to multiply impact.

Epson is committed to fostering a culture where diverse, self-driven talent can thrive, supported by both human capital management and health management. Under the "Team Epson" concept, we aim to create an organization where collaboration can deliver exponential results. So, if 10 people work together, their contributions should not simply add up but should deliver a combined outcome that is greater than the sum of the individual efforts. This requires every person to go beyond their role, embrace new challenges, and work together to overcome obstacles.

Diversity is not about numbers or titles. It's about leaders and employees worldwide contributing across boundaries and speaking with their own voices. More than anything I could say as the chief executive, the actions of employees, leaders, and managers who work with purpose and dedication every day speak most eloquently to Epson's value.

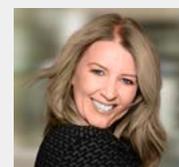


I am especially mindful about how diversity strengthens an organization's ability to thrive. Uniformity limits adaptability and dulls responsiveness to change. When people of different backgrounds, beliefs, and perspectives come together, teams respond more flexibly and come up with more creative ideas—that is the true strength of a global "Team Epson." Future growth will require collaboration among internal organizations and employees as well as diversity in external partnerships. I will maintain a commitment to management that values engagement with all stakeholders, from employees, business partners, shareholders, and investors to people in our local communities and employees' families.

Organizational Culture

Europe:

Fostering Corporate Culture in Europe



Maria Eagling

Chief Marketing Officer
Epson Europe B.V.

In Europe, inclusivity is central to culture and is ingrained in daily practice. Our marketing team reflects age and cultural diversity, with a focus on equity from the hiring stage. This diversity fosters a deeper understanding of the region's culture, allowing for marketing efforts that resonate with customers. We support gender equality and well-being by developing female leaders and promoting flexible working styles. Additionally, we provide learning opportunities on the latest technologies such as AI, which drive efficiencies and support continuous business growth.

Africa:

Enhancing Employee Diversity and Well-being Across the Region



Suat Ozsoy

Vice President
Commercial Operations,
Epson Middle East FZCO

We have built a culture that values diversity and employee autonomy. A diverse workforce from more than 80 countries leverages local cultures and intergenerational perspectives to drive innovation and engagement. Based on DEIB (Diversity, Equity, Inclusivity, and Belonging), we focus on creating an environment where everyone can work in their own way. In terms of human resources strategy, we support everything from recruitment to development and retention, and also develop a graduate program and succession development. By promoting flexible working styles and well-being, we aim to be an organization where everyone can grow while working together.

To share our management policies and strategies with employees and align everyone toward common goals, I have been holding town hall meetings at various Epson sites. By the end of October, I had met with some 3,200 employees.

These meetings provide a forum to discuss how we can further build on Epson's strengths and how we can become an even stronger team that turns ideas into action. I visit sites to listen to and speak with people on the ground, gaining insights and uncovering issues that can help shape management decisions and drive action and growth.



Scenes from a visit to Epson Atmix Corp. (left) and PT. Epson Indonesia (right) for town hall meetings

To Our Stakeholders

Epson, with the support of you, our stakeholders, has always delivered new value to society through our business. Today, we face an era of unprecedented change and uncertainty. Yet, this is precisely when Epson's spirit of "integrity and effort" and "creativity and challenge" can demonstrate its true strength. We remain committed to realizing our purpose and management philosophy by achieving both sustainable business growth and social sustainability. Our strengths lie in our technological capabilities, product and manufacturing excellence, and a sales and service network spanning more than 150 countries and regions. But the true source of our strength is the passion and ambition of our people. By fostering a culture that unlocks this potential and embracing change with a positive mindset, we will unite as one team to create new value.

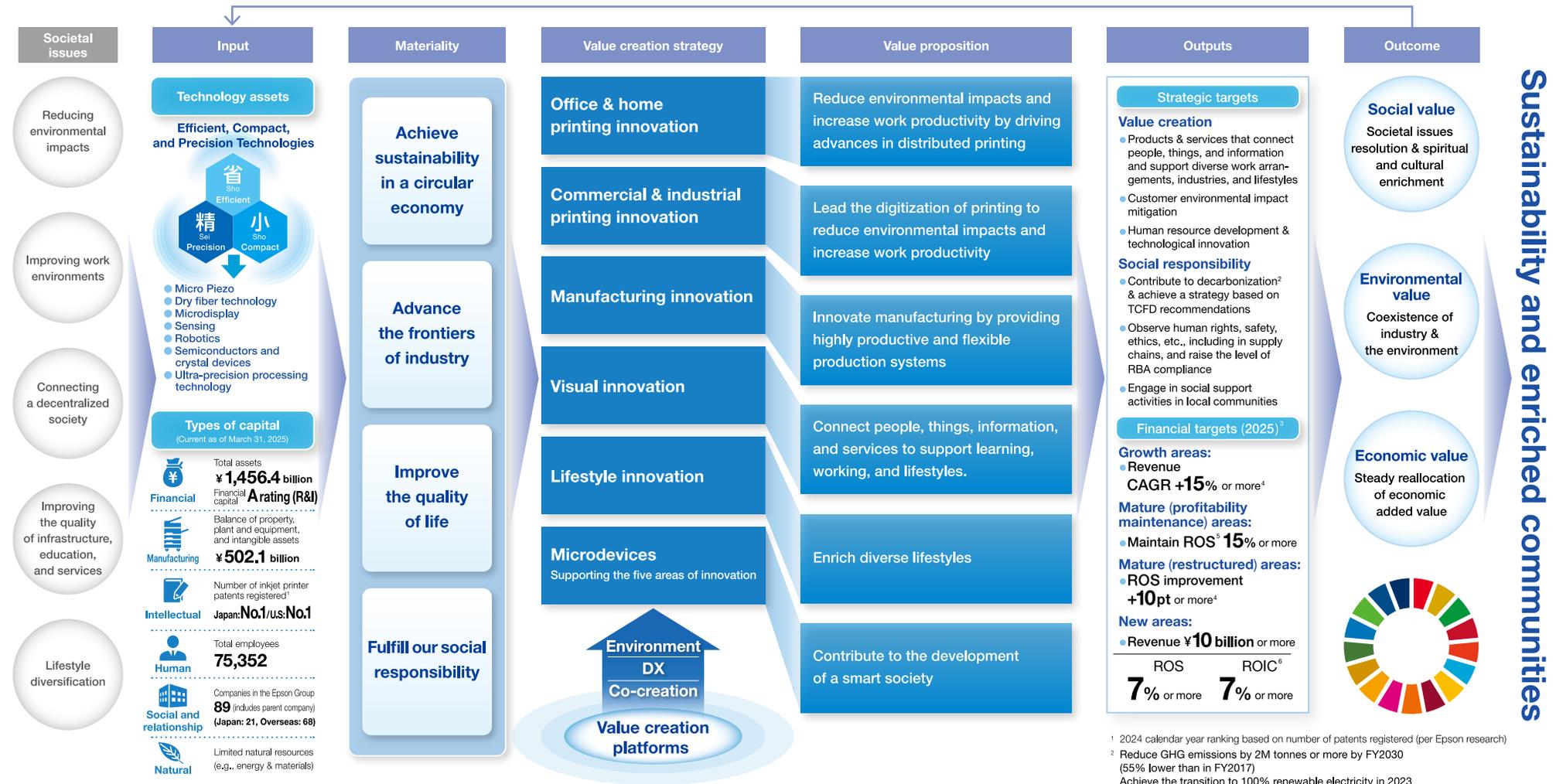
I often remind our people of the importance of respect, gratitude, and smiles. When we work with passion, differences of opinion and friction are inevitable. They're not a bad thing; they're proof that we care. But friction needs to be turned into positive energy. Respecting others' views, showing gratitude for their efforts, and ending with a smile may sound trite, even corny, but I consider them to be essential. Practicing them allows us to turn challenges into opportunities and create new value through collaboration. What I want to convey to our shareholders and investors is that we are committed to combining Epson's tangible and intangible assets to establish stable profitability and enhance corporate value. I hope that this Integrated Report serves to spark discussion and accelerate transformation. Epson will continue to be indispensable to our global customers and will reward investors for the trust they have placed in us by providing solid corporate and shareholder value.

We will continue to value communication with you, our stakeholders, as we work together to build a new Epson and live up to your high expectations.

President and Representative Director,
Chief Executive Officer
Seiko Epson Corporation

Value Creation Story

Based on our determination to tackle social issues, Epson has identified tangible areas where our company can make a material difference. Using innovations based on our unique, core technologies, we can deliver social, environmental and economic value that helps to achieve sustainability and enrich communities. This story shares the same objectives as the sustainable development goals (SDGs) formulated by the United Nations. It is designed to highlight the underlying principles of our purpose and how we achieve our goal.



¹ 2024 calendar year ranking based on number of patents registered (per Epson research)
² Reduce GHG emissions by 2M tonnes or more by FY2030 (55% lower than in FY2017)
 Achieve the transition to 100% renewable electricity in 2023
³ Revised targets listed in the Epson 25 Renewed corporate vision announced April 26, 2024
⁴ FY2020→FY2025 revenue
⁵ Business profit / revenue
⁶ Return on invested capital

Celebrating the 50th Anniversary of the Epson Brand



Seiko Epson traces its roots back to the watchmaking industry. For more than eight decades, we have continued to advance the efficient, compact and precise technologies that we first developed for watches and that have become a part of the DNA that has been passed down from generation to generation. Leveraging these technologies and adhering to the founding principles of “Integrity and Effort” and “Creativity and Challenge,” we have continued to innovate, creating innumerable products and abundant value while expanding our sales network, manufacturing sites, and service support organization globally. Working closely with our sites around the world, we have expanded our base and earned a high level of trust. We have taken this 50th anniversary of the brand as an opportunity to reaffirm the values embedded in our brand and our commitment to delivering surprise and delight that exceeds expectations.

The Brand Vision

Epson launched its first information equipment product, the compact and lightweight EP-101 digital electronic printer, in 1968. It was this printer that served as the impetus for the creation of the Epson brand, in 1975. The brand name reflects the company’s hopes of preserving the value of the electronic printer (“EP”) while continuing to create many derivatives (“SONs”). This brand embodies the desire to capitalize on our unique efficient, compact and precise technologies to deliver innovative products and services that provide value to people around the world.

The liquid crystal technology we developed in 1973 for digital quartz watches paved the way for our projector business. In 1994, we released our first **3LCD data projector**, opening new applications for business presentations. In 2016, we introduced a **high-brightness projector** boasting 25,000 lumens, earning recognition for delivering surprise and delight in fields such as projection mapping. We first developed robots to automate watch assembly. Later, in 1983, we released our first commercial selective compliance assembly robot arm (SCARA). By equipping our robots with force sensors and camera-based image recognition, we enabled our robots to perform delicate work that requires a human-like sense of touch. Today, they are widely used in production across the automotive, electronics, food, and medical industries. Epson holds the world’s top share¹ in SCARA robot share in terms of revenue.

The Descendants of the EP

* Bold text indicates milestone products pictured in the “Corporate History” diagram on P13.

This commitment first took shape in 1993 with the launch of an **inkjet printer featuring our Micro Piezo technology**. The following year, we introduced our first **color inkjet printer**, enabling people to printing high-quality photos at home. In 2010, inspired by feedback from customers in emerging markets, we released **printers equipped with high-capacity ink tank systems**. Today, these printers are available in approximately 170 countries and regions, with cumulative global sales exceeding 100 million units.

Micro Piezo technology has continued to evolve, culminating in the development of our next-generation printhead technology, PrecisionCore, which enables a broad product lineup spanning home, office, commercial, and industrial applications.

For offices, our **high-speed line inkjet multifunction printers** are replacing laser printers by delivering 100 ppm and offering superior maintenance features and energy-saving performance. In 2003, we launched a **digital textile printer**, followed in 2010 by a digital label printer. These solutions have earned high acclaim for enabling short-run production while providing exceptional color fidelity.

Our **inkjet heads** are also used by other printer manufacturers, and we are among the leaders in industrial inkjet printhead market share.

The spirit of Creativity and Challenge is evident in the watch business, where we developed the world’s first quartz watch in 1969 and the world’s first GPS solar watch in 2012.

Quartz crystal devices originally developed for watches have expanded into applications for smartphones, base stations, tractor positioning, drone attitude control, and even **gyro sensors** and **inertial measurement units** for monitoring aging infrastructure.

Going Global

To deliver value to customers through our products and services, Epson has established production and sales sites around the world. Our overseas expansion began in 1968 with the manufacture of watch cases in Singapore. We have since expanded production globally and have major sites in Southeast Asia.

Epson America, Inc. was established in 1975 as a strategic first step to accelerate global business development. We have built a strong sales presence around the world to deliver products to our global customers. Our people in sales and service can directly see and hear how our products are used locally. They are able to quickly identify local market needs so that we can develop products and services that provide the value that our customers need.

Our Diverse Customers Around the World

Our commitment to technology and to product development and manufacturing eventually bore fruit in the form of high-quality, reliable products that meet the professional requirements of people in various fields and that are now the first choice in professional settings. Our commitment to efficient, compact, and precise technologies along with our dedication to craftsmanship have evolved into a brand trusted by professionals across a broad range of fields. We have built a foundation of trust by developing products and solutions that address the needs of our customers around the world. We will continue to cherish and take pride in the Epson brand and will reward our customers and partners for their trust.

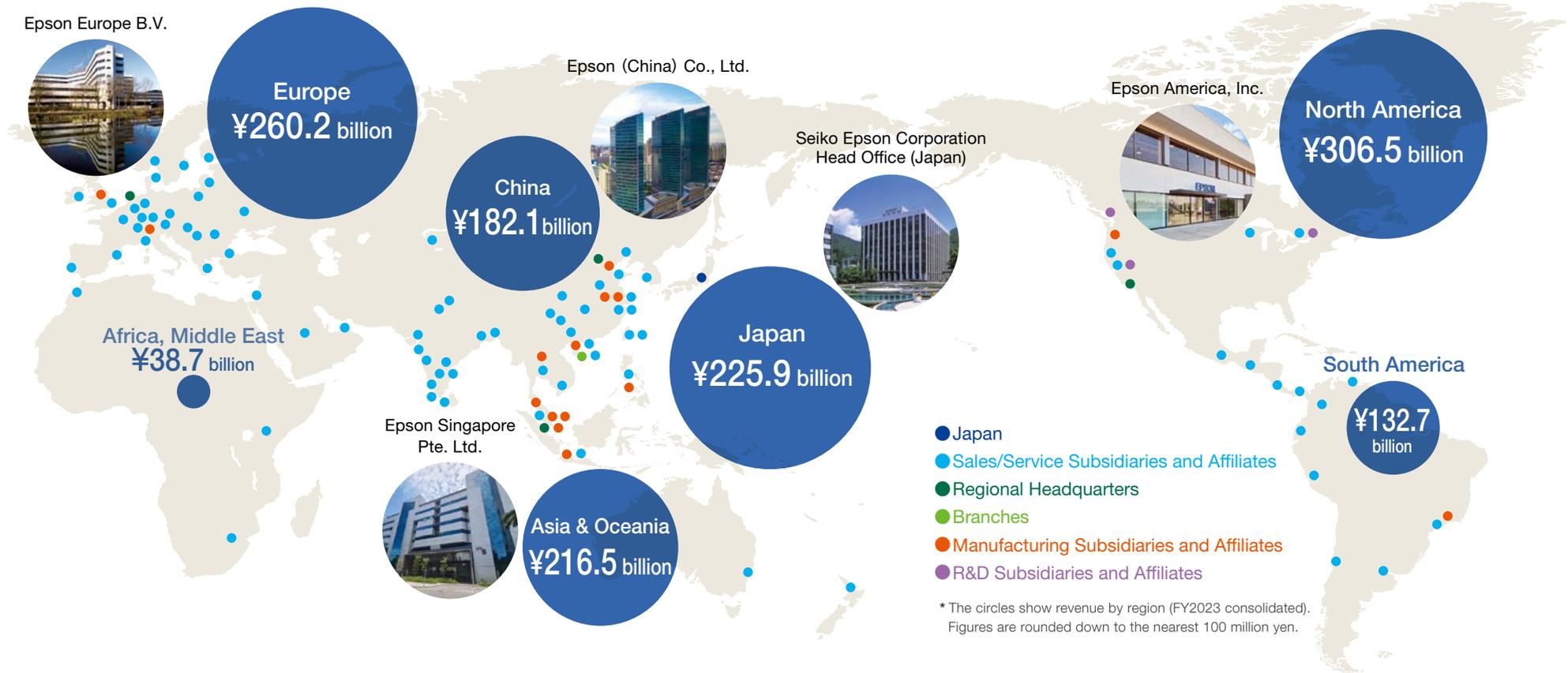
¹ Source: Fuji Keizai “2025 Worldwide Robot Market and Future Outlook” (FA Robot Edition) (On an industrial SCARA robot unit shipment and revenue basis in 2024.)

Global Network



Global Network
<https://corporate.epson/en/about/network/global.html>

In 1968, Epson established its first production site outside Japan, in Singapore. Today, Epson has sales and marketing sites, service sites, as well as production and R&D sites around the globe to accurately identify, and swiftly and flexibly meet the needs of customers in different regions.



Group companies
89 companies (includes parent company)
 Japan: **21**
 Overseas: **68**
 (as of Mar. 31, 2025)

Number of Employees
 Consolidated: **75,352**
 Parent Company: **12,792**
 (as of Mar. 31, 2025)

Overseas employees as a % of the total
74%
 (as of Mar. 31, 2025)

Sales for Customers Outside of Japan
83%
 (FY2024 full-year consolidated revenue)

At a Glance

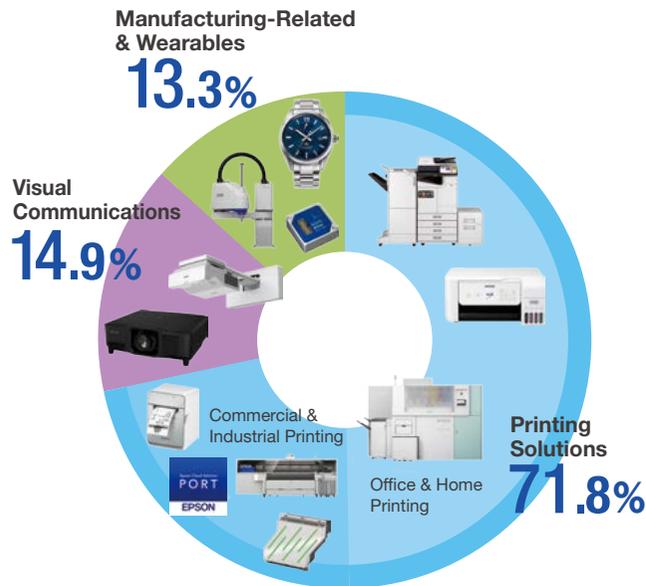
Revenue
(Consolidated) FY2024

Business Profit
(Consolidated) FY2024

¥1,362.9 billion **¥89.5 billion**

* Business profit is very similar to operating income under Japanese accounting standards, both conceptually and numerically. It is calculated by deducting the cost of sales and selling, general and administrative expenses from revenue.

Segment Revenue as a Percentage of Total Revenue (FY2024)



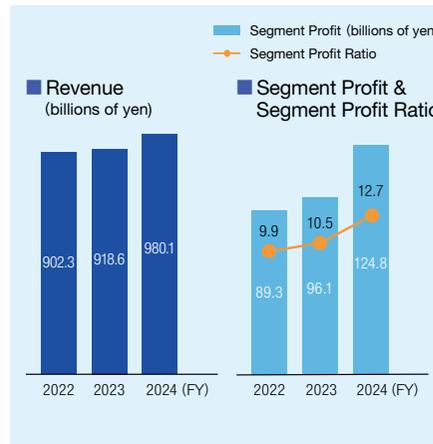
* Sales revenue percentages calculated by dividing each segment sales revenue by revenue total of reportable segments (which does not include corporate and other).

Business Areas

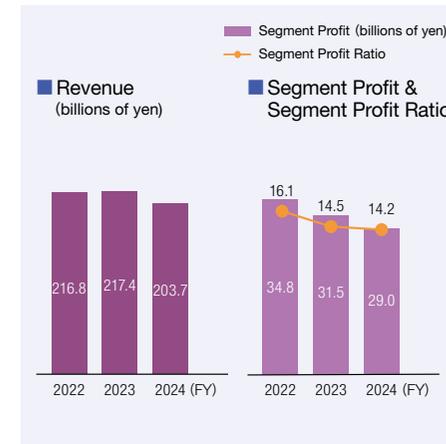
Segment	Printing solutions business		Visual communications business	Manufacturing-related & wearables business			
Operation	Office & home printing	Commercial & industrial printing	Visual communications	Manufacturing solutions	Wearable products	Microdevices	PC
Main Technology	Micro Piezo inkjet technology Dry Fiber Technology		Microdisplay technology Projection technology	Precision mechatronic technology High-precision sensing technology Software technology Ultra-precision & micromachining technology High-density board assembly technology Low power consumption technology			
Main Operations	Office & home inkjet printers, serial impact dot matrix (SIDM) printers, page printers, color image scanners, dry process office papermaking systems, consumables	Commercial & industrial inkjet printers, inkjet printheads, POS system products, label printers, consumables, digital printing software solutions	3LCD projectors, smart glasses	Industrial robots	Watches, watch movements	Crystal devices (crystal units, oscillators, sensors), semiconductors (CMOS, LSI), superfine alloy powders, surface finishing	PCs

Financial Results Trend

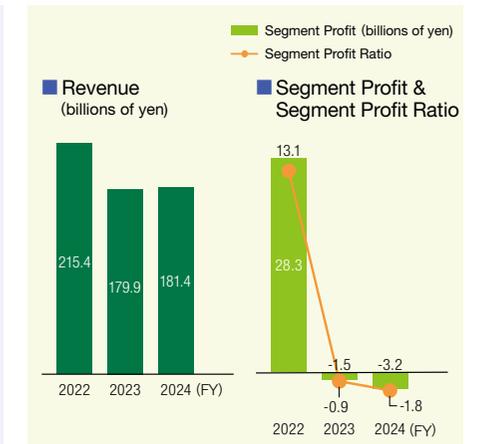
Printing solutions business



Visual communications business



Manufacturing-related & wearables business



Epson's Strengths and Growth Initiatives

Printing Solutions Segment

Cumulative global sales of Epson's high-capacity ink tank inkjet printers topped 100 million units in 2024. In the office segment, the shift from laser printers to shared inkjet printers continues, driving steady growth in unit sales. Despite the impact of a sluggish global economy and reduced customer investment appetite due to inflation, our commercial and industrial printing finished product business has continued to steadily grow. Looking ahead, we will further expand growth areas such as signage and textile printing by introducing new high-productivity models and strengthening our lineup. The source of our competitiveness is PrecisionCore printhead technology, a derivative of Epson's proprietary Micro Piezo inkjet technology. Our printheads eject ink without using heat. This heat-free design reduces printer power consumption and helps users shrink their environmental footprint. This technology also shows promise for applications such as bio-based materials and metallic inks, where heat-induced property changes are a concern, enabling co-creation with partners to expand into new domains.

We are creating a cycle of inkjet innovation by providing value in the form of finished printer products equipped with Epson's advanced printheads and gathering insights to further enhance printhead performance. At the same time, we are building an ecosystem that will drive technological evolution to meet emerging customer needs in new domains.

→ For details, see P19-20, "Epson's Inkjet Innovation Vision."

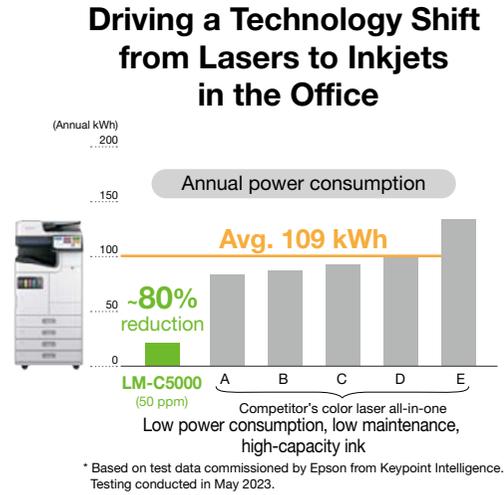
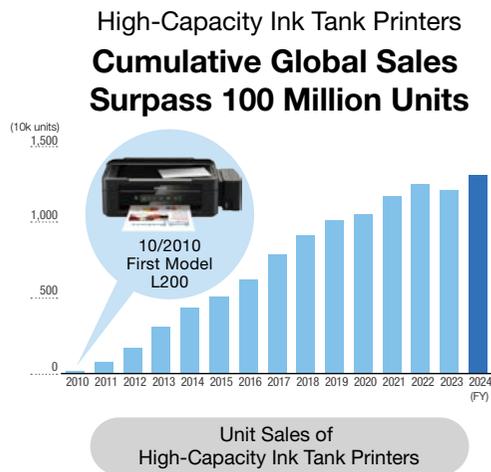
Visual Communications Segment

Projectors, the mainstay of Epson's visual communications business, face a shrinking overall market due to the widespread adoption of flat-panel displays. However, demand for large-screen viewing at home and immersive entertainment experiences remains strong, and growth opportunities are emerging across diverse fields, including education. In the near term, uncertainty in the external environment is expected to persist, driven by fluctuations in national education budgets and bidding processes, as well as the impact of China's economic slowdown and U.S. tariffs.

Epson's 3LCD projectors capitalize on our microdisplay technology to deliver bright, vivid images, enabling us to maintain the top share¹ in the global market for many years. Features such as flexible installation and portability have enabled us to build a solid customer base across the education, business, home entertainment, and art spaces.

Looking ahead, we will strengthen our presence in different areas of the market, particularly in the education market, where inequality, the digital divide, and other significant social challenges remain. Moreover, by combining our projectors with complementary products, such as high-capacity ink tank printers and inkjet multifunction devices, we aim to further enhance the quality of the visual experience and increase customer value.

¹ FY2024 unit volume share for projectors with 500 lumens or more, excluding screenless TV products. (Source: Futuresource Consulting Ltd.)



Learning Comprehensive Partnership Agreement with JICA

Supporting the use of digital technology in education in developing countries

Working Extended Office Concept

Proposing new projector-based ways of working

Manufacturing-Related & Wearables Segment

Epson provides comprehensive solutions centered on fast, precise industrial robots combined with peripheral devices such as force sensors, vision systems, and parts feeders. Our SCARA robots maintained the No. 1 global market share² in 2024, supported by a broad customer base in fields such as electrical and electronic components, medical devices, and automotive assembly. Although the market is sensitive to fluctuations in capital investment and economic conditions, we aim to build a resilient business capable of securing profits even during downturns by bolstering cost competitiveness and sales capabilities. To address labor shortages and diversifying needs, we will build on our traditional strengths of speed and precision while advancing collaborative capabilities and solution proposals. To do so, we are reinforcing our customer intelligence and integrating advanced software and digital technologies. Through these, we intend to differentiate Epson not only through our products but also through value propositions and thereby drive sustainable business growth.

² Based on the monetary value of industrial SCARA robots shipped in 2024
(Source: Fuji Keizai "2025 Worldwide Robot Market and Future Outlook" (FA Robot Edition))

In the wearable products business, restructuring over the past several years has improved the contribution margin and reduced the fixed cost ratio, significantly increasing profitability. We will continue to refine our watchmaking skills and, in combination with other technology, provide exceptional watches that resonate with customers.

In the Microdevice business, demand stagnation caused by inventory adjustments during the COVID-19 pandemic has persisted, but we are now seeing signs of a market recovery. Sales are growing, particularly for crystal devices used in consumer electronics and in base stations and networks, where growth expectations are high. Taking advantage of our ability to participate in finished product planning from the development stage, we are developing ICs that enable smaller products that use less power. We also have crystal devices such as force sensors that give robots a human-like sense of touch, enhancing the value of Epson products. Epson's strength in microdevices lies in its expertise in both crystal and semiconductor technologies. Combining these enables us to create timing devices that are compact, lightweight, and energy-efficient, yet offer exceptional accuracy, low noise, and stability. As AI use and data traffic increase, power consumption at base stations and data centers will surge, fueling demand for devices like ours. In addition, sensing devices that support IoT are expected to drive further business growth.

Beyond improving profitability across its businesses, Epson also seeks to create new value through synergy, combining technologies and business strengths to generate multiplicative impact. We believe there is still significant untapped potential for value creation through collaboration among our businesses. Guided by a customer-centric approach, we will continue to actively pursue opportunities to deliver "Epson-only" value, thereby enhancing corporate value.



Development of Collaborative Robots

"Cobots" also help automate labes in the life sciences and pharmaceutical industries.



The World's First³ Dial to Use a New Technology and Colors

The Perseid meteor shower captured on a dial using a combination of watch processing technology and inkjet technology



³ The world's first method for decorative printing on watch dials using layered metal nanoparticles and nano-ink.



Joint Development of a Deflection Monitoring Device for Railway Operators



Deflection monitoring device installation location (Image)

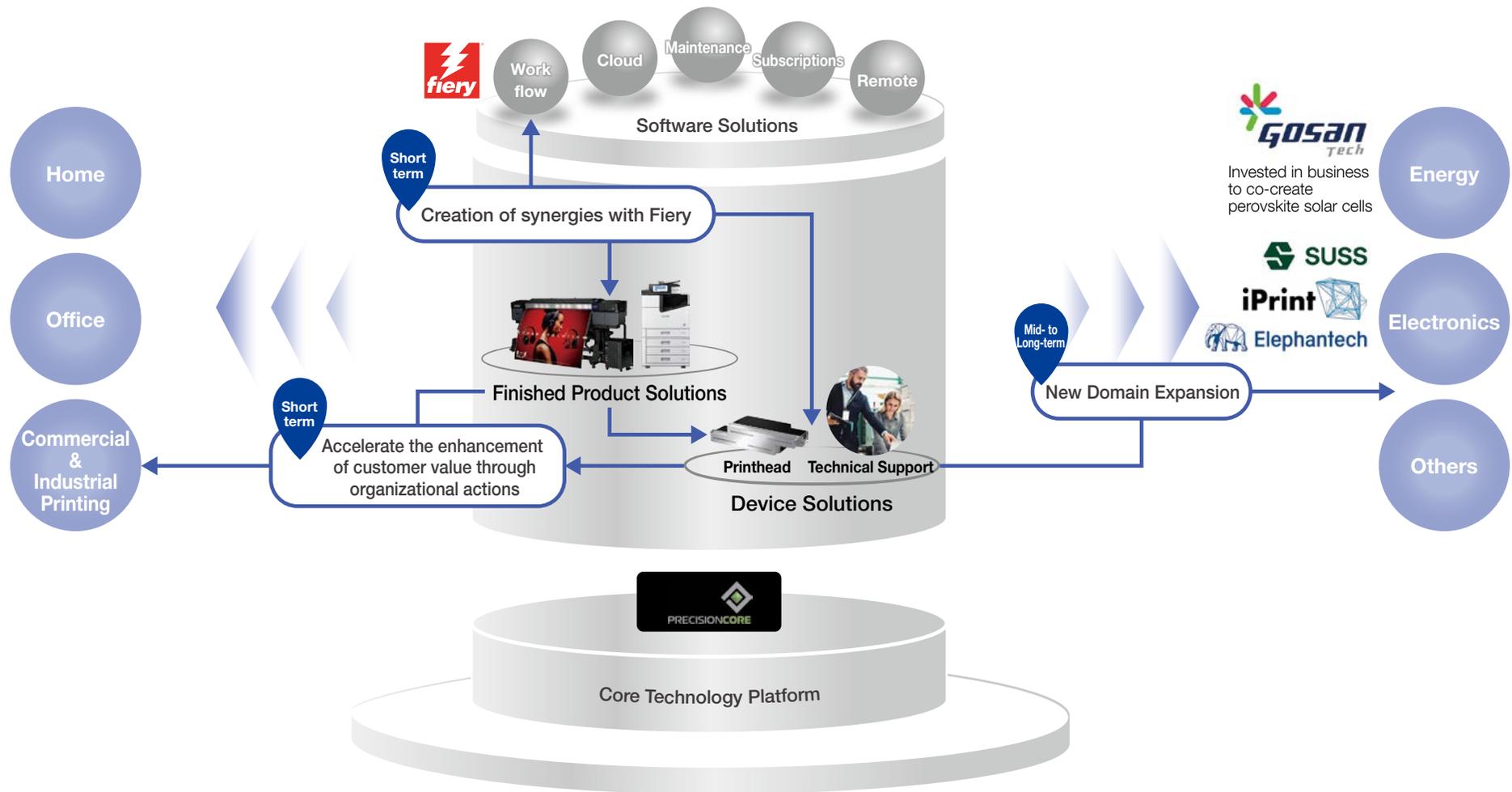
Deflection monitoring device installed on a steel girder

MA352 3-axis accelerometer

Epson's Inkjet Innovation Vision

This diagram illustrates Epson's vision for future inkjet innovation and ecosystem building as we evolve into a solutions provider.

The center pillar rests on printheads as a core technology platform. We will organically integrate our devices, finished products, and software and other solutions to create different kinds of customer value. In the short term, we will accelerate the transformation of our portfolio by quickly creating synergies between our finished product solutions and printheads and Fieri's software solutions. Longer-term, we will expand into new domains through co-creation with partners, driving sustainable growth and innovation.



Epson-Fiery Synergies

Fiery is a leading provider of workflow and RIP solutions for the printing industry, with more than two million installations worldwide. By integrating Fiery's capabilities, Epson can complement its strengths in color control technology and workflow software, significantly enhancing the value of its software solutions. Combining these with Epson's printheads and finished products will further strengthen our ability to deliver comprehensive solutions.

1 Accelerating the digitalization of industrial printing through the integration of inkjet printheads and DFEs

- Deliver solutions that offer exceptional color reproduction, superior image quality, and ease of use by combining Epson's advanced inkjet printheads with Fiery's Digital Front Ends.
- Configure and provide optimized solutions for the industrial printing market.



2 Adapting Fiery's superlative workflow to our commercial and industrial printers to deliver enhanced customer value

- Propose solutions that include Fiery's workflow to customers considering digitalization.
- Expand the customer base by proposing Epson products and services to customers such as printing companies that have already implemented Fiery (cross-selling and opportunity expansion).



3 Leveraging software development expertise and talent portfolio

- Create and propose new customer value using Fiery's software service platform.
- Strengthen the development platform by leveraging Fiery's advanced software development capabilities and expertise in software product development systems.



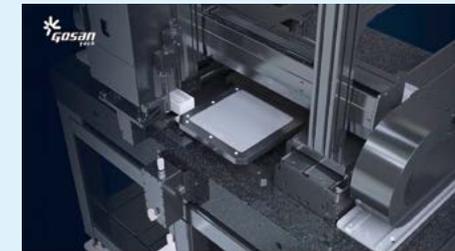
Contributing to Sustainability Through Co-Creation

The value of Epson's inkjet technology extends beyond our own printers to include applications in the products of other manufacturers. The printheads we sell are compatible with a wide range of inks and the print chips from which the printheads are built can be configured according to the customer's needs. We will further enhance the performance of these printheads for high-speed inkjet production systems and expand our lineup.

Inkjet technology has immense potential beyond just depositing ink on paper or fabric. In conjunction with co-creation partners, we are driving innovation in applications in advanced fields such as perovskite solar cell and printed electronics fabrication to help realize sustainability.

Startup developing industrial inkjet systems for fabricating products such as perovskite solar cells

Investment in Gosan Tech



To accelerate the adoption of inkjet technology in printed electronics

Collaboration with SUSS



An LP50 R&D inkjet printer

Financial Initiatives to Increase Corporate Value

Summary of FY2024 Results

Despite ongoing inflation and global economic uncertainty, Group consolidated full-year revenue reached ¥1,362.9 billion. Business profit was ¥89.5 billion and profit for the period was ¥55.1 billion. By segment, printing solutions, the main driver of profitability, maintained high earnings, posting revenue of ¥980.1 billion and segment profit of ¥124.8 billion. In office & home printing, sales of high-capacity ink tank printers steadily expanded worldwide, especially in emerging markets, while office shared inkjet printer sales continued to grow. In commercial and industrial printing, the pace of growth fell short of initial expectations due to sluggish corporate demand for finished products. Printhead sales grew sharply on strong demand from Chinese printer manufacturers, further enhancing Epson's market presence. Additionally, Epson acquired Fiery, a leading provider of digital front end (DFE) servers and workflow solutions for the global printing industry, strengthening initiatives for long-term growth through inkjet innovation.

Visual communications recorded revenue of ¥203.7 billion and segment profit of ¥29.0 billion, down from FY2023. In addition to a contraction of the total projector market, slow sales in the education market and weakened consumer demand in the home market impacted performance. A recovery in demand in the office and education markets is seen as unlikely in the near future. Therefore, we will focus on expanding sales of high-lumen projectors for projection mapping and virtual performances, as well as smart projectors offering easy installation and high-quality imaging for home use.



Masaharu Mizukami

Executive Officer
General Administrative Manager,
Business Management Division

Epson 25 Renewed is in its final year. For the past 3 years, we have emphasized capital efficiency and profitability to achieve our financial targets. Looking back, inadequate sales growth in recent years has been a major management challenge. In addition to achieving or exceeding our near-term plans, we will address the current stock price by focusing on driving revenue growth over the longer term by developing and executing business growth strategies across the entire Epson Group.

Manufacturing-related and wearables posted revenue of ¥181.4 billion and a segment loss of ¥3.2 billion. The manufacturing solutions business was affected by intensifying competition and declining investment demand in China, while the microdevices business felt the impact of a slower-than-expected recovery in demand in industrial markets. To improve profitability next fiscal year and beyond, we are restructuring operations and reducing fixed costs.

Despite challenging external conditions across all segments, Epson achieved year-on-year growth in both revenue and profit on a consolidated basis, while implementing actions to drive future growth and improve the cost structure.

FY2025 Financial Outlook

In FY2025, we expect a significant impact from U.S. tariffs. During the first half, we began to see negative impacts on performance as countries came to agreements on U.S. tariffs.

By business segment, first-half sales in printing solutions remained steady. Manufacturing-related and wearables also saw growth, mainly in the microdevices business. On the other hand, visual communications recorded lower revenue due to declining demand in the education markets in Europe and the U.S., as well as weakness in China. As a result, consolidated sales were roughly on par with the same period last year.

Looking ahead, the office and home printing business is expected to maintain solid sales. Even after factoring in competitive price pressures, we expect to achieve the sales plan for high-capacity ink tank printers through promotional activities. In the commercial and industrial printing finished products business we expect the release of new products to drive sales in the signage, textile, and label segments. Furthermore, Fiery, acquired in FY2024, will contribute positively to Group consolidated revenue and profit.

Visual communications is expected to continue to be impacted by declining market demand, while manufacturing-related and wearables should continue to see sales growth, mainly in the microdevices business. External conditions remain uncertain, with signs of slowing economic growth in the U.S. and weak domestic demand in China. Under the circumstances, we will closely monitor market trends and move forward on Group-wide initiatives to achieve performance targets.

Financial Initiatives to Increase Corporate Value

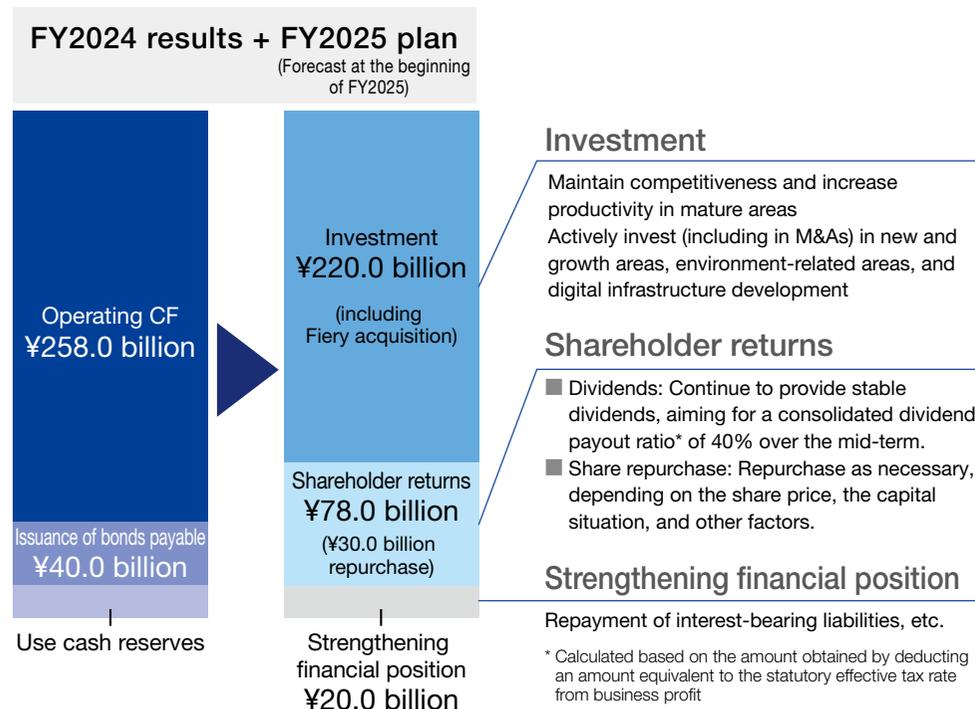
Actions to Increase Corporate Value

Epson is working to enhance corporate value through actions related to cash allocation (use of funds), business portfolio management, and engagement with capital markets.

First, because Epson has a strong financial foundation, we prioritize allocating cash to growth investments rather than directing them toward further strengthening financial soundness. At the same time, we continue to provide consistent shareholder returns.

In FY2024, we welcomed Fiery into the Epson Group via an M&A deal as part of strategy to promote inkjet innovation for future growth. Activities to create future business opportunities are progressing smoothly in collaboration with Fiery. Even after this large acquisition, Epson's financial base remains solid, enabling continued investment in growth. If necessary, we will also utilize external financing to secure funds.

Cash Allocation

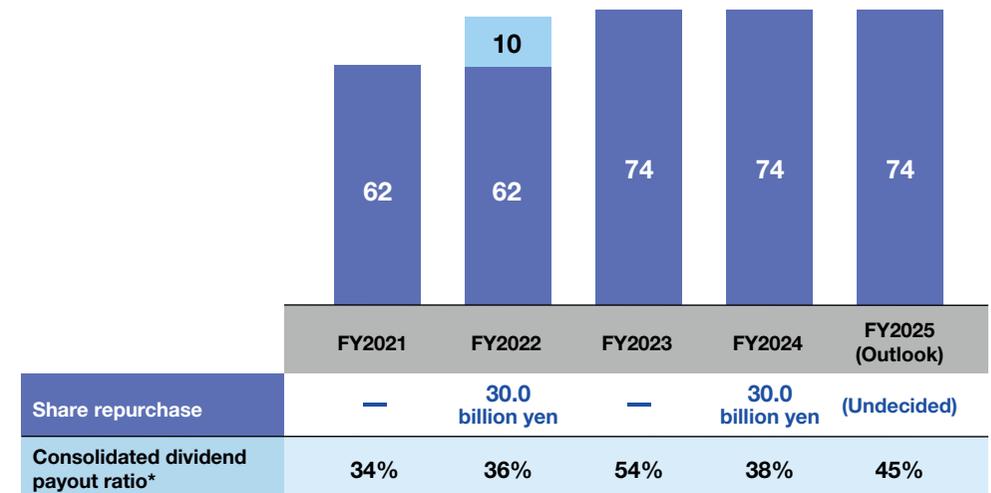


We look to continue to provide stable shareholder returns. We will continue to pay consistent dividends, with a mid-term target of an approximately 40% consolidated dividend payout ratio. We will also repurchase shares as warranted based on a comprehensive assessment of stock price and cash position.

Each business is considering using ROIC to evaluate its business portfolio. Decisions are not based on single-year figures but on a comprehensive assessment from a longer-term perspective, taking into account growth potential and capital efficiency for each business and product group. Even if a business is not sufficiently profitable at present, we will not withdraw from or sell it solely for that reason. Instead, the management team will prioritize setting a long-term direction for it. Finally, we recognize that non-financial activities that contribute to sustainability, as well as communication and discussions with shareholders, analysts, and institutional investors that deepen understanding and trust in Epson, are critical actions for enhancing corporate value.

Shareholder returns

- Anniversary dividend (Yen)
- Annual dividends (Yen)

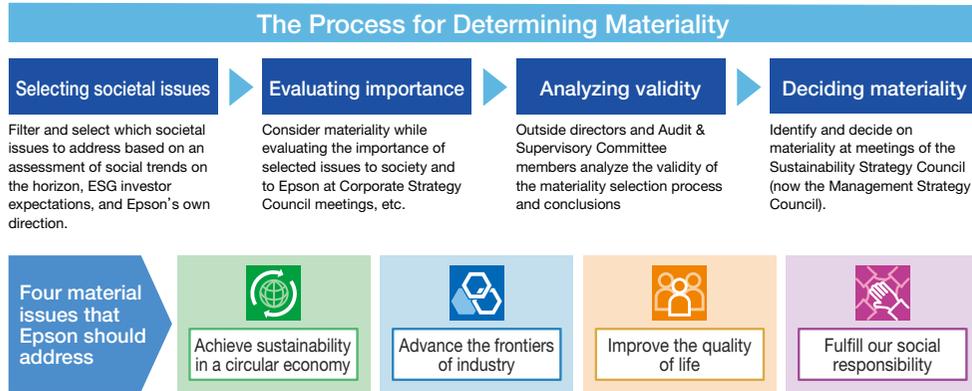


Sustainability Management

In line with its value creation story, Epson considered societal issues and identified four materialities (priority issues) that it can help to address to realize both social sustainability and business growth. Sustainability is a core tenet of Epson’s management approach. It is expressed in our Management Philosophy as a “commitment to sustainability” and in our corporate purpose statement as “innovation [that] enriches lives and helps create a better world.” We consistently return to our Purpose and Management Philosophy, position our sustainability initiatives as a pillar of long-term corporate value creation, and will continue to take on challenges to achieve sustainability and enrich communities.

Deciding Materiality

When establishing the Epson 25 Renewed corporate vision in 2021, Epson referenced the societal issues and megatrends described in the SDGs, ISO 26000 and other sources, evaluated them from both a company perspective and a social perspective, and identified four high-priority issues (“materialities”) that Epson should address to solve societal issues.



Evaluate the topics from a corporate and societal perspective

Material Trends and Frameworks Referenced

- The Sustainable Development Goals (SDGs)
- Task Force on Climate-related Financial Disclosures (TCFD)
- Macro trends in the social and economic fields, including climate change (European Green Deal Policy, Paris Agreement, etc.)
- Global Japan: 2050 Simulations and Strategies
- GRI Standard
- SASB Standard
- ISO 26000
- Socially Responsible Investing (SRI) survey items
- Responsible Business Alliance (RBA) Code of Conduct

Principles of Corporate Behavior

Management Philosophy

Practicing Sustainability

Epson has upheld a commitment to sustainability across the entire Group for many years. Our employees demonstrate a deep commitment to sustainability as a source of corporate value and embrace opportunities to work with stakeholders and within their communities to achieve it.

Driving Change: Epson Europe Champions sustainability Across the Region

Europe continues to lead the way in sustainability-related regulation, setting high standards that influence businesses across all industries. At Epson Europe sustainability is embedded in our decision-making, driven by our president, senior leadership, and a dedicated team led by Corporate Sustainability Director Boris Manev. We advanced the sustainability agenda in line with the Group’s materiality (left) and achieved major milestones in circularity, decarbonisation, and equal opportunity, earning us the Seiko Epson President Environmental Encouragement Award.. We remain committed to sustainability, equal opportunity, transparency, continuous improvement, and working together to create a more sustainable future for our planet, people and our company.



Elke Wiersema

Chief Governance Officer
Epson Europe B.V.

Embracing Sustainability and Community Partnerships in the Americas

Embracing sustainability at Epson America is part of our purpose. The employee-led Sustainability Committee teams give all Epson staff the chance to pursue sustainability initiatives that they are passionate about. Committee projects range from employee education to community partnership events. Over the years we’ve worked hard to integrate sustainable practices into Epson culture. From transitioning to renewably-sourced electricity at our offices and factories, to helping customers save electricity and reduce waste with products designed with the Sho-Sho-Sei philosophy, we’re committed to making a lasting impact. As we move forward into the next 50 years, we will continue to make choices that honor the environment, support innovation, and ensure that we leave a thriving world for the generations to come - for our partners, employees, communities, and our planet.



Kendra Jones

Chief Legal &
Sustainability Officer
Epson America, Inc.

Key Sustainability Topics and KPIs

To increase the effectiveness with which we can address the materialities, we mapped 12 key sustainability topics to them, considered how we could contribute to solving societal issues, set concrete performance indicators (KPIs), and then got to work. Since FY2022, some of the KPIs have also been incorporated in evaluations used to determine executive management compensation. By linking KPIs to remuneration, we have established a scheme that further clarifies responsibilities and roles.

→ For details, see P56, "Officer Compensation System."

Materiality	Key Sustainability Topics	Opportunity(O) Risk(●)	RS Index ¹	Initiative Topics	Key Performance Indicators (KPI)	FY2024 Targets	FY2024 Results	FY2025 Targets
Achieve sustainability in a circular economy	Decarbonization initiatives	<ul style="list-style-type: none"> ○ Growing need for environmentally friendly products and services due to the introduction of a carbon tax, soaring electricity prices, rising waste disposal costs, and the need to produce the right amount of products and reduce resources 	●	Using energy-saving equipment and facilities, removing greenhouse gases, engaging suppliers, and pursuing carbon-free logistics to become carbon negative by 2050	Reduction rate of total Scope1+2+3 GHG emissions	—	—	Reduce by 34% compared to FY2017
					Scope 1 & 2 total GHG emissions rate	Reduce by 80% compared to FY2017 (SBT: FY2025 target 34%)	Reduced by 81% compared to FY2017	Reduce by 80% compared to FY2017
					Reduction rate of Scope 3GHG emissions (per unit of business profit)	Reduce by 35% compared to FY2017 (SBT: FY2025 target 44%)	Reduced by 39% compared to FY2017	(Included in the total target)
					Using renewable electricity	Renewable electricity adoption rate	Maintain adoption ratio of 100% globally	Achieved an adoption rate of 100% globally
	Closed resource loop initiatives	<ul style="list-style-type: none"> ○ Market growth in the fields of global warming countermeasures and waste treatment and effective utilization of resources ○ Increase in demand in recycled plastics, bioplastics, and metal recycling due to the shift to a circular economy ● Growing momentum toward a paperless office from the perspective of forest protection awareness 	●	Becoming underground resource ² free by 2050: <ul style="list-style-type: none"> • Using resources efficiently by reducing size and weight, using recycled materials, etc. • Establishing closed-loop production systems that minimize production losses 	Rate of sustainable resources ³	35%	33%	38%
					Final landfilled rate ⁴	≤1%	0.59%	≤1%
	Customer environmental impact mitigation	<ul style="list-style-type: none"> ● Increase in operating costs due to changes in policies and regulations ● Credit loss and damage to corporate value due to delayed response to decarbonization and resource recycling 	●	Maximizing avoided emissions with products and services that have a lower environmental impact ⁵	Emissions avoided through products & services	Avoid more emissions than in the previous year	A3 color inkjet printer avoided emissions: 9,800 t-CO ₂ e ⁶	Avoid more emissions than in the previous year
					Environmental technology development	<ul style="list-style-type: none"> ● Damage to corporate value due to failure to achieve plans for or delays in the development of environmental technologies that will lead to a reduction in environmental impact 	●	Becoming carbon negative and underground resource free by 2050 <ul style="list-style-type: none"> • Developing high-performance sustainable resource technology • High-added-value recycling technology for used metal • CO₂ absorption technology
	Development process progress / State of metal resource recycling facility operations	Develop technology for high-value-added metal powders (molding material) for practical applications	• Prepared to launch a refining plant for metal recycling	Start refinery operations & conduct a closed resource loop trial within the Epson Group				
	State of development of CO ₂ separation membranes & DAC systems	—	—	Develop a system for PoC ⁷				

¹ Executive compensation (restricted stock compensation) evaluation indicator

² Non-renewable resources such as crude oil and metals

³ The ratio of sustainable resources (renewable resources + recycled resources + less-depletable resources) to raw materials

⁴ The percentage of production waste that goes to landfill versus the total resources input

⁵ A quantity that expresses the contribution by products and services to a reduction in society's GHG emissions

⁶ A value calculated based on a method verified by Mizuho Research & Technologies, Ltd. The difference between the weighted average of the publicly disclosed lifetime CO₂ emissions of major laser printers in the global market and the lifetime CO₂ emissions of the company's A3 color inkjet printer is multiplied by the number A3 color inkjet printers sold during the fiscal year. Due to a reexamination and revision of the calculation conditions, the assumptions used to calculate this year's value differ from those used to calculate the value disclosed in FY2023. (For reference, the value calculated for FY2023 under the same conditions is 10,700 t-CO₂e.)

⁷ A PoC (proof of concept) is a process to verify the feasibility and actual effects of new technologies.

Sustainability Management

Materiality	Key Sustainability Topics	Opportunity(O) Risk(●)	RS Index ¹	Initiative Topics	Key Performance Indicators (KPI)	FY2024 Targets	FY2024 Results	FY2025 Targets
Advance the frontiers of industry	Increasing productivity through digitalization and automation	<ul style="list-style-type: none"> ○ Transition to resource-saving and highly efficient production processes due to diversifying consumer needs and advancement of digital technology ○ Decentralization of production plants for the purpose of BCP response based on factors such as geopolitical risk ● Loss of business opportunities due to delays in launching products and services that meet market demands ● Delays in developing easy-to-use solutions and digital services 		Leading the digitalization and automation of commercial and industrial printing with inkjet technology and an expanded portfolio of solutions and services to reduce environmental impact and increase productivity	Average sales growth rate of commercial and industrial IJPs ⁸ compared to the previous year	3%	-1%	10% or more
	Improving working environment and educational environment	<ul style="list-style-type: none"> ○ Changes of offices due to diversification of work styles and advancement of information technology ○ Expansion of services to support new ways to work or learn ● Loss of business opportunities due to delays in launching products and services that meet market Demands ● Decrease in the need for printing in the education market due to the increased use of tablets and other electronic devices 		Providing printing environments that meet societal needs by reducing environmental impact and increasing productivity through inkjet technology and open solutions	Sales growth rate of high-capacity inkjet printers for SOHO and home use compared to the previous year ⁹	5%	6%	4% or more
		<ul style="list-style-type: none"> ○ Increasing and broadening need for automation using robots to compensate for global labor shortages against a backdrop of declining birthrates and aging populations ○ Growing need for innovation in production systems to improve the working environment and strengthen the resilience of manufacturing sites ● Continuation of labor-intensive system centered on human labor through the shift of production to regions with ample labor force (emerging and developing countries) ● Lack of human resources capable of implementing automation ● Erosion of competitive advantage due to changing and diversifying customer needs 		Eliminating labor shortages through automation using robots	Number of labor shortages eliminated ¹⁰	29,000 persons	23,000 persons	27,000 persons
		<ul style="list-style-type: none"> ○ Need to resolve stress burdens and lowered work efficiency due to reduced physical communication in telecommuting and web conferencing ○ Shifting of needs toward low-carbon solutions ● Decreased need to connect the real and remote due to increased office attendance following the decline of the coronavirus ● Intensifying competition with large-screen display devices other than projectors and personal terminals, and relative decline in the presence of our solutions 		Providing a fair, natural, and comfortable communication environment without boundaries, combining the real and remote, with both a sense of presence and information content	Number of co-creation or collaborative projects and number of partners	Co-creation: Continuation + 3 implementations Companies / partners: Continuing + 1 or more new companies	Co-creation: Continuation + 3 implementations Companies / partners: Continuing + 1 or more new companies	Co-creation:Continuation + 5 implementations Customers / Partners:Continuing + new development of at least one company
Improve the quality of life	Proposing diverse lifestyles	<ul style="list-style-type: none"> ○ Increasing use of ICT to bridge the gap in learning places and opportunities in developing Countries ○ Spread of digital learning materials and education platforms ○ Expansion of the education market due to the increase in the number of people enrolled in school in emerging and developing countries ○ Resolving teacher and teaching support shortages through ICT ● Delays in sound budgeting for and investment in education due to delayed economic development and political instability in developing countries 		Creating equal learning opportunities through smart, portable displays that enable large-screen communication in a compact form, to mitigate learning disparities stemming from differences in regional and social conditions	Number of local demonstration programs through co-creation and collaboration Number of countries with PoC verifying mitigation of learning disparities in general education and awareness of societal issues.	Cumulative number of instances of use in education and awareness-raising: 40 2 countries	Cumulative number of instances of use in education and awareness-raising: 40 3 countries	Cumulative total nstances of use in education and awareness-raising: 60 Total: 5 countries
		<ul style="list-style-type: none"> ○ Emergence of new data service businesses such as health support ○ Growing awareness of healthy life expectancy associated with the extension of life expectancy ● Decline in presence due to evolution of competing data services ● Impact on the data service business due to declining interest in health consciousness 		Converting customer data obtained from sensor-based wearable products into value, providing health advice, and offering health and safety monitoring to enrich and support diverse lifestyles.	Percentage of revenue accounted for by the data business in support services ¹¹	28%	23%	20% or more
	Realizing an abundant and colorful life	<ul style="list-style-type: none"> ○ Demand for luxury goods that cater to diverse values, hobbies, and tastes ● Declining presence in the wearable device market due to changing values 		Providing attractive and high-quality products with our efficient, compact, and precision technologies and our artisanal skills, to enrich the diverse lifestyles of our customers.	Growth in unit sales of attractive, high-quality products compared to the previous year	12%	2%	20% or more

¹ Executive compensation (restricted stock compensation) evaluation indicator

⁸ Revised to align with the financial disclosure segments.

⁹ Changed to an indicator more suitable for assessing improvements in working and educational environments (year-on-year unit sales growth rate in emerging markets). (For FY2024, the average year-on-year sales growth rate was used.)

¹⁰ Calculated based on the effectiveness of Epson's internal projects

¹¹ Business model that provides value by converting data using algorithms

Sustainability Management

Materiality	Key Sustainability Topics	Opportunity(O) Risk(●)	RS Index ¹	Initiative Topics	Key Performance Indicators (KPI)	FY2024 Targets	FY2024 Results	FY2025 Targets
Fulfill our social responsibility	Increasing stakeholder engagement	<ul style="list-style-type: none"> ○ Growing stakeholder interest in sustainability ● Loss of trust from stakeholders and damage to corporate value due to inappropriate responses to issues 		Responding to needs and social demands by strengthening dialogue with stakeholders	Monetary value of social assistance programs	≥0.1% of sales	≥0.1% of sales	Monetary assistance equivalent to 0.1% of sales
			Number of discussions with shareholders and investors and reflecting their feedback to management		≥200 times	248	≥200 times	
			Evaluation indices of external evaluation agencies		Earn high ratings ¹²	Acquired high ratings	Earn high ratings	
	Realizing responsible supply chains	<ul style="list-style-type: none"> ○ Growing worldwide interest in and regulation of business and human rights ● Occurrence of human rights violations in the Company and its supply chain 		<ul style="list-style-type: none"> ● Realizing responsible supply chains 	Impact on customers due to disruption and stagnation in supply chain	Zero sales impact	Zero sales impact	Zero sales impact
			• CSR risk levels of suppliers		Direct materials: High risk 0%, medium risk 2% or less	Direct materials: High risk 0%, medium risk 22%	Direct materials: High risk 0%	
			• SAQ collection rate (FY25~) ¹³		Indirect materials: High risk 0%, medium risk 20% or less	Indirect materials: High risk 0%, medium risk 9%	High risk 0%	
	Respecting human rights and promoting diversity	<ul style="list-style-type: none"> ○ Improvement in corporate performance by fostering a free and open organizational climate ○ Growing worldwide interest in and legislation of business and human rights ○ Transformation in awareness and understanding of DE&I and social minorities ● Decreased engagement and lack of innovation due to slow progress in improving organizational culture ● Damage to corporate value in the event of serious human rights violations, including those in the supply chain ● Decreased engagement due to slow progress in DE&I 		Realizing responsible sourcing of minerals	• Conflict-free (CF) ratio of products	• New products that are conflict-mineral free	• New products that are conflict-mineral free	• New products that are conflict-mineral free
			• Survey response rate ¹⁴		• 99.6% survey response rate	• 100% survey response rate	• 100% survey response rate	
			Creating a free and open organizational culture	Organizational climate assessment score for team and organization performance	Motivation cloud	• Rating: BB (score: 52.9 pts.)	Motivation cloud	
				Number of high-risk workplaces in mental health assessments (total health risk) ¹⁵	• Engagement rating: BBB (score of 56.0 or higher)	• Number of workplaces rated D: 36 (9 fewer than last time)	• Engagement rating: A (score of 58.0 or higher)	
Implementing harassment prevention measures (education and training, case sharing, appointment process, etc.) & reporting of incidents to the Head Office			Reduce the number of workplaces rated high risk in terms of total health risk	• Number of workplaces rated D: 20	• Number of workplaces rated D: 10	• Number of workplaces rated D: Zero		
			Embedding and improving the commitment for respecting human rights, human rights due diligence (DD) and relief mechanism	• Continued harassment prevention training at different echelons	• Conducted training for different echelons and advisory service staff as planned.	Continuing FY2024 measures		
Utilizing human resources in a way that respects diversity	<ul style="list-style-type: none"> ○ Embedding and improving the commitment for respecting human rights, human rights due diligence (DD) and relief mechanism 	Respect for human rights through dissemination of the new Human Rights Policy within the Group	Embedding and improving the commitment for respecting human rights, human rights due diligence (DD) and relief mechanism	Establishing and improving the PDCA cycle for respecting human rights	Establishing and improving the PDCA cycle for respecting human rights	Establishing and improving the PDCA cycle for respecting human rights	Continuing FY2024 measures	
				• Regular review of human rights policy	• Regular review of human rights policy	• Regular review of human rights policy	Continuing FY2024 measures	
				• Continued implementation and improvement of human rights due diligence through RBA schemes, etc.	• Continued implementation and improvement of human rights due diligence through RBA schemes, etc.	• Continued implementation and improvement of human rights due diligence through RBA schemes, etc.	Continuing FY2024 measures	
Strengthening governance	<ul style="list-style-type: none"> ○ Strengthening of the governance system leading to acceleration of strategy implementation and increased responsiveness to change ○ Competitiveness increase through appropriate risk-taking ● Delays in strategic progress and decreased organizational power due to governance failures ● Generation of losses and loss of public trust due to noncompliance 	<ul style="list-style-type: none"> ● Reinforcement of compliance management platform ● Enhancement of Group compliance level ● Maintaining and strengthening the governance structure to realize transparent, fair, prompt and decisive decision-making ● Reinforcing information security 	<ul style="list-style-type: none"> ● Reinforcement of compliance management platform ● Enhancement of Group compliance level ● Maintaining and strengthening the governance structure to realize transparent, fair, prompt and decisive decision-making ● Reinforcing information security 	Female manager ratio (the Company)	Female manager ratio: 6%	Ratio of female managers: 5.3%	Ratio of female managers: 8%	
				One or more female executive officers by FY2025 (in Japan)	Female supervisory position ratio: 9%	The ratio of female section assistant manager is 8.1% (as of March 31, 2025)	Ratio of female assistant managers: 10%	
				Incidents of serious compliance violations ¹⁶	0 cases	0 cases	0 cases	
				Implementation ratio of compliance training (online course) to all Group employees	Completion rate in Epson Group: 100%	Completion rate in Epson Group: 100%	Completion rate in Epson Group: 100%	
Reinforcing information security	<ul style="list-style-type: none"> ○ Maintaining and strengthening the governance structure to realize transparent, fair, prompt and decisive decision-making 	<ul style="list-style-type: none"> ● Maintaining and strengthening the governance structure to realize transparent, fair, prompt and decisive decision-making 	<ul style="list-style-type: none"> ● Maintaining and strengthening the governance structure to realize transparent, fair, prompt and decisive decision-making 	• Ratio of outside directors on the board of directors	• Maintain the ratio of outside directors on the board at ≥1/3	• Maintain the ratio of outside directors on the board at ≥1/3	• Maintain the ratio of outside directors on the board at ≥1/3	
				• Ratio of outside directors on the Nomination & Compensation Committees	• Maintain the ratio of outside directors on the Nomination & Compensation Committees at ≥80%	• Maintain the ratio of outside directors on the Nomination & Compensation Committees at ≥80%	• Maintain the ratio of outside directors on the Nomination & Compensation Committees at ≥80%	

¹ Executive compensation (restricted stock compensation) evaluation indicator

¹² Sustainalytics: Low, FTSE: ≥ 4 points, within the top 50 in Toyo Keizai's corporate CSR rankings

¹³ Changed the operation to focus on risk control to ensure that all high-risk suppliers who are asked to complete an SAQ will be asked to complete an SAQ and that the number of high-risk suppliers will be reduced to zero as a result of corrective actions.

¹⁴ Percentage of suppliers who submitted answers to the survey

¹⁵ Target value management is applied to workplaces with 10 or more respondents.

¹⁶ Serious compliance violations: Violations that fall under grounds for timely disclosure

Senior Management Commitment

Printing Solutions Segment

P Office & Home Solutions Operations Division

Yoichi Yamada



Executive Officer
Chief Operating Officer,
P Office & Home
Solutions Operations
Division

People often associate inkjet printers with home use. Today, however, there are two key growth areas: high-capacity ink tank models for emerging markets and multifunction inkjets for the office. Home printers offered customer value in the form of photo-quality output. In these growth areas, however, people also recognize the value of energy efficiency and fewer limited lifetime parts, which mean less waste. Thanks to these benefits, inkjet printers can be used with confidence even where electricity, logistics, and maintenance service infrastructure may be limited. Inkjets are also gaining acceptance among customers in emerging markets for whom sustainability is a priority, as well as among municipalities that need to invoke a BCP response in the event of a disaster. Inkjet technology, which thus combines convenience with environmental performance, represents a true innovation in printing, and we plan to drive business growth by making it even more competitive.

P Commercial & Industrial Solutions Operations Division

Akihiro Fukaiishi



Director, Executive
Officer
Chief Operating Officer,
P Commercial &
Industrial Solutions
Operations Division;
General Administrative
Manager, Sales &
Marketing Division

We are committed to achieving growth by rapidly expanding our product lineup, focusing on high-productivity models that deliver superior output, reliability, and durability. For inks, we will pursue quality and cost performance that enhance customers' productivity and profitability, while providing unique value through after-sales services centered on printheads. To achieve this, we will drive further advances in our inkjet printheads, ink development, precision mechanical design, image processing, and software that connects with customers to deliver digital solutions. Our commercial and industrial products and services will manifest these to ensure customer satisfaction with image quality. In terms of sales strategy, rather than a uniform global business model, we will tailor products and services to the needs of individual markets. Through this approach, we aim to satisfy customers worldwide and accelerate business growth.

P System Solutions Operations Division

Tsuyoshi Yamanaka



Executive Officer
Chief Operating Officer,
P System Solutions
Operations Division

The P System Solutions Operations Division delivers products and services that directly support customers' business systems and production sites. Examples include receipt printers for POS systems, cloud solutions that help customers leverage purchasing data to develop new services, color label printers for on-demand labeling needs, and compact dry mini-labs for professional photo mini-lab systems. We also offer PaperLab, a dry-process office papermaking system that recycles used paper into new paper on-site. This solution is proposed in tandem with schemes that enable municipalities and companies to collaborate on environmental and social contribution activities. In FY2024, we launched compact new products that feature lightweight designs, lower power consumption, improved usability, and compatibility with existing systems. We will continue to provide products that dovetail with customer operations, workflows, and work environments.

IJS Operations Division

Shunya Fukuda



Executive Officer
Chief Operating Officer,
IJS Operations Division

Inkjet technology is deceptively simple: liquid is just sprayed in the amount needed, where it is needed. Yet, Epson has been driving innovation in this technology for decades. Today, the technology is applied far beyond printers. It is used to dye textiles, lubricate tiny precision components, fabricate color filters for TV monitors, print circuit board wiring, dispense medicine, and manufacture solar cells. For Epson, which has the world's largest team of inkjet technology experts, expanding the applications of this technology is a critical mission. However, it is impossible for Epson alone to meet all the needs of these diverse specialized fields. That is why we are co-creating with partners and customers worldwide. Guided by a philosophy of efficient, compact and precise innovation, we will continue to pursue excellence in manufacturing and services, driving the evolution of inkjet technology to contribute to sustainability and enhance corporate value.

Visual Communications Segment

Visual Products Operations Division

Tomoo Takaso



Executive Officer
Chief Operating Officer,
Visual Products
Operations Division

In the Visual Products Operations Division, we are driven by a vision of enriching learning, work, and everyday life through visual experiences. Epson's proprietary high-temperature polysilicon TFT panels and 3LCD technology deliver images of outstanding quality and color reproduction. These images support active classroom learning with content that is easy to see and understand. In collaboration with JICA, we are also working to improve educational environments in developing countries to help bridge the digital divide and provide equal learning opportunities to all. This year, we partnered with Bose to co-develop a new projector that integrates visual and audio technologies. The immersive experience created by bright, vivid images and powerful sound sets a new standard for entertainment. By continuously providing new value to society, we seek to expand human potential and realize a brighter future.

Manufacturing-Related & Wearables Segment

Manufacturing Solutions
Operations Division

Yasunori Yoshino



Director, Executive Officer
Chief Operating Officer,
Manufacturing Solutions Operations
Division; General Administrative
Manager, Corporate Strategy Division

Building on a foundation of high-speed, high-precision technologies and a broad product lineup, we are evolving beyond simply providing products and into a true partner in increasing customer productivity. We will accelerate innovation in manufacturing together with our customers by enhancing the flexibility and collaborative capabilities of our robots and optimizing operations factory-wide. We also pursue advances in safe, reliable collaborative robots that customers can trust. These “cobots” will support ongoing optimization of production while delivering value to a wide range of industries in global markets. To achieve this, we will continue to deepen our understanding of customer challenges and strengthen our ability to propose solutions that address them. Robotics technology is evolving and has the potential to drive innovation not only in industrial fields but in an expanding range of domains. We are fully committed to pursuing innovation, driving business growth, and contributing to a sustainable society through these challenges.

Wearable Products Operations
Division

Masashi Hayashi



Executive Officer
Chief Operating Officer,
Wearable Products
Operations Division

Epson, guided by a spirit of “Integrity and Effort,” has provided countless timepieces over the years in the belief that technology exists for people. The business has been affected by environmental changes in recent years, but structural improvements have reinforced the underlying strength of our business operations, and we are now focused on growth initiatives. Epson has accumulated a wealth of technology and expertise over decades. For watches, especially those on the high-end, value comes not just from functionality, but from the fusion of design, aesthetic appeal, and the craftsmanship that showcases artisanal skills. We are one of the world’s only watch manufacturers capable of completing every process in-house: from planning, design, parts manufacturing, assembly, and quality assurance. This positions us well for future growth. By further refining and leveraging these strengths, we will provide more than just the assurance of reliable functionality. We will bring joy to our customers by creating experiences and memories through products tailored to their lifestyles.

Microdevices Operations
Division

Tsutomu Norimatsu



Executive Officer
Chief Operating Officer,
Microdevices
Operations Division

My division develops, manufactures, and sells semiconductor and quartz devices. Microdevices are essential components found in a vast range of products, from home electronics and automobiles to industrial equipment and infrastructure, making them indispensable in the modern world. We are advancing these devices and creating unique products that combine our semiconductor and quartz technologies. As the data-driven world continues to grow, the amount of data surrounding us will increase dramatically. This will raise a major social challenge: the rising energy consumption needed to process all that data. The Microdevices Operations Division will address this issue by providing devices that efficiently transmit and process massive amounts of data without consuming a massive amount of electricity. At the same time, we will help to realize a smarter society by providing sensing systems that convert analog data into actionable digital data.

Human Capital & Well-Being
Management Division

Yosuke Takakura



Executive Officer
General Administrative
Manager, Human
Capital & Well-Being
Management Division

Epson strives to increase long-term corporate value and sustain growth by solving societal issues through business operations that are aligned with the Epson Way. To do so, we must expand and create businesses by environmental, digital transformation, and co-creation initiatives that are aligned with the role, strategies, and policies in each area of business set forth in the Epson 25 Renewed corporate vision. Underpinning these activities are initiatives to strengthen our business infrastructure through HR strategies. Epson is executing strategies that pivot around allocating human resources to priority areas, strengthening human resource development, and revitalizing the organization. We seek to develop independent thinkers and enable them to come up with ideas for services that will be sought as society changes and for solutions to societal issues. By advancing these initiatives globally, we will wring the most out of the diversity and collective strength of the Epson Group and manage talent in a way that increases corporate value.

Divisions

Business Management
Division

Masaharu Mizukami



Executive Officer
General Administrative
Manager, Business
Management Division

The Business Management Division encompasses the government and public affairs, corporate planning, management control, finance and general accounting, legal and corporate governance, and investor relations functions. Its role is to guide Epson Group companies, operations divisions, and corporate divisions so that all activities align toward enhancing corporate value. We are responsible for the critical mission of organizing concrete roadmaps and goals based on the strategic direction set by management, establishing financial targets, and communicating these across the entire Epson Group. The external environment has undergone dizzying change in recent years, and the expectations of society and capital markets have become more diverse. Given this situation, we will actively gather and analyze information to anticipate mid-term changes and take proactive actions to address them.

Divisions

Production Planning Division

Akifumi Takei



Executive Officer
General Administrative
Manager, Production
Planning Division

The Production Planning Division is committed to building resilient and efficient operations in today's fast-changing environment by strengthening supply chains, manufacturing capabilities, and customer satisfaction (CS) quality.

We are reinforcing supply chains by putting in place schemes that enable us use analysis of integrated data to predict and execute optimized operations based on regional strategies. We are also promoting CSR initiatives in the areas of human rights and the environment.

In manufacturing, we continue to advance and pass down our philosophy of efficient, compact and precise innovation while developing young manufacturing talent and creating robust production sites. CS quality is being enhanced not only by driving quality improvements on the factory floor but also by building mechanisms that feed back the results of product usage analysis into product strategies to solve societal issues and maximize customer satisfaction. Although our responsibilities span a wide range, we contribute to corporate value by creating and evolving mechanisms that fully leverage teamwork.

Intellectual Property Division

Toshihiko Kobayashi



Executive Officer
General Administrative
Manager, Intellectual
Property Division

The Intellectual Property Division works closely with management, operations divisions, and development and strategy departments to convert IP into corporate value and realize sustained growth.

For example, one source of Epson's competitive advantage is our ultrafine precision processing technology. Our Micro Piezo inkjet printheads have not only been refined using this technology, they have also advanced under the protection of our powerful IP. In addition, by investing in startups and co-creating with third parties through open innovation, we are leveraging our intellectual property to help accelerate the development of new high-potential markets. Intellectual property thus serves as a foundation for creating a virtuous business cycle. It allows us to invest more in R&D and helps us to make large strides in advancing our products and technologies so that we can continue to boost their competitive advantage. We will spearhead an IP strategy that empowers this growth strategy.

Technology Development Division
Global Environmental Strategy
Promotion Office

Isamu Otsuka



Executive Officer
General Administrative
Manager, Technology
Development
Division/Global
Environmental Strategy
Promotion Office;
Chairman, Epson Atmix
Corporation

We develop key component technologies for innovative products and services by focusing on societal issues, growth opportunities, and business potential. Epson's core technologies and product technologies are based on efficient, compact and precise technologies developed over decades. They serve as development platforms to efficiently integrate and refine technologies for the development of high-value, hard-to-imitate solutions. Applying these technologies to new areas allows us to strengthen our basic technology and core competencies. Environmental issues threaten social and economic sustainability, but they also present significant business opportunities. We are looking to enhance corporate value and fuel future growth by identifying changes in society and markets and redirecting our technology and product development efforts accordingly. We will leverage the power of technology to address environmental issues and continue striving to achieve our Environmental Vision 2050.

DX Division

Susumu Maruyama



Executive Officer
General Administrative
Manager, DX Division

Advances in generative AI, cloud platforms, and cybersecurity have been driving changes in IT at unprecedented speed. These changes directly impact corporate competitiveness and public trust. DX at Epson is more than a means of improving operational efficiency; it is seen as a foundation for value creation. As the core organization responsible for company-wide information infrastructure and digital strategy, the DX Division is putting in place a flexible and responsive framework to adapt quickly to change. We drive standardization across the supply chain and leverage data throughout the value chain, including customer touchpoints and product planning and design. Our goal is to enhance the customer experience and contribute to social sustainability. We will also develop DX talent and empower every employee to use digital tools to transform operations. By continuously adapting the digital platforms that underpin trust, we will drive company-wide digital transformation.

Sustainability & Corporate
Communications Promotion
Office

Emiko Nemura



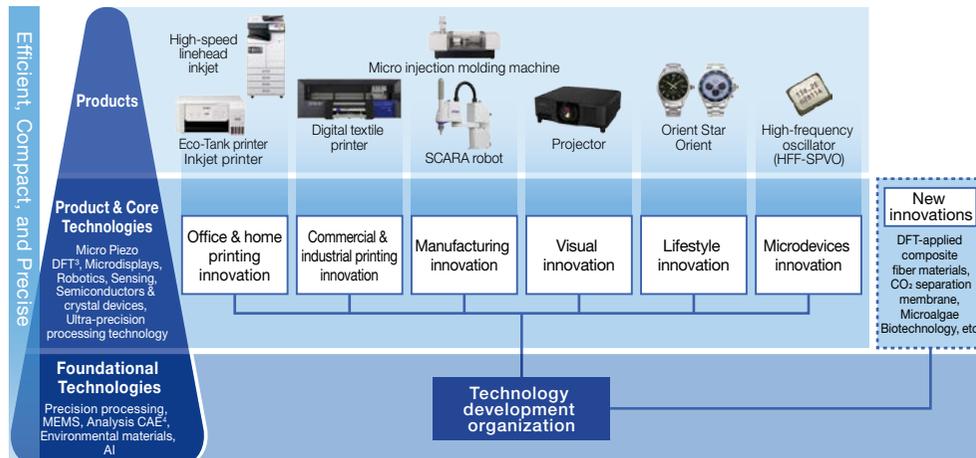
General Administrative
Manager, Sustainability
& Corporate
Communications
Promotion Office;
In charge of specific
projects in the Human
Capital & Well-Being
Management Division

In a rapidly changing world, Epson believes that sustainable growth depends on every employee acting as a professional and creating value together as a team. As the officer responsible for diversity and organizational culture, my goal is to foster a culture where diverse talent from across the globe can collaborate beyond borders, embrace change, and transform how they work, turning diversity into a source of competitiveness and corporate value. Promoting sustainability is at the heart of value creation at Epson, generating both social and economic value. Working with the management team to design long-term strategies that align with societal expectations, we will achieve sustainability through our business activities. We will create value based on our strengths, ensure transparent information disclosure, and engage in honest discussions to build public trust and manage sustainability in a way befitting this age of fast-paced change.

Building a Strong Foundation for Business Growth

Technology Development Strategy

Epson has always sought to advance its efficient, compact and precise technologies and to deliver value to the world by applying them. Our origins are in the wristwatch business, where we developed quartz crystal devices to provide accurate time to the general public. Today, this technology is used in all kinds of timing devices and sensors. In printing, Epson has refined its proprietary Micro Piezo inkjet technology and extended its application beyond home printers to office, commercial, and industrial printers. Our semiconductor devices, originally developed to reduce power consumption in wristwatches, are now also used in our own products, including inkjet heads and liquid crystal display drivers, as well as in the products of a wide range of customers who buy our ASICs¹ and LCD controllers. The liquid crystal displays used for showing the time on digital watches have also evolved into ultra-high-definition light valves², which are now widely used in projectors for offices, schools, and projection mapping applications and so on. To make technology useful, we must both respond to and anticipate the needs of society so that we can develop solutions in a systematic manner. Actions to address global environmental problems are particularly urgent, and Epson is working to achieve the goals of Environmental Vision 2050 by developing technology to circulate resources and become carbon-negative. To ensure sustainable business growth, Epson will build on its existing technologies and acquire new ones, driving innovation and creating products that surprise and delight the world.



¹ ASIC: Application Specific Integrated Circuit
² High-definition liquid crystal panels that control light to generate images
³ DFT: Dry Fiber Technology
⁴ CAE: Computer Aided Engineering

Creating and Co-creating Value with Our Technologies

Epson sees technology development as the source of competitiveness and corporate value, and we are working to create unique core technologies from foundational technologies, including things such as precision processing, MEMS, analytical CAE, environmental materials, and AI. These technologies are applied to product development in collaboration with our operations divisions and deployed widely across Epson's products and services, including printers, projectors, and industrial robots. Technology development focuses not only on improving product functionality but also on evolving manufacturing processes. For example, Epson is developing production technologies that raise productivity while reducing environmental impact, creating value throughout the entire product lifecycle. These technologies include things such as energy-efficient micro injection molding machines for making smaller parts with less waste.

In addition to advancing existing innovations using MEMS processing technology (introduced in detail on the next page), Epson aims to create new innovations from a long-term perspective that address societal issues and support sustainable corporate growth.

Examples include the development of fiber-reinforced plastics and recycled threads using Dry Fiber Technology, and CO₂ capture technologies leveraging thin-film technology from printheads. To further strengthen technology development, Epson is pursuing initiatives from a global perspective, collaborating with Group companies in North America and Asia, as well as co-creating with universities and research institutions worldwide to drive next-generation technology R&D. At the Seiko Epson × Tohoku University Sustainable Materials Co-Creation Research Institute at Tohoku University, we are leveraging the world-class high-brilliance synchrotron radiation facility "NanoTerasu" on campus to accelerate the development of materials such as fiber-reinforced plastics. Epson is also working with HKRITA⁵ to address challenges in the textile industry. As part of these efforts, Epson has developed a new production process using Dry Fiber Technology to recycle cotton fabric waste from garment factories into regenerated fibers. We are starting to see the early returns from co-creation, including the successful development of new regenerated cellulose fibers. Through these initiatives, Epson aims to realize its aspirational goal of achieving sustainability and enriching communities.

→See P38 for information about innovations in environmental technology development.

NanoTerasu, a 3 GeV high-brilliance synchrotron radiation facility



Seiko Epson × Tohoku University Sustainable Materials Co-Creation Research Institute



Material Solutions Center that houses the joint research lab (Tohoku University Katahira Campus)

▶ See P70 for footnote ⁵

Examples of Products Being Developed Using Precision Microprocessing Technology

Strengths of Epson's MEMS Processing Technology

MEMS processing technology is critical for integrating tiny mechanical and electronic components on substrates such as semiconductor wafers to realize sensors and actuators. Originally developed for watches, this technology has been progressively advanced and is now used to fabricate a wide range of microscale 3D devices with extraordinary accuracy and precision. Complex structures such as piezoelectric actuators for high-performance printheads are formed in materials such as silicon or quartz, with a height variation controlled to within one-fifth to one-tenth that of the industry standard.

1: Application to Innovative Printing Products

PrecisionCore printheads for inkjet printers

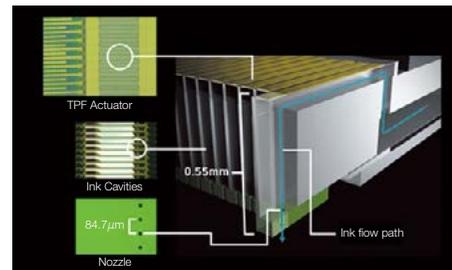
TFP[®] actuators, ink channels, and nozzles that eject ink droplets as small as a trillionth of a liter are formed using MEMS processing technology. The nozzles are fabricated in two rows, each 1.33 inches (33.8 mm) long and containing 400 nozzles.

These printheads deliver stunning print quality at high speed and are used in a wide range of printing applications, in the home and office as well as in commercial and industrial printing.

[®] TFP: Thin Film Piezo



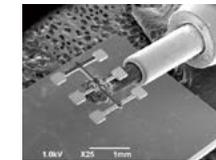
PrecisionCore printhead nozzle face



PrecisionCore microTFP printhead

3: QMEMS: Application to Microdevices

Quartz is known for having exceptional properties, including extraordinary accuracy and stability. We developed quartz gyroscopic (angular velocity) sensors that are produced using our proprietary quartz micro-electro-mechanical system (QMEMS). Our inertial measurement units (IMUs) were realized by combining QMEMS technology with the semiconductor technology and expertise developed for GNSS chips and other positioning devices. Integrating 3-axis gyroscopic sensors with 3-axis accelerometers enables the systems to measure and estimate orientation and trajectory. Our QMEMS processing technology enables us to produce miniature and high-performance sensors.



QMEMS: 3D quartz sensor produced using MEMS processing technology



Compact IMU

4: Watch Escape Wheel: Application to Wearable Products

MEMS processing technology is used to fabricate an innovative part used in Orient mechanical watches.

Mechanical watches, which use the torque of an unwinding mainspring to move the hour and minute hands, have a critical part called an escape wheel that affects a watches' timekeeping accuracy and power reserve. When fabricated in silicon with micron-order precision, this part is about one-third lighter than conventional metal escape wheels and conserves energy.

This silicon escape wheel is used in Orient Star skeleton models, where it extends the power reserve up to 70 hours¹⁰ while maintaining timekeeping accuracy. The surface of the escape wheel is given a beautiful blue reflective coating that simultaneously enhances both watch functionality and aesthetics.

¹⁰ Up to 20 hours longer than models equipped with conventional metal escape wheels.



Silicon escape wheel used in Orient Star watches



Orient Star internal structure

Future Prospects

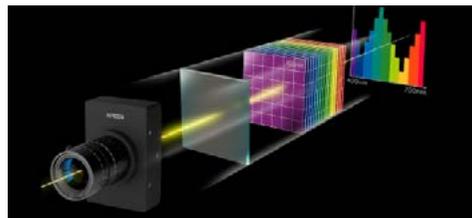
MEMS processing technology will advance from the microscale to the nanoscale. On the materials side, NEMS¹¹ processing technology will enhance customization at the atomic and physical property levels, expanding material diversity. By integrating MEMS and NEMS technologies, we will drive dramatic advances in sensor, actuator, and timing device miniaturization, energy efficiency, precision, and sensitivity.

¹¹ NEMS : Nano Electro Mechanical Systems

2: Sensor Application: Improving Product Functions with a New Device

Application to spectroscopic sensors (colorimeters, spectroscopic cameras)

Optical thin-film technology is used to form a multi-reflection interference filter that precisely analyzes light characteristics. MEMS processing technology is used to form an actuator to drive the filter. The filter and actuator are combined to produce a spectrometer that is dramatically smaller than conventional models. This technology is utilized for commercial and industrial printers and industrial equipment for accurate color matching and accurate inspections.

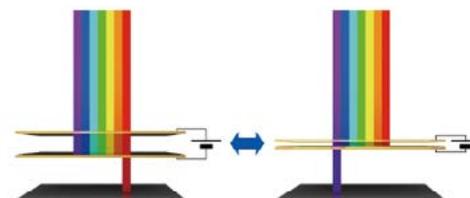


Spectroscopic camera mechanism

Epson's spectroscopic camera incorporates a MEMS filter that rapidly⁷ acquires spectroscopic data for 16 wavelengths within the visible light range⁸, enabling detection of subtle color differences that are difficult to capture with RGB cameras.

⁷ Color measurement processing time: 2-4 sec. (depending on what is being measured and the lighting conditions)

⁸ 400-700nm



MEMS Fabry-Perot Tunable Filter

This proprietary compact spectroscopic device integrates a Fabry-Perot interferometer⁹ and an actuator using MEMS fabrication processes. The device is small and thin yet provides outstanding accuracy at high speed.

[▶ See P70 for footnote ⁹](#)

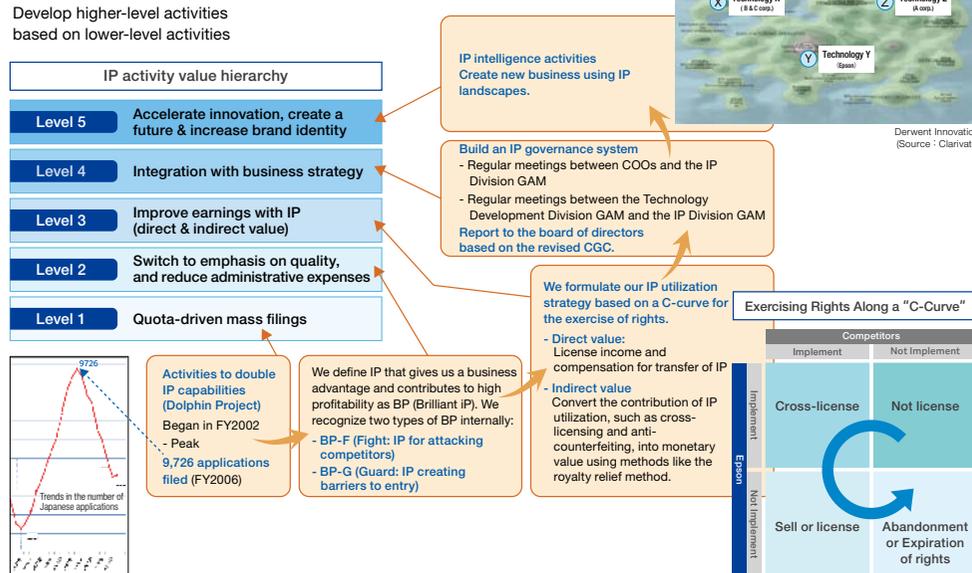
Intellectual Property Strategy

Epson believes that it is important to help sustain growth in corporate value by converting intellectual property—broadly encompassing brands, data, and other assets as well as intellectual property rights—into value.

Epson’s intellectual property strategy follows the intellectual property activity value hierarchy shown in the diagram. Our activities have ascended the hierarchy step by step from Level 1. For example, at Level 2, where we switch to an emphasis on quality and reduce administrative expenses, Epson optimizes the portfolio by assessing the asset value of the intellectual property coming out of R&D. At Level 3, where we improve earnings with IP, Epson sets separate KPIs for indirect value, which measures how intellectual property contributes to strengthening business competitiveness, and direct value, which measures how intellectual property generates revenue and helps maintain profitability. At Level 4, where IP is integrated with business strategy, we establish an IP governance framework to formulate and execute IP strategies aligned with business strategies.

Epson’s intellectual property activities are still evolving and are currently at Level 4 or below, but the groundwork has been laid to advance to Level 5. The goal at Level 5 is for IP activities to accelerate innovation, create a future for Epson, and increase brand identity through continuous innovation.

Intellectual Property Strategy (Schematic Diagram)



Examples of IP Activities That Support Inkjet Innovation

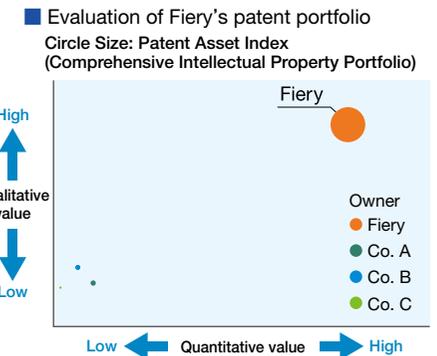
In Epson’s core printing business, we are pursuing initiatives centered on inkjet technology and printheads to improve short-term performance and drive longer-term growth. Here, we introduce intellectual property activities that support inkjet innovation.

1: Intellectual Property Protection for Core Technologies

Printheads, one of Epson’s core technologies, were first patented over 20 years ago, and the basic patents are now approaching expiration. To ensure ongoing protection, we continue to file and secure new patents as the technology evolves. Critical know-how required for printhead manufacturing is also safeguarded through strict confidentiality measures, and we strategically differentiate between patent filings and trade secret management to provide appropriate protection for core technologies. Even after the basic patents expire, we will promote Epson printhead branding by acquiring and leveraging trademark rights for PrecisionCore to secure continued customer trust and preference for Epson printheads.

2: Helping to Decide Whether to Pursue M&As

Providing management with early input on the IP of potential M&A targets is essential for making critical business decisions. In 2024, Epson made Fiery, a leading provider of digital front-end servers and workflow solutions for the printing industry, a wholly owned subsidiary. During this process, we utilized IP landscaping to evaluate Fiery’s IP assets. We found that Fiery possesses an outstanding patent portfolio in both quality and quantity compared to competitors, confirming that it is a valuable company with strengths rooted in its technology.



3: Helping to Decide Investment in Startups

To expand into new domains, we identify and quickly evaluate potential investment targets from an IP perspective to support management decision-making. In April 2025, Epson invested in Gosan Tech to advance the application of inkjet technology to perovskite solar cells. Gosan Tech’s strengths were analyzed based on patent information, and the findings were used in the investment decision-making process.

Analysis of Gosan Tech’s strengths

Areas of strength

Pub.No.	CI value*	Technical Field			
		Field 1	Field 2	Field 3	Field 4
A	17		○	○	
B	16		○		○
C	*		○		
K	1		○		
L	1		○		
M	1	△			
N	0	○			
O	0	△			
P	0	○			
Q	0	△			
R	0	○			
S	0	○			
T	0			○	
U	0			○	○

* CI value: Patent quality evaluations (competitive impact)

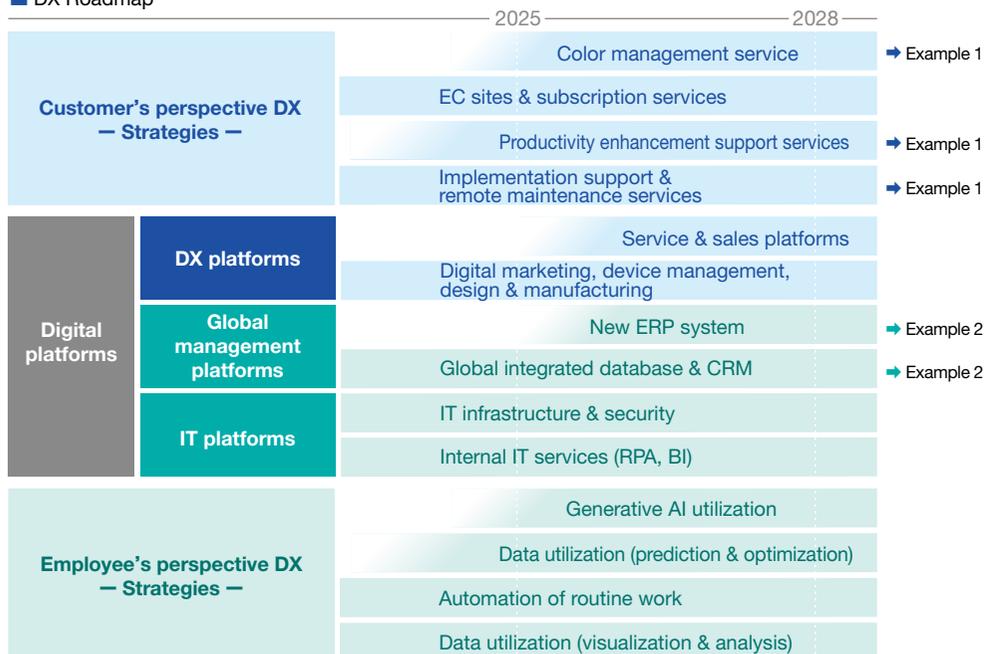
DX Strategy

The DX Division is advancing initiatives from both a customer’s perspective and an employee’s perspective, delivering customer-oriented solutions while driving innovations in the way we work. With the goals of Epson 25 Renewed in mind, we have been building a digital platform in conjunction with these initiatives to lay a foundation for transformation. As we moving forward, we will continue to expand and evolve this foundation to enable further transformation.

DX Strategy Initiatives and Progress

The DX platform and IT platform are the twin pillars of digital transformation at Epson. By strengthening these, we aim to activate both customer-focused DX and employee-focused DX, leveraging data across all business domains—from customer touchpoints to management decision-making—to create new customer value and enhance operational sophistication. For the DX platform, we collect and analyze customer behavior data and product operating conditions, using these insights to improve marketing and services, incorporate customer needs into design and manufacturing, and ultimately inform management decisions. For the IT platform, we provide stable, secure IT for employees, encompassing IT cost optimization, security measures, infrastructure development, system operations, and internal service management. Through these actions, we are building the foundation for employee-focused DX, ensuring reliability and efficiency across the company’s IT environment.

DX Roadmap



Examples of Strategic DX Activities

1: Enhancing Customer Insights with a Cloud-Based Solution

We are rolling out Epson Cloud Solution PORT as part of our integrated offering of hardware, software, and services for printer fleets. PORT raises productivity through remote monitoring and remote operation, accelerates service, and enhances the customer product usage experience. Some paid services even provide revenue. Looking ahead, we will deepen collaboration with more customers and conduct advanced analytics using data on things such as operating status and CRM¹ to generate proposals for new solutions. By continuing to deliver value even after product sales, we will forge stronger customer relationships while also pursuing an open platform strategy through partnerships with Fieri and other companies.

¹ CRM: Customer Relationship Management

2: Global Business Infrastructure Innovation Project

A project is underway to transform Epson’s business processes and system infrastructure. This project is expected to deliver numerous improvements, including enhanced operational efficiency, stronger sales support, and faster decision-making. In May 2025, we launched a new ERP system at our domestic Group companies and plan to roll it out to overseas manufacturing and sales companies, driving further transformation.



Human Resource Development

To improve DX literacy, we encourage employees to acquire basic IT and data utilization skills and knowledge through a company-wide education program. We also provide employees with the tools they need to easily develop business applications, thereby accelerating the use of digital technology and supporting workplace-driven process innovation. For example, we are driving digital utilization across the organization by enabling all employees to use no-code or low-code development tools. Through this program, we aim to develop talent who take the initiative to drive digital transformation themselves. (As of FY2024, 2,200 employees have completed the Data Utilization & AI course and 800 the No-Code/Low-Code Development Tool course [3X the prior year].)

Environmental Strategy

Epson’s “Environmental Vision 2050” presents ambitious goals and demonstrates our commitment to achieving sustainability and enriching communities and to the materiality (priority issue) of achieving sustainability in a circular economy.

Environmental Vision 2050

<p>Epson will become carbon negative and underground resource¹ free by 2050 to achieve sustainability and enrich communities</p>	<p>Goals</p> <ul style="list-style-type: none"> ● 2030: Reduce total emissions in line with the 1.5°C scenario² ● 2050: Carbon negative and underground resource¹ free
	<p>Actions</p> <ul style="list-style-type: none"> ● Reduce the environmental impacts of products and services and in supply chains ● Achieve sustainability in a circular economy and advance the frontiers of industry through creative, open innovation ● Contribute to international environmental initiatives

¹ Non-renewable resources such as oil and metals

² Target for reducing greenhouse gas emissions aligned with the criteria under the Science Based Targets initiative (SBTi)

Environmental challenges, including climate change, are becoming increasingly severe. Excessive resource consumption caused by mass production, mass consumption, and mass disposal has serious implications for both the environment and life. To achieve sustainability as a society, we must transition to a circular economy, balancing economic activity with environmental conservation. This requires low-environmental-impact products and services, effective resource use, and technological innovation. Realizing our environmental vision involves challenges that cannot be solved by Epson alone. Raw material decarbonization requires supplier collaboration, and electricity decarbonization depends on society at large. Society must embrace the same goals and seek to achieve them at a high level. Epson is adopting circular processes in its own business operations. It is also working with suppliers through the Epson Green Supply Chain and collaborating with various stakeholders via open innovation to rethink economic models. Epson is committed to environmentally conscious manufacturing and accelerating efforts toward a circular economy.

Net-Zero Target Approved by SBTi

Epson’s GHG emissions reduction targets were approved by the Science Based Targets initiative (SBTi) in May 2025 as being scientifically aligned with the Paris Agreement’s 1.5°C goal.



Targets Approved by the SBTi

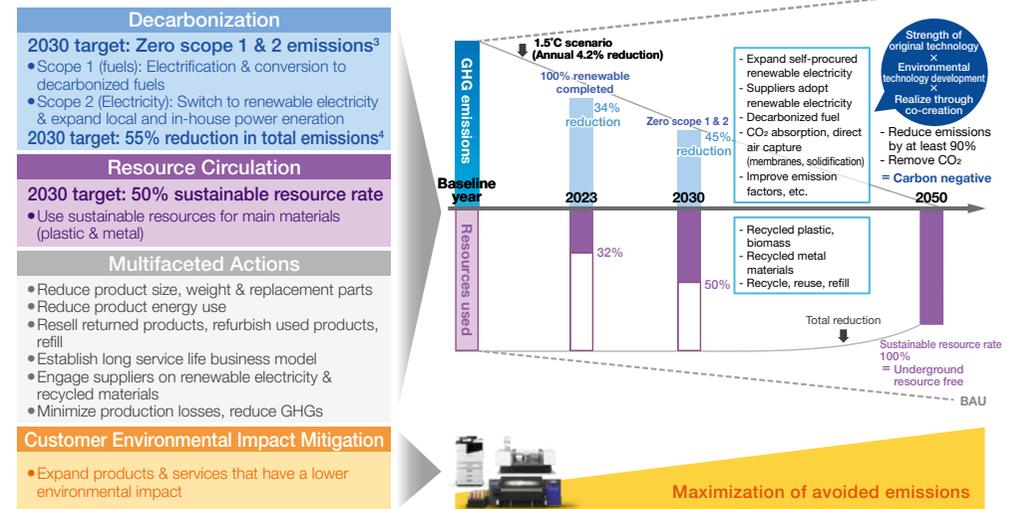
Near-term targets	Reduce total scope 1+2+3 emissions by 55% by 2030 Reduce total scope 1+2 emissions by 90% by 2030
Long-term targets	Reduce total scope 1+2+3 emissions by 90% by 2050 Achieve net-zero by 2050

* The base year for all is FY2017

Environmental Vision 2050 Roadmap

We are working toward our goals of becoming not just carbon neutral but carbon negative and underground resource free by 2050. Epson’s Mid-Range Environmental Action Plan outlines specific scenarios for achieving these goals. Supply chain GHG emissions and resource use will increase as we expand our businesses in growth areas and new areas. So, each of our businesses established environmental value creation scenarios that align environmental strategy and business strategy. These scenarios will serve as a roadmap for achieving the goals set for 2050.

Main Strategic Actions in the Mid-Range Environmental Action Plan and the Roadmap



³ Prioritize reducing absolute scopes 1 and 2 emissions by 90% compared to 2017. All residual emissions will then be neutralized.
⁴ Scope 1, 2, and 3 emissions compared to 2017

Partnership for Watershed Conservation

In April 2025, Epson entered into a partnership with Conservation International, an international environmental NGO dedicated to nature conservation. Under the partnership, Epson will donate USD 1.27 million to support watershed restoration and water quality improvement projects.

These projects will include river basin management and forest restoration countries where Epson has major manufacturing sites. Local employees will participate in the projects and contribute to Epson’s global water conservation efforts.

Projects

- Water quality restoration and conservation in the Calumpán River Basin (Philippines)
- Watershed restoration and conservation in West Java Province (Indonesia)
- Watershed restoration and conservation in the Amazon (Brazil)

Decarbonization

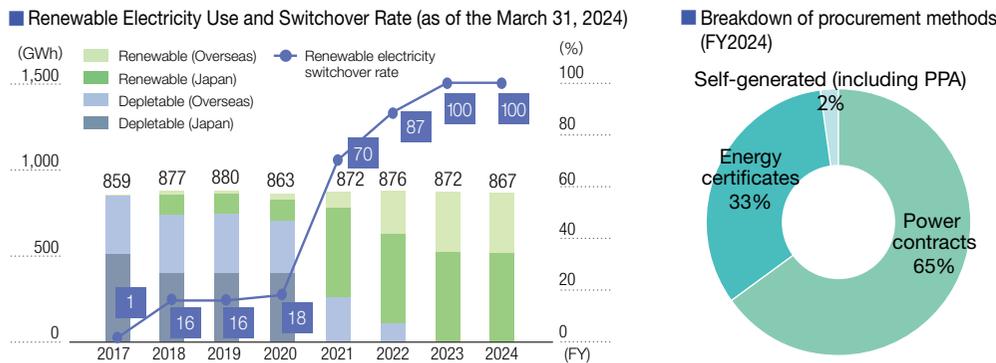
100% of the Electricity We Use is from Renewable Sources

Renewable electricity use is an important step toward achieving our decarbonization goal. We completed the switch to renewable electricity at our domestic sites in November 2021 and at our global Group sites⁵ in December 2023. This has reduced our consumption of fossil fuels and, again in FY2024, our GHG emissions associated with electricity use to zero.

In 2017, when we started to transition to renewables, 70% of our scope 1 and 2 emissions were from depletable energy sources. With Europe moving toward renewable electricity, we negotiated with office building owners for new power agreements.

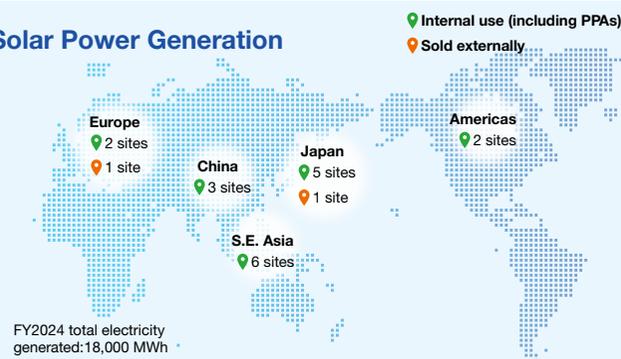
In Thailand, in addition to generating our own power with a mega-solar system installed on a factory roof, we switched to an agreement that utilizes power certificates from biomass (rice husk) power generation. Tenant offices and Epson sites operating where power agreements are not available are using renewable energy certificates and other methods of procurement available in their country or region.

⁵ Excluding some sales sites and leased properties where the amount of electricity consumed cannot be determined



Expansion of On-Site Solar Power Generation

We are implementing plans to maximize in-house power generation to ensure the stable and sustainable procurement of renewable energy. Our sites either invest to install rooftop or other solar panels or they enter into Power Purchase Agreements (PPA), whichever is best for their circumstances.



The Epson Green Supply Chain

Epson's transition to renewable electricity in 2023 was a significant first step. However, a substantial portion of Epson's GHG emissions originates from its supply chain, necessitating strengthened collaboration between Epson and its suppliers to promote decarbonization across society. Therefore, we launched an Epson Green Supply Chain program in 2024 to help our suppliers set decarbonization targets and adopt renewable electricity. Through these activities, we seek to increase the number of business partners who share our vision and engage the entire supply chain in the challenge of reducing environmental impact.

Main Activities

- Annual Supplier Conference
- Decarbonization seminars as learning opportunities
- Environmental action survey to ascertain suppliers' situation (steps)
- Environmental survey system introduced in May 2025 to efficiently collect information on company activities & visualize GHG emission
- Initiatives to reduce emissions across the supply chain (coordinated renewable energy procurement, collaborative approaches with upstream companies, etc.)



Utilization of Low-Carbon Shipping Services

In FY2024, Epson partnered with global shipping giant Maersk to begin using container ships powered by alternative fuels such as biodiesel and green methanol on some inbound ocean transportation routes to Europe. In the first year, Epson exported 100 forty-foot containers from the Philippines, reducing our GHG emissions by approximately 224 tonnes compared to conventional transport using heavy fuel oil vessels.

The GHG emissions associated with long-distance shipping and delivery (upstream) in Epson's value chain amount to approximately 130,000 tonnes of CO₂. Most of these emissions are from maritime shipping, the main means of international transport from manufacturing sites to sales areas. Therefore, reducing the environmental impact of shipping is one of the important challenges in decarbonizing logistics. The adoption of low-carbon shipping services using alternative fuels produces synergies with environmental measures in other areas of logistics, further reducing the overall environmental impact of logistics.



A Maersk container ship powered by alternative fuel

Closed Resource Loops

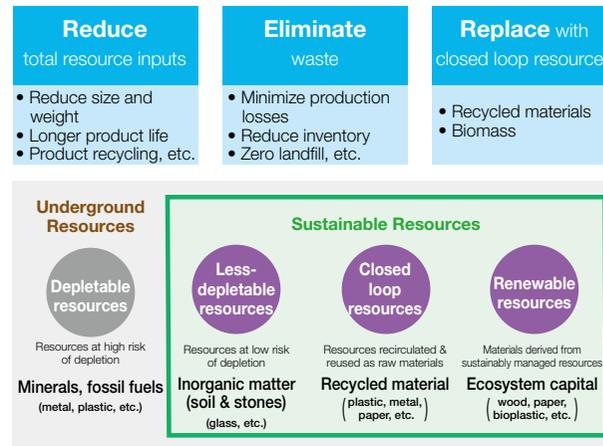
Initiatives to Become Underground Resource Free

The resources we use are called “natural capital” and include underground resources, abiotic flows⁶, and ecosystem capital. The mining of underground resources causes destruction of the biosphere. In addition, when mined resources are used as industrial products, they consume a great deal of energy and emit CO₂. We will utilize previously mined underground resources as existing above-ground resources (closed loop, or circular, resources) to reduce consumption of new underground resources and become underground resource free by 2050. Ecosystem capital is renewable and non-depletable if used wisely. We are endeavoring to reduce total resource inputs, eliminate wastes, and attain a sustainable resource rate⁷ of 100% to become underground resource free.

⁶ Renewable sources such as solar light, wind, water, geothermal heat

⁷ The proportion of sustainable resources (renewable resources + closed loop resources + less-depletable resources) to raw materials

■ Conceptual image of resource use for Epson to become underground resource free



Projector Resource Circulation

To realize Environmental Vision 2050, each of our businesses is developing strategies for creating environmental value and working to mitigate environmental impact. In the projector business, for example, we are focusing on resource circulation, using recycled materials in products and reducing packaging materials derived from underground resources.

Resource circulation

- Use of recycled plastics (Target: Apply to 20% of the entire lineup by FY2026)
- Expand the use of packaging materials that do not rely on underground resources (Target: Eliminate⁸ the use of underground resource-based materials in packaging by 2030)
- Eliminate paper manuals ⁸ Only products weighing less than 10 kg

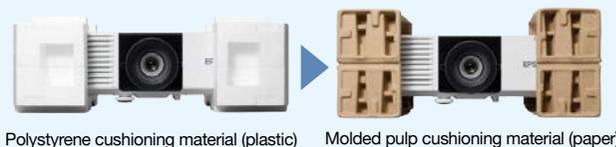
■ Use of Recycled Plastic (with 65% Recycled Content)

Recycled plastic is used in the exterior lower case and interior parts of the air duct. For standard models commonly used in corporate and educational markets, recycled plastic accounts for 21%⁹ of the total plastic used in the product body (by weight). We will continue to expand the adoption of recycled materials and contribute to resource circulation.



■ Use of paper resources in packaging

In the EB-L890E series of business projectors, we have replaced polystyrene cushioning material with molded pulp made from 100% recycled material.. In addition, more than 80% of the cardboard used for packaging boxes is made of recycled materials. The use of paper products has allowed us to reduce the amount of petroleum-derived materials we use.



Customer Environmental Impact Mitigation

Estimating Avoided Emissions Based on Fairer Calculation Logic

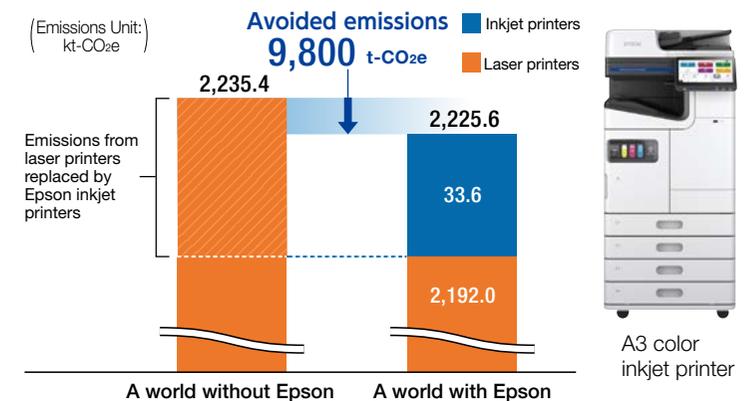
Customer environmental impact mitigation is a part of Epson’s growth strategy and a way to create value for society. As part of these efforts, we calculate and disclose our avoided emissions¹⁰, a quantitative indicator showing how our products and services contribute to reducing GHG emissions in society as a whole.

Epson’s inkjet printers employ Heat-Free Technology, which minimizes power consumption because ink is ejected mechanically rather than by heating. They also have fewer limited lifetime parts than other printing systems. This means that replacing laser printers with Epson’s inkjet printers reduces the environmental impact of printing while also mitigating the environmental impact on society as a whole.

To ensure that our data is fair, we developed the calculation logic based on third-party verification while referring to guidance published by the World Business Council for Sustainable Development (WBCSD). In FY2024, emissions avoided by replacing laser printers with A3 color inkjet printers amounted to 9,800 t-CO₂¹¹.

Epson’s efficient, compact and precise technologies can help to mitigate environmental impact. By applying the calculation methodology formulated for A3 color inkjet printers to other product genres, we will visualize Epson’s goal of mitigating the environmental impact of our customers.

■ Avoided emissions for A3 color inkjet printers (FY2024 results)



▶ See P70 for footnotes ⁹, ¹⁰ & ¹¹

Environmental Technology Development

Driving a Circular Economy with Environmental Technology Developed to Address Societal Issues

In the Epson 25 Renewed corporate vision, Epson has identified and prioritizes four material issues based on societal issues. One of them—achieving sustainability in a circular economy—is a key pillar for realizing a sustainable society. To reduce dependence on underground resources and promote resource circulation, we focus on researching and developing environmental technologies centered on materials. Specifically, we utilize our Dry Fiber Technology, metal powder control and other advanced material technologies to create new products from unused and recycled materials. This enables us to replace materials derived from underground resources with those sourced from above-ground resources. Furthermore, we actively pursue co-creation with external partners to accelerate real-life implementation of environmental technologies. In addition, to achieve our goal of becoming carbon negative, we are developing CO₂ absorption technology to address unavoidable greenhouse gas (GHG) emissions.

Dry Fiber Technology: Innovative Resource Circulation Using Dry-Process Defibration

Epson's proprietary Dry Fiber Technology is used to mechanically defiberize fibrous materials such as paper with almost no water, producing high-performance materials from ones that were previously difficult to re-fiberize. This technology is used in Epson's PaperLab, the world's first dry-process office papermaking system that turns used paper into recycled paper right inside the office. It also helps reduce CO₂ emissions from transportation and ensures secure disposal of confidential documents.¹² The greatest feature of Dry Fiber Technology is that it can control the length of the separated fibers. By keeping fibers long, the technology can be applied to fiber products such as recycled cotton yarn, with potential expansion into apparel and industrial materials. Conversely, the fibers can be shortened and made much finer for use in high-performance resin materials and molded materials, offering potential as alternatives to petroleum-derived plastics.

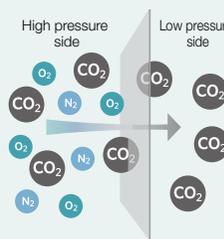
¹² A small amount of water is used to maintain humidity inside the system.



CO₂ Absorption Technology: A Long-Term Effort to Becoming Carbon Negative

Epson is applying its inkjet printhead fabrication technology to the development of a CO₂ separation membrane. The goal is to build a compact, energy-efficient system that efficiently separates and captures CO₂ from exhaust gases. We are also working on bio-based technologies using microalgae (coccolithophores), exploring the potential for efficient carbon fixation by harnessing the power of nature. These technologies serve as complementary measures to address unavoidable GHG emissions from products and business activities, contributing to the creation of a sustainable carbon cycle.

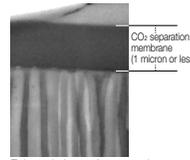
Separation & Capture



High pressure side | Low pressure side

CO₂, O₂, N₂ molecules are shown on both sides, with CO₂ being captured on the low pressure side.

Features of Epson's separation membrane



- Thin-films used in printers are applied to CO₂ separation membranes
- Film **less than 1 micron** thick is highly permeable to CO₂
- Using a high-permeability membrane with a small area **enables equipment to be made smaller**

Coccolithophores



- Marine algae with a diameter of 5–10 μm
- A group of algae called haptophytes
- Calcium carbonate is synthesized inside the cell to form an outer shell Coccolithophores

Example of coccolithophore fossilization



The white cliffs of Dover Which proliferated massively during the Cretaceous period, accumulated and fossilized.

Supporting Resource Circulation through Metal Powder Technology: Epson Atmix's Challenge

Epson Atmix Co., Ltd. is helping to realize a circular economy through technologies for manufacturing and recycling metal powders. The company's precision technology for manufacturing high-performance metal powders is critical base technology that contributes to the effective use of recycled materials and to production process efficiency, directly reducing environmental impact.



Epson Atmix's Metal Refining Plant at Kita-Inter

Leveraging these technologies, Epson Atmix launched operations at a metal refining plant in June 2025 to recycle unwanted metals into raw materials. The plant recycles metals from the Epson Group and the local community as raw materials for metal powder products. It is replacing virgin materials such as high-purity iron from blast furnaces with recycled metal materials, conserving underground resources and reducing CO₂ emissions. The high-quality raw materials produced at this plant have promising applications in things such as 3D printing and high-performance components, thanks to Epson's proprietary technology for precisely controlling powder particle size and shape.

Response to TCFD Recommendations



Response to TCFD Recommendations

<https://corporate.epson/en/sustainability/initiatives/tcfd.html>

Climate change is greatly impacting society and Epson sees it as a significant societal problem. The goal of the Paris Agreement is to achieve decarbonization and limit the global average temperature to well below 2°C above pre-industrial levels and try to limit the temperature increase to 1.5°C. To achieve this, Epson is working to reduce total emissions in line with a 1.5°C scenario by 2030. We analyze scenarios based on the TCFD framework to quantitatively assess the financial impact¹ of climate-related risks and opportunities on Epson’s strategy. In a 1.5°C scenario in which there is rapid decarbonization of society, we found that there is transitional risk of an increase in operating costs due to market changes, policies, and legislation, but we expect to limit the financial impact by strengthening products and services based on inkjet technology and paper recycling technology. We found that the impact of physical risks on our domestic and overseas sites due to damage arising from weather extremes would be small.

The table below shows the results of actions implemented in FY2024 with respect to risks and opportunities that could have a large to medium financial impact. Please click on the link above for details, including transitional risk and physical risk with a small financial impact.

Climate-Related Risks and Opportunities in a 1.5°C Scenario/ FY2024 Actions (Excerpt)

Category		Evaluated risks & opportunities	Actual-ization ²	Business impacts		Financial impact	FY2024 actions	Results of actions implemented in FY2024		
Transition risks	Market changes Policy & laws and regulations	(Initiatives in Environmental Vision 2050) <ul style="list-style-type: none"> Decarbonization Closed resource loop Environmental technology development 	Short-term	Impact	<ul style="list-style-type: none"> Decarbonization of products, services, and supply chains as well as advanced initiatives in resource recycling are needed to respond to the shared global societal issues of climate change and resource depletion. Scientific and specific solutions are necessary to develop environmental technologies linked with the rapid decrease of environmental impacts. 	Response to risks	<ul style="list-style-type: none"> Decarbonization Renewable energy use - Energy-saving facilities & equipment - Greenhouse gas removal - Supplier engagement Carbon-free logistics Closed resource loop Use resources effectively Minimize production losses Extend product service lives Environmental technology development Dry fiber technology applications Naturally derived (plastic-free) materials Material recycling (metal, paper) CO₂ absorption technology 	Invest a total of approximately ¥100.0 billion by 2030	<ul style="list-style-type: none"> Maintained 100% renewable energy at all sites of the Epson Group globally³. Started the Epson Green Supply Chain project that supports GHG emission reduction and the adoption of renewable electricity among suppliers. Expanded the use of recycled plastic products, and increased the long-term use of products through refurbishing/reuse. Completed construction of a new plant to recycle metal waste as materials for metal powder products (June 2025, Epson Atmix). Developed fabric fiber composite recycled plastic by applying dry fiber technology. Promoted the development of a technology for separating and collecting CO₂ using a separation membrane and a CO₂ absorption technology utilizing algae. 	<ul style="list-style-type: none"> ¥7.58 billion (Breakdown) ¥4.38 billion - Expenses: ¥1.91 billion - Personnel expenses: ¥1.29 billion Cumulative input costs and investments for Environmental Vision 2050: ¥20.22 billion in total
Short-term	Assumed scenarios	<ul style="list-style-type: none"> Market growth is expected in the areas of global warming prevention, waste treatment, and effective utilization of resources. The shift to a circular economy is expected to drive market growth for recycled plastics, high-performance biomaterials, bioplastics and metal recycling. 	Business opportunities	<ul style="list-style-type: none"> Generate revenue by value transformation (enhancing functionality), eliminating plastics (packing and molding materials), creating new high-value-added materials and carrying out other measures through the establishment of technologies, such as applications of dry fiber technology, including paper recycling, development of naturally derived materials (elimination of plastics) and recycling of raw materials (metal and paper recycling) as effective solutions for combatting global warming and shifting to a circular economy. 	<ul style="list-style-type: none"> Started PoC⁵ of a business model for recycled fabric with an eye to business development with dry fiber technology as the core technology. 	—				

¹ Financial Impact Small: < 1 billion yen Medium: 1-10 billion yen Large: >10 billion yen ² Actualization Short term: < 10 years Medium term: 10-50 years Long term: > 50 years ³ Excluding some rental properties housing sales sites.

⁴ Comparison of actual results for FY2022 to FY2024 forecasts at the time of announcement of Epson 25 Renewed. ⁵ PoC (Proof of Concept): A process to verify the feasibility and actual effect of a new technology, etc.

Response to TNFD Recommendations

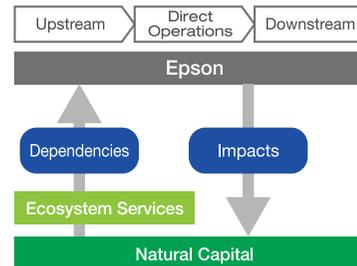


In June 2024, Epson expressed its support for the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD). We evaluated the Group’s dependence and impact on natural capital and analyzed the associated risks and opportunities in accordance with the LEAP approach¹ recommended by the TNFD framework. Based on this analysis, we will contribute to the realization of a sustainable society by minimizing our negative impact on nature and biodiversity and further harmonizing with local ecosystems.

¹ The LEAP approach is an integrated approach for assessing nature-related issues, including nature contact, nature dependencies, impacts, risks, and opportunities.

Epson and Natural Capital

Epson’s business activities and the lives of our employees are supported by the gifts of nature (ecosystem services) (dependency in the figure). In addition, our activities have a direct and indirect impact on nature (impact in the figure). The global loss of natural capital could severely disrupt our business activities and lives. To prevent the loss of natural capital, we must reduce our negative impact on nature. At the same time, as awareness of risks related to natural capital is increasing, we believe that Epson’s technology can contribute to solving these issues. This also presents a business opportunity for Epson.



Environmental Strategy



Responding to TNFD Recommendations
<https://corporate.epson/en/sustainability/initiatives/tnfd.html>

Identification of Priority Regions

We assessed the risks to ecosystems and water at 42 sites in the Epson Group and identified 11 sites in North America, East Asia, and Southeast Asia as priority locations.

■ Priority locations (sites) for direct operations



Nature and Biodiversity-related Risks and Opportunities and Our Response to Them

We first identified risks and opportunities that are caused by, or depend on, nature. We then evaluated the importance of these risks and opportunities based on the likelihood of their occurrence and the degree of impact they would have. We identified six risks and two opportunities as material. The table below shows how we are responding to them.

Category		Value Chain	Risks & Opportunities		Response	Actualization ²
Risk	Physical/Chronic	Direct operations	Water	Reduction and depletion of water resources Lower production volumes due to limited water availability	<ul style="list-style-type: none"> Improve water use efficiency at production sites in the medium term. Mitigate risk at sites located in regions with water risks (drought, water quality) 	Mid-term
			Water and soil pollution	Water pollution, soil pollution Environmental degradation caused by other stakeholders		
	Transition/Regulation		Water and hazardous substances	Stronger regulations on water source conservation, water intake, and pollution	<ul style="list-style-type: none"> Strictly control pollution at production sites Reduce water consumption at production sites. Analyze site water consumption and usage. Implement reduction measures tailored to each site. Share case studies. 	Short-term
	Transition/Market		Water	Higher costs for improving water and energy efficiency		
	Transition/Regulation		Resources and hazardous substances	Rules making mandatory the use of low-impact raw materials and stronger restrictions on the use of chemical substances		
Transition/Market	Downstream	Environmental impact	Lower customer preference for products with high environmental impact	<ul style="list-style-type: none"> Comply with environmental regulations. Circulate resources. Refurbish and reuse ink bottles and cartridges. Use recycled and bio-based materials and practice design for environment. Mitigate customer environmental impact. Expand products and services that mitigate environmental impacts on the public. 	Short-term	
Opportunities	Corporate perspective & nature & social perspective	Downstream	Environmental impact & resources	Enhancing Product & Corporate Value <ul style="list-style-type: none"> Company Perspective <ul style="list-style-type: none"> Increased product competitiveness and customer value Enhanced corporate brand value Lower transportation costs Nature or Social Perspective <ul style="list-style-type: none"> Lower GHG emissions during product manufacturing and use (miniaturization, weight reduction, energy savings) Achieve sustainability in a circular economy 	<ul style="list-style-type: none"> Develop lower-carbon products Extend product life (reuse & recycle) Use more recycled materials and biomaterials in Products 	Mid-term
			Increasing need for solutions to environmental issues	<ul style="list-style-type: none"> Company Perspective <ul style="list-style-type: none"> Secure new sources of revenue and diversify and stabilize management Nature or Social Perspective <ul style="list-style-type: none"> Provide solutions to environmental issues 	<ul style="list-style-type: none"> Environmental technology development and promotion 	Mid-term

² Short-term: by 2030. Medium-term: by 2050. Long-term: 2050 or beyond

Human Resources Strategy

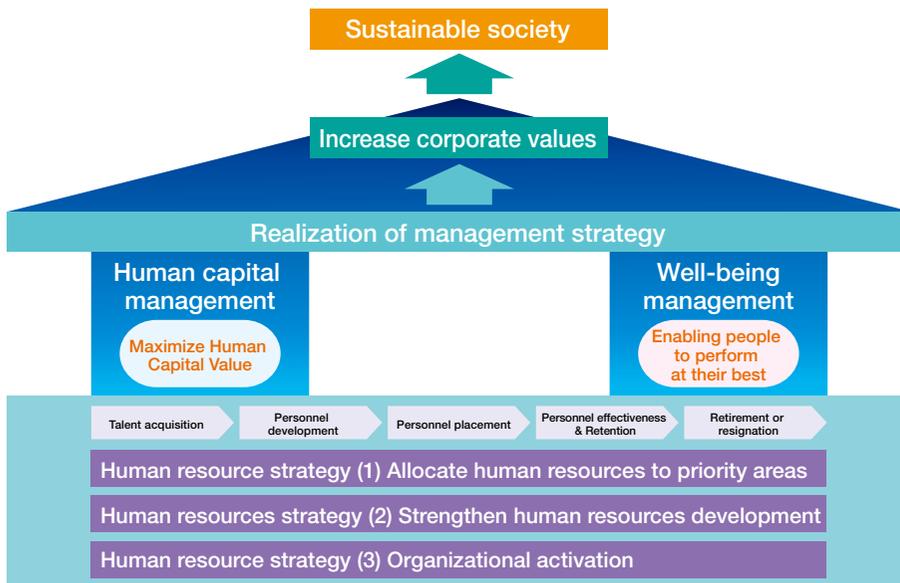
Epson was born and raised in Shinshu (Nagano Prefecture), and the prefecture is still home to our core business operations. Today, however, Epson is a multinational corporation, with R&D, production, and sales sites around the world. Overseas operations account for approximately 80% of our revenue and 70% of our employees. Given this, our basic strategy is to turn local employment and relatively long-term employment into a strength while also actively recruiting external talent to enhance diversity and building a workforce that can compete globally and achieve management goals. We also seek to enhance employee autonomy and responsiveness to change, as well as increase motivation and engagement, thereby fostering an organizational culture in which people create value and embrace challenges with confidence.

In short, we focus on the following:

- acquiring external talent with expertise in growth areas, new areas, and highly specialized fields, as well as management personnel capable of acting from a business perspective;
- providing growth opportunities through training, reskilling, rotations, and internal recruitment so that employees can seamlessly adapt to changing circumstances, and developing talent capable of thriving globally, including overseas personnel; and
- fostering an organizational culture that encourages people to embrace challenges proactively without fear of failure.

■ Epson's Human Resources Strategy Overview of Initiatives

Epson will enhance employee autonomy and responsiveness to changes in the environment, improve employee motivation and engagement, promote the activities of human resources that create value, and foster an organizational culture that continues to take on challenges in a positive manner without fear of failure. By doing so, we aim to maximize the value of our human resources and contribute to the enhancement of our corporate value over the medium to long term, and are developing a human resources strategy based on human capital management and well-being management.

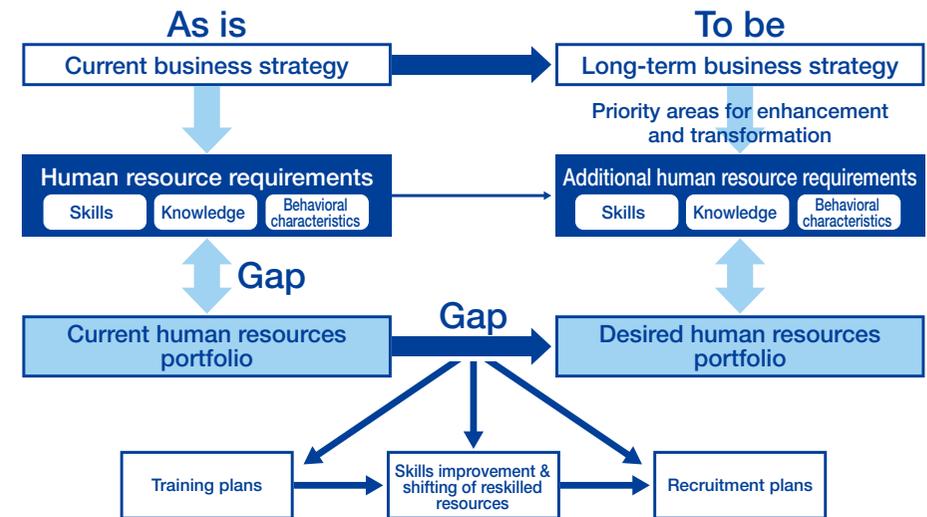


Type of Talent We Look For

To execute our business strategies and achieve our plans, we need individuals who have a broad perspective, professional expertise, and the ability to quickly respond to change. We need people with a customer perspective who can take initiative and autonomously create customer value. At the same time, we need to embed purpose and the Epson Way and embrace shared strategies and goals. Moreover, we are developing a global HR portfolio to compensate for Japan's declining birthrate and shrinking labor pool. In FY2024, 70% of our operations divisions and corporate divisions finished visualizing their current (as-is) human resource portfolio by defining human resource requirements in terms of skills, knowledge, and behavioral characteristics. In FY2025, the remaining units will complete their as-is portfolios. The next step is to visualize the desired (to-be) human resource portfolio in parallel with the formulation of the management strategies in the upcoming long-term corporate vision so that we can identify gaps between the current and future portfolios in terms of both quantity and quality.

We will then fill those gaps by recruiting, reskilling, and shifting people as needed to execute the management strategies, build an optimal personnel structure, and formulate a human resource strategy that will contribute to the realization of our medium- to long-term business strategy.

■ Visualizing a Human Resources Portfolio



We formulate a human resource portfolio that shows the current [As is] and desired [To be] states of our human resources. We use it to identify gaps in the quality and quantity of human resources required to formulate and execute business strategies and establish new business models, primarily from the perspective of skills and behavioral characteristics. We refer to personnel skill level maps to determine whether the necessary people can be secured by upskilling, reskilling, or reassigning existing personnel or whether we need to acquire external talent. We also use the human resource portfolio as a communication tool between supervisors and subordinates to encourage their independent learning and growth.

Strategy 1 Allocate Human Resources to Priority Areas

Formulate staffing plans based on forecasts of the future personnel structure and the talent required to achieve our business strategies. In the medium term, hire 350 or more new graduates and mid-career workers each year. We strategically allocate personnel to growth areas such as printing (office, commercial and industrial) and new areas such as environmental business and environmental technology. In addition, we are actively upskilling and reskilling employees to prepare them for different roles in priority areas. At the same time, we are clearly defining our talent requirements and recruiting external professionals, including management personnel and specialists in digital transformation (DX), to strengthen our organizational capabilities. In FY2024, 380 out of a total of 549 employees were assigned to priority areas.

Talent Placement and Promotion to Management

Talent placement and promotion to management are based on the concept of “role.” We design global organizations to execute business strategies, define the role of each position in the organization, and then allocate and appoint the most appropriate people to that role. To achieve this, we conduct an annual human resources review at each level of the organization to get a bird’s eye view of the staffing situation, list potential successors for each position, and review their skill development needs. Internationally, local top management and human resource departments work together to define roles and requirements and formulate succession plans and development plans. These actions are designed to optimally position human resources from a global perspective.

Number Hired

	FY2022	FY2023	FY2024	Future Goals
New graduates	250	344	373	Hire ≥350/year ¹ continuously
Midcareer hires	241	204	70	

¹ Total hires each fiscal year, including new graduates who join on April 1 and mid-career hires

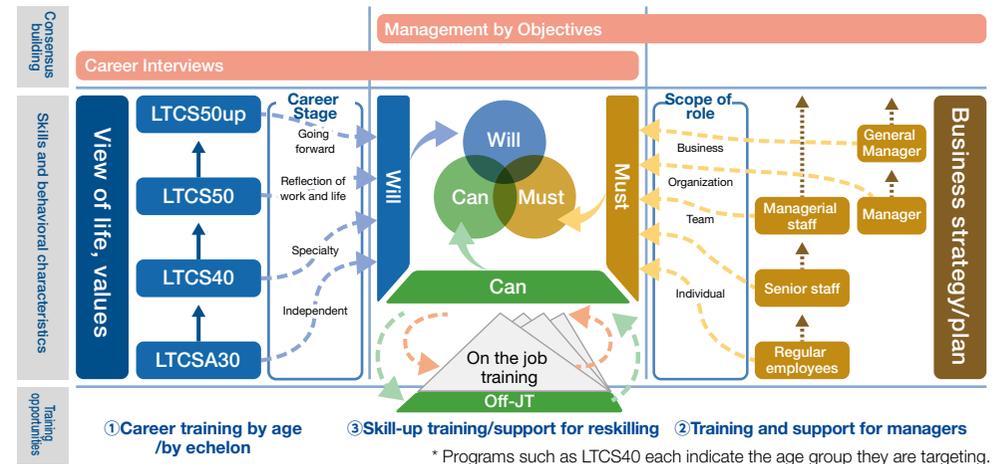
Allocation of Personnel to Priority Areas

	FY2021-2023 Total	FY2024 Plan	FY2024 Result
Total staffing	1,881	503	549
Number assigned to priority areas	1,313	374	380

* Number of employees assigned due to hiring and internal transfers

Strategy 2 Strengthen Human Resource Development

Epson aims to be a company where people can develop their careers autonomously and continue to grow over a long-term time horizon. To support the career development and growth of each employee, we have created a training system concept using the “Will, Can, Must” framework. It consists of three major training categories: (1) age- and rank-based career training, (2) training and support to strengthen management capabilities, and (3) skills training and reskilling support. By linking training and systems to “Will, Can, and Must” respectively, we aim to enhance the effectiveness of learning and increase employee satisfaction and motivation for growth.



① Career Training by Age and Level

Epson is continually working to create an organization where people can grow, and we support employees in building careers that give them a sense of accomplishment and growth. In addition to developing the skills to quickly respond to shifts in business strategies and changes in the environment, we also provide “Lifetime Career Support Training” (LTCS) tailored to each age group and rank at each age milestone, so that employees can think about the career they want to pursue from a medium- to long-term perspective and take the initiative to work towards achieving that goal.

② Strengthening Management Capabilities and Providing Support

Supervisor management and communication in the workplace play an extremely important role in ensuring that employees thrive and grow. To strengthen and support management capabilities, we provide training programs for new managers, as well as 1-on-1 communication training. We also partner with external organizations to offer a variety of content for learning management skills.

③ Skills Training and Reskilling Support

Our reskilling efforts are designed to support employees’ desire to continue to grow and develop their careers autonomously, as well as to enhance their skills and strengthen their ability to respond to change. Based on the acquisition of business core skills such as basic OA skills, logical thinking, and dialogue skills, we offer a wide range of specialized training programs tailored to the job and position. We also support skill development through individual self-development by providing external training sites and subsidizing qualification acquisition and correspondence courses.

Strategy 3 Organizational Activation

Engagement Survey

The results of the company-wide engagement survey conducted since FY2022 show that there is a foundation of trust in the organization and that employees will act if instructed to do so by their superiors. On the other hand, it has become clear that there are many issues that need to be addressed in order to realize an independent (self-driven) organization in which individuals take the initiative to resolve organizational issues. We have identified three areas of focus working toward this: embedding our corporate philosophy and fostering personal ownership, enhancing a mindset for transformation and an outward-looking perspective, and promoting personal growth and a sense of contribution through work.

We believe that strengthening management skills in the workplace is particularly important for these improvements. We are therefore sharing management information, conducting activities to instill the corporate philosophy, providing 1-on-1 training, reviewing training systems for managers, introducing subscription-based educational content, posting case studies on the intranet, establishing consultation services for managers, and providing individual workplace support.

As a result of these efforts, the overall company rating improved from B (the sixth highest of 11 levels) in FY2022 to BB (the fifth highest) in FY2023 and FY2024. We are making progress toward increasing productivity by developing human resources who are independent thinkers and doers and by building strong relationships of trust in the workplace to strengthen organizational capabilities.

Employee Engagement Survey Results and Targets

Company-wide Indicators	FY2022	FY2023	FY2024	Target (FY2025)
Overall rating	B	BB	BB	A
Score	51.8	52.9	52.2	58.0
Number of D-rank workplaces (units/sections) *	47	45	36	0

* Rank
 A : Strong, trusting relationship
 B : Trusting relationship; can communicate to resolve issues
 C : Uncertain relationship D : Relationship has deteriorated

FY2024 Employee Satisfaction



Diversity

Gender equality

Enable all employees to fully demonstrate their abilities regardless of gender. We recognize that gender equality is an urgent issue in Japan. Eliminate existing gender gaps and avoid creating new ones by motivating women to seek advancement and by promoting a company-wide shift in mindset, particularly among management.

Diversity Indicators

Women's Empowerment (Seiko Epson) (as of March 31, 2025)	FY2024	FY2025 (Target)
Percentage of women in management	5.3%	8%
Percentage of women in assistant manager positions	8.1%	10%

Global Talent Utilization

To provide products that have customer value, the entire global value chain must operate effectively and efficiently. This requires global talent with extensive knowledge and experience in different functions who can effectively coordinate operations and rapidly make the right decisions. To develop leaders who share common values and promote personnel exchanges across regions, we hold a global seminar every year for managers at our overseas affiliates. For overseas talent, we work in collaboration with local top management and HR departments to define roles and requirements and formulate succession and development plans for key positions and key personnel. Through these actions, we are working to best position our people from a global perspective.

Global Professional Development

The Global Incubation Seminar (GIS) is an educational training program aimed at systematically developing the next generation of leaders at Epson Group companies worldwide. Through this program, we share Epson's vision and values and nurture the ability of these leaders to put the vision and values into practice within their organizations. More than 400 people have participated in the GIS since it was first held in 1999, many of whom now hold managerial positions in our overseas affiliates.

Global Talent Development and Engagement

Percentage of Women in Management at Regional Head Offices				Percentage of foreign nationals among directors	40%
EAI	EEB	ESP	ECC	Percentage of foreign nationals in CEO positions	66%
34.7%	28.6%	58.8%	30.0%	Percentage of local hires among management	90%

* Epson America, Epson Europe, Epson Singapore, Epson China

* All overseas Group companies

Advancement of People with Disabilities

Epson regards the advancement of people with disabilities as a key diversity priority. We seek to create conditions that allow all individuals to make meaningful contribution by continuously challenging themselves and growing at a pace aligned with their roles and responsibilities. To achieve this, we are building connections and raising awareness both within and outside the company, as we want to play a leading role in promoting their participation within the community. One of our main focus areas is developing new businesses centered on office support tasks within our special subsidiaries.



By expanding job options, we can provide opportunities tailored to their specific characteristics and ensure that the value of each job is fairly evaluated. This will also contribute to sustainable business operations. We are committed continuing our efforts to empower people with disabilities.

Workshop on workplace management challenges and reasonable accommodation practices within the company, with participation from university professors and experts.

Number of Employees with Disabilities (Seiko Epson and specially recognized Group companies in Japan) (As of June 1, 2025)				
	FY2023	FY2024	FY2025	FY2030 (Target)
Number of employees	329	337	341	—
Percentage of workforce	2.65%	2.65%	2.58%	3.0%

Health and Productivity Management

Epson is working to create an enjoyable and dynamic workplace environment to ensure employee physical and mental well-being. The Health and Productivity Management Declaration explicitly applies to all workers in the global Epson Group, not just employees. Epson is committed to working as one with them to manage their health and achieve our goal of social sustainability.

Health and Productivity Management Declaration

At Epson, we consider the health of all people in the Epson Group to be our top priority. We therefore take a proactive, participatory approach to creating a rewarding, dynamic, and engaging workplace environment and promoting physical and mental wellness for all. Our goal is for all Epson Group contributors to feel energized, produce results that surprise and delight, and make the world a better place.

Workers: Persons performing work or work-related activities that are under the control of an Epson Group company, including top management and employees of Epson Group companies, contractors, and persons who, while not employed by a Group company, work under the control of an Epson Group company, such as student workers and temporary workers, etc.

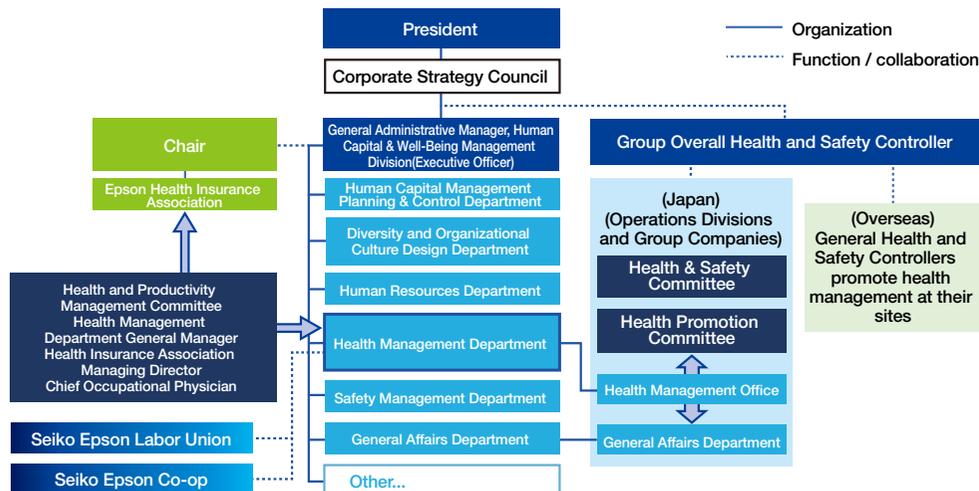
Junkichi Yoshida, President and CEO, Seiko Epson Corporation

Health and Productivity Management Organization

Seiko Epson created an integrated Human Capital and Well-Being Management Division under the president, who holds the ultimate responsibility for health management, to drive the Group's health initiatives forward. The Representative Director and General Administrative Manager of the division is responsible for overseeing all health management initiatives. As an Executive Officer, this individual participates in the Corporate Management Council and serves as the Chair of the Health Insurance Association. Our overseas sites are promoting health and well-being in stages based on the Epson Group Mid-Range General OH&S Plan and in line with local laws and culture.

A Health and Productivity Management Committee, which is jointly run by the company and the health insurance association, is responsible for analyzing health and productivity-related data and for establishing, evaluating, and improving health-related measures and policies. Health promotion committees, led by employees and involving the company and health insurance association, meet regularly to coordinate activities.

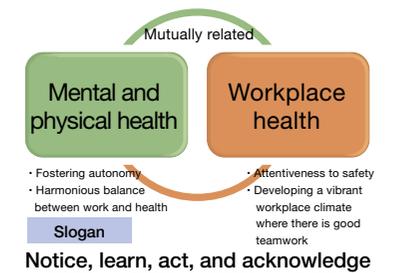
Epson Health Management Organization



Mid-Range Health Management Policy

Health Action 2025 Initiatives (Year 3)

In Japan, Epson has been establishing and regularly updating mid-range health plans since 2001. Under Health Action 2025, a four-year plan ending in FY2025, Epson is focusing on safeguarding mental and physical health and workplace health, which could be impacted by new work arrangements, an aging workforce, and other changes. Under the slogan "Notice, learn, act, and acknowledge," we aim to foster self-management of mental and physical health, achieve a balance between work and health, and develop a vibrant workplace climate where there is good teamwork.



Health Action 2025
<https://corporate.epson/en/sustainability/our-people/health-and-productivity.html>

Mid-Range Health Management Policy Indicators

Indicators of Employee Consciousness Transformation and Behavior		FY2022	FY2023	FY2024	FY2025 Targets
Mental and physical health	Stress management				
	Percentage of people who are managing stress	—	82.0%	81.0%	
	Percentage of people who have identified stressors	—	87.3%	86.7%	Higher than last year
	Percentage of people who are acting to relieve stress	—	75.3%	75.9%	
Mental and physical health	Physique				
	Percentage of people who can independently seek advice or help when facing problems	—	73.3%	74.0%	
	Percentage of people who practice ≥ 6 of the 9 healthy lifestyle habits	42.8%	43.9%	44.9%	≥ 50%
	Percentage who maintain a suitable body weight	62.5%	62.5%	62.6%	≥ 60%
Workplace health	Percentage of overweight people who lost ≥3% of their body weight from the previous year	19.2%	19.4%	18.3%	≥ 22%
	Percentage of people who are maintaining flexibility and strength to prevent falls & lower back pain	—	38.0%	39.3%	Increase from 38.0%
	Percentage who undergo further tests based on results of physical	83.8%	89.8%	90.5%	≥ 90%
	Percentage who undergo further tests for cancer	67.0%	71.1%	70.7%	≥ 90%
Workplace health	Percentage of employees on mental health leave for 1 month or more	0.97%	0.98%	1.02%	≤ 0.8%
	Incidents of health issues among employees subject to medical checkups due to long working hours	1	1	1	0
	Number of infectious disease outbreaks in the workplace ⁵	2	0	0	0
	Workplace climate				
	Number of high-risk workplaces	7	12	10	0
	Workplaces that continue to be or are once again high-risk	4	2	1	0
	Work engagement	2.49	2.50	2.48	2.52

⁴ Seiko Epson only ⁵ Outbreaks due to negligence

Recognition Under the Health & Productivity Stock Selection Program

In FY2025, Seiko Epson was recognized for the fourth consecutive year as an outstanding enterprise under the Health and Productivity Stock Selection Program by METI and the Tokyo Stock Exchange. The company was also certified for the ninth consecutive year under the Certified Health and Productivity Management Organization Recognition Program (White 500) by METI and the Nippon Kenko Kaigi.



Human Rights Initiatives



Epson Group Human Rights Policy
<https://corporate.epson/en/philosophy/epson-way/principle/human-rights-policy.html>

Epson’s business operations are rooted in our corporate purpose and the Epson Way. We understand that respect for human rights in our business activities is an important responsibility, and we are fulfilling this responsibility through initiatives that are aligned with the UN Guiding Principles on Business and Human Rights.

Our human rights initiatives are spearheaded by Seiko Epson’s Diversity and Organizational Culture Design Department under the executive officer in charge of human capital and well-being management. To appropriately address human rights issues in the supply chain, the department in charge of socially responsible procurement educates our personnel about Epson’s human rights policy and code of conduct, assesses human rights impacts, and takes remedial action where needed. It has also set up a whistleblowing system that suppliers can use to report issues.

Our human rights initiatives are periodically reported to management meeting bodies and to the board of directors.

Epson Group Human Rights Policy

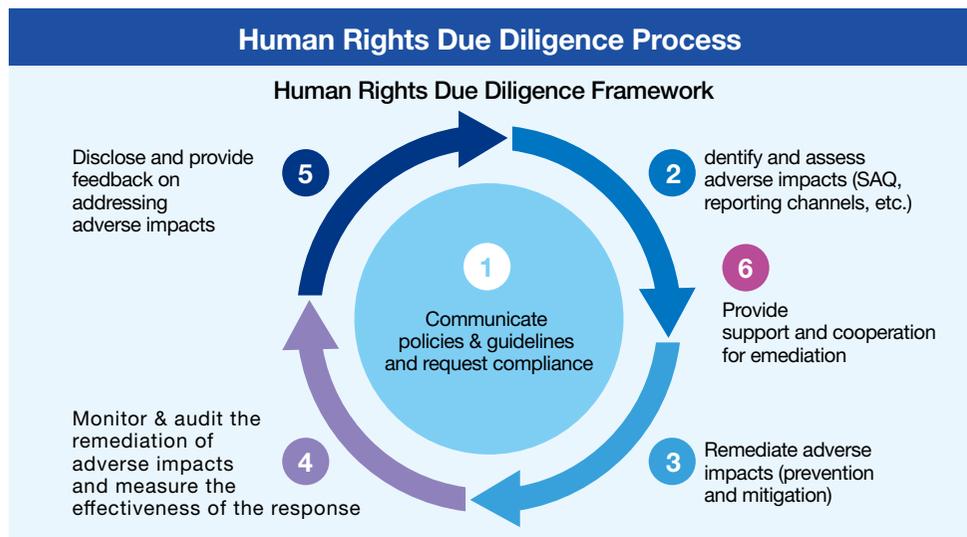
The Epson Group Human Rights Policy was revised with board approval on April 1, 2022, to align it with the United Nations Guiding Principles on Business and Human Rights.

Serving as our top-level guideline, the Epson Group Human Rights Policy states our stance on human rights. Our efforts to engage in practices that demonstrate respect human rights extend beyond the Epson Group and into our supply chain.

(In 9/2024, Article 1 of the Policy was revised to incorporate our corporate purpose.)

Approach to Human Rights Due Diligence

Epson continuously implements a human rights due diligence process to identify, investigate, prevent, and address human rights abuses across the value chain, including at Group companies and in our business partners’ operations.



Examples of Remediation in the Epson Group Through Human Rights Due Diligence

What	Where	Remediation
Violation related to payment of wages after resignation, etc.	Manufacturing company	Make payments in compliance with relevant laws (system modification planned)
Failure to maintain safety equipment (eye wash stations)	Manufacturing company	Replace with stations that meet legal requirements
Insufficient paid leave granted to former dispatch worker	Manufacturing company	The method for calculating paid leave was revised and additional leave was granted as required by law.
Drinking water (tap water) was not tested for quality	Manufacturing company	Legal testing requirements were rechecked and test were conduct after procedures were revised
Failure to equip manufacturing machinery with safety devices	Manufacturing company	Equipped machinery with safety devices as required by law

Human Rights Due Diligence Activities

- Identify and assess adverse human rights impacts.**
 Epson is a member of the Responsible Business Alliance (RBA), a global coalition dedicated to corporate social responsibility (CSR) in global supply chains, and we adhere to the RBA Code of Conduct. Epson, the areas particularly susceptible and likely occur to human rights abuses involve labor and occupational health and safety issues related to Seiko Epson and Epson Group company employees, temporary staff, supplier employees, on-site service vendor workers, and migrant workers. Geographically, this is particularly relevant in Asia, and in terms of industry, it is most prevalent in manufacturing.
- Formulate a corrective action plan to prevent or mitigate adverse impacts.**
 Once a year, we ask all Epson business sites, Group companies in Japan and overseas, and suppliers to complete a CSR self-assessment questionnaire (SAQ) that conforms to the RBA SAQ. The CSR SAQ results are reported to the RBA. Sites and suppliers that identify adverse human rights impacts formulate corrective action plans to remedy or mitigate those impacts.
- Monitor results and progress.**
 All sites, Group companies, and suppliers are, with the involvement of management, working to remedy and mitigate adverse human rights impacts in accordance with corrective action plans. We monitor the progress of corrective action to remedy significant adverse impacts and see them through to completion. Through the annual CSR SAQ, we monitor the state of corrective actions at each company and business site. In addition, seven of our major manufacturing sites in Southeast Asia and China continue to voluntarily undergo the RBA’s Validated Assessment Program audits.
- Communicate and report performance.**
 Epson’s efforts to remedy issues are reviewed annually and reported on Epson’s websites and in its Sustainability Report. The Epson Group’s global efforts are also reported through statements on modern slavery and human trafficking. To build and maintain good labor-management relations, Epson actively provides information to its employees and engages them in sincere talks and discussions.



Addressing Customer Harassment

In 2025, Epson established guidelines for addressing instances of customer harassment in the domestic Epson Group. An advisory service was set up and employees were notified. Epson is committed to dealing firmly with instances of customer harassment as an organization and providing care for affected employees. At the same time, we will provide Epson Group employees with training and education to ensure that they do not engage in harassment of suppliers or others.

Grievance Mechanism

In addition to the Epson Helpline, Epson provides advisory services for reporting or discussing human rights-related issues such as harassment, long working hours, diversity and so forth. We also have supplier whistleblowing systems. Moreover, since April 2024, customers, investors, local residents, and all other stakeholders can file grievances via an Engagement and Remedy Platform provided by the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER).

These reporting channels strictly control the content of reports, protect the identity of person to lodge reports, and forbid reprisals against them.



About JaCER
<https://jacer-bhr.org/en/index.html>

Human Rights Measures in the Supply Chain

Supply Chain Initiatives

Epson has declared in its Human Rights Policy that both Epson and its suppliers shall respect human rights. As stated in our policy, we strive for complying with the United Nations Guiding Principles on Business and Human Rights and respecting internationally recognized human rights as stated in the Universal Declaration of Human Rights and other relevant instruments. Moreover, we support the purpose of the RBA and, as a member, seek to ensure that our suppliers also comply with the RBA Code of Conduct.

Epson, together with its suppliers, is committed to ensuring that human rights are respected throughout the supply chain.

Supply Chain Human Rights Due Diligence Framework

- 1 Communicate supplier guidelines, educate suppliers, and request compliance.
- 2 Assess adverse impacts at supplier sites through SAQs & whistleblowing systems.
- 3 Take corrective action to prevent, cease or mitigate adverse impacts.
- 4 Measure the effects of adverse impacts by monitoring, audits, and feedback from grievance mechanisms.
- 5 Disclose and provide feedback on addressing adverse impacts.
- 6 Provide for remediation.

Remediation Through Supplier Whistleblowing Systems

2

To provide remedy as required by the UN Guiding Principles on Business and Human Rights, all Epson Group companies worldwide have a whistleblowing system that suppliers can use to report or consult about issues. Reports can be made anonymously and in the local language. Retaliation against persons for having lodged a report is strictly prohibited.

In addition to promoting awareness and recommending system use during supplier conferences, we also provide a reporting channel on our website and try to make it as easy as possible for suppliers' employees to use.

When we become aware of adverse human rights impacts through a report from a supplier's employee or an audit, we provide support until a remedy is provided.

Reports function as a means to measure the effectiveness of remedies to address adverse human rights impacts.

Examples of Remediation at Supplier Sites Through Human Rights Due Diligence

3 6

- Proper management of working hours (granting of one day off per week and statutory holidays)
- Personal loans offered by a company were made interest-free
- Employment contracts were concluded and copies were provided to employees
- Workers were reimbursed for recruitment fees
- Workers were paid overtime wages due
- Reasonable accommodations were introduced for persons with disabilities
- Evacuation drills were conducted (enterprise wide, at night, in dormitories, etc.)
- Proper personal protective equipment was inspected, replaced, and provided at no cost to workers

Salient Human Rights Issues

Epson has identified particularly important human rights issues that must be dealt with on a priority basis. These were drawn from sources such as the ILO Core Labour Standards, the principles of the UN Global Compact, and the RBA Code of Conduct. When issues are reported or identified through periodic CSR risk assessments, the situation is monitored until it has been corrected.

- Prohibition of child labor (ILO Convention No. 138/182 & A2 in the RBA Code of Conduct)
- Prohibition of forced and compulsory labor (ILO Convention No. 29/105 & A1 in the RBA Code of Conduct)
- Proper management of working hours (a 60-hour maximum workweek and at least one day off every seven days) (A3 in the RBA Code of Conduct)
- Proper payment of wages (payment of the legal minimum wage and overtime wages, and timely payment of wages) (A4 in the RBA Code of Conduct)
- Humane treatment (no harassment) (ILO Convention No. 190 & A5 in the RBA Code of Conduct)
- Non-discrimination (ILO Convention No. 100/111 & A5 in the RBA Code of Conduct)
- Freedom of association and the right to collective bargaining (ILO Convention No. 87/98 & A6 in the RBA Code of Conduct)
- A safe and healthy work environment (ILO Convention No. 155/187 & B. Health and Safety in the RBA Code of Conduct)

Human Rights Education for Suppliers

6

To foster understanding of human rights, we ask suppliers to observe the Epson Group Supplier Guidelines. We also hold supplier conferences and seminars that many suppliers attend.

We believe it is important for suppliers to understand the purpose of human rights initiatives and to engage in them voluntarily. Given the constantly evolving expectations of society, we hold annual seminars taught by outside consultants to provide suppliers with expert information.

Realizing Responsible Supply Chains

Epson wants to help solve societal issues and achieve sustainable growth through sustainability initiatives based on the idea of building social trust, the concept that underlies Epson’s Management Philosophy. We are doing so by complying with international standards such as the SDGs and the U.N. Guiding Principles on Business and Human Rights, which call for action across entire supply chains. Epson also endorses the mission and Code of Conduct of the Responsible Business Alliance (RBA), a group dedicated to improving sustainability throughout the electronics supply chain. As a member of the RBA, we will fulfill our responsibility to society by meeting high standards of social, ethical, and environmental conduct.

To attain our goal of achieving sustainability and enriching communities, we are acting to ensure that our supply chains are socially responsible, sustainable, and committed to human rights. With the cooperation of our business partners, we are working to reduce environmental impact, including greenhouse gas emissions, through programs like the Epson Green Supply Chain while also ensuring business continuity (BCM).

Epson will strengthen its partnerships based on the fundamental stance of fairness, equity, and mutual prosperity with business partners, while working to build a responsible supply chain.

Supply Chain Sustainability Topics

Resilient and flexible supply chains are essential if we are to fulfill our responsibility to deliver products to our global customers. Responsible supply chains are among the key sustainability topics that we are addressing. As a Group, we are systematically carrying out programs focused on CSR, responsible mineral sourcing, and business continuity management (BCM).



Supply Chain CSR Strategy

We have defined strategic priorities for ensuring socially responsible supply chains initiatives in order to address societal issues and live up to the ideals expressed in the Epson Group’s Management Philosophy and Principles of Corporate Behavior. Our approach focuses on human rights and sustainability, with our 2030 targets aligned with the SDGs timeline.



Policy on the Responsible Sourcing of Minerals

Principle 5: Ensuring effective governance and compliance

5.7 We will establish a system to investigate the source of minerals used in Tour products and supply chain and will take actions to responsibly source minerals to avoid using any minerals that could be involved in human rights abuses, conflicts or environmental degradation.

Supply Chain BCM Strategy

The actions taken under our business continuity management (BCM) strategy are designed to enable us to meet our commitment to supply products and services to our customers, as well as to minimize business losses. To mitigate potential supply chain risks, we are reinforcing BCM primarily by decentralizing operations, securing alternative sources, and increasing resilience.

Supplier Engagement

Epson’s socially responsible supply chain initiatives are aligned with the requirements of international standards such as the United Nations Guiding Principles on Business and Human Rights and the RBA Code of Conduct. It is essential for suppliers to understand the underlying issues and objectives behind the societal expectations and norms and to take voluntary action. Equally important is staying abreast of the constantly evolving social environment and expectations. Epson engages its suppliers throughout the year in many different ways and at many different levels. These include procurement policy orientation conferences, which are top-level events at which we explain our procurement policies and provide an overview of our operations. They also include specialized training such as human rights seminars led by external experts, sessions explaining Epson’s initiatives and the details of various assessments, as well as individual discussions with suppliers. Through these efforts, we strive to foster understanding and enhance supplier capabilities.

Whistleblowing System for Suppliers

Epson has established compliance hotlines as grievance mechanisms that suppliers can use to report or discuss violations or potential violations of legislative requirements and the Epson Group Supplier Guideline. By providing these hotlines and encouraging their use, we hope to further ensure ethical corporate conduct and remediation of human rights. Reports may be made anonymously, and whistleblowers are protected, including by strictly handling their personal data and prohibiting any form of retaliation in accordance with applicable laws and Epson’s internal regulations.

CSR

Epson evaluates suppliers from multiple angles. In addition to regular assessments of supplier management that cover quality, cost, delivery, environment, management systems, and information security, we conduct an annual detailed CSR evaluation under our CSR due diligence program. The detailed CSR evaluation follows the RBA's membership requirements, beginning with obtaining supplier agreement to comply with the Epson Supplier Code of Conduct, which mirrors the RBA Code of Conduct and covers labor, health and safety, environment, ethics, and management systems. It includes self-assessment questionnaires (SAQs), risk evaluations, corrective actions, and audits. In 2024, we asked our major direct material suppliers (those that provide things such as parts used in production and assembly services) and certain other suppliers (on-site service companies at Epson manufacturing sites, labor agents, logistics warehouse operators, call centers) to complete a detailed CSR evaluation. No high-risk suppliers were detected, but we asked suppliers who had human rights issues or regulatory violations to take corrective action.

Companies/sites subject to detailed CSR evaluation in 2024: 676 direct material supplier sites and 438 other suppliers.

Examples of corrective action in 2024: Required clauses were included in employment contracts, workers were properly reimbursed for overtime, additional days off were granted.

Epson provides ongoing support to help suppliers improve. In addition to judging risk based on scores, we continue to address identified human rights issues and do our human rights due diligence through audits.

Responsible Mineral Sourcing

Profits from the extraction and sale of minerals such as tin, tantalum, tungsten, and gold (3TG) in conflict-affected areas such as the Democratic Republic of the Congo (DRC) and neighboring countries are a source of funding for armed groups and anti-government forces carrying out atrocities and gross human rights abuses. Furthermore, it has been pointed out that cobalt mines in the southern part of the DRC have become breeding grounds for child labor. Mineral mining and trade have negative social and environmental risks.

Epson avoids any association with any forms of human rights abuses and environmental destruction.

As a member of the Responsible Minerals Initiative (RMI), Epson does not tolerate human rights abuses in the procurement of minerals used in Epson products. We will not engage in business relationships with any party involved in human rights abuses, nor will we support operations that result in the degradation of socioeconomic and environmental conditions.

We conduct supply chain due diligence annually in accordance with the OECD's five-step framework for components and materials used in the products we manufacture and that may remain in the final product. We disclose the results to the public and respond to survey requests from our customers.

■ 3TG and Cobalt Survey Results (FY2024)

	3TG Total	Tin	Tantalum	Tungsten	Gold	Cobalt
Number of identified smelters/refiners	382	95	46	58	183	98
Number of certified conformant smelters/refiners ¹	243	74	40	37	92	54
Number active smelters/refiners ²	4	1	0	1	2	8
Supplier response rate	99.6%					99.1%

▶ See P70 for footnotes ^{1, 2}

BCM

The risk of supply chain disruptions was found to be far greater than assumed when COVID-19 broke out in 2019, followed by global chip and shipping container shortages. Supply chain threats, including regional conflicts and geopolitical and disaster risks, have not been resolved. If anything, they have increased. Today's sophisticated and complex supply chains are susceptible to risks and crises. To establish a robust and sustainable supply chain, we are decentralizing functions, securing alternatives, and increasing resilience. We have divided the supply chain functions into five categories (suppliers, procurement, production, sales, and logistics) and are addressing the priorities that have been set for each. Our business continuity plans (BCP) are designed to ensure that we can supply products and services to our customers and minimize damage and losses, and we maintain and improve our BCP as needed.

Function	Key Action Items
 Suppliers	Impressing on suppliers the need to enhance their own supply continuity capabilities by, for example, evaluating their emergency response capabilities and safety management
 Procurement	Multi-sourcing, securing alternative sources for procured goods, executing long-term procurement contracts, strengthening partnerships, and maintaining inventory of parts and raw materials * Applies to direct materials and parts and to indirect materials
 Production	Strengthening the distributed production organization, increasing the resilience of facilities, strengthening measures to prevent the spread of infectious diseases, and securing product inventories
 Sales	Maintaining operations sites, business processes and organization, and IT backups
 Logistics	Diversifying logistics options (carriers, transportation routes, and warehousing), and securing carrier capacity

Supplier Guidelines

In April 2005, Epson established the Epson Group Procurement Guidelines (now called the Epson Group Supplier Guidelines) to ensure understanding of Epson's procurement policy and to promote cooperation in advancing CSR activities. These Guidelines set forth basic quality, price, and delivery requirements as well as Epson's expectations regarding environmental initiatives and compliance, including trade control and security. They also provide information about our supplier whistleblowing systems. The Epson Supplier Code of Conduct, which is part of the Guidelines, is based on the RBA Code of Conduct. It specifies supply chain requirements in the areas of labor, health and safety, environment, ethics, and management systems.

To gain the understanding of our suppliers around the world, we have had the Guidelines translated into multiple languages. The current version of the Guidelines (Ver. 8.0) is available in seven languages. The Guidelines are posted on Epson websites. All suppliers are notified about the Guidelines, and major suppliers are asked to sign a formal written agreement to comply with them.



Responsible Business Alliance

Advancing Sustainability Globally



Discussion Between Institutional Investors and Outside Directors

Corporate Governance Backing Strategic Execution

In September 2025, we hosted an open and frank discussion between institutional investors and Epson's outside directors. The main theme of this sixth session was "Challenges in executing strategy (execution capability and speed) and the state of board discussions," a topic that had drawn strong interest from investors during the previous session in February 2024.

Participating Institutional Investors

Sompo Asset Management Co., Ltd. Mitsunori Itakura

Senior Investment Manager
Japanese Equity Group, Investment Department

Nomura Asset Management Co., Ltd. Hideaki Takamoto

Senior ESG Specialist
Responsible Investment Dept.,
Sustainable Investment Strategy Dept.

Sumitomo Mitsui Trust Asset Management Co., Ltd. Yuuichi Tezuka

Senior Stewardship Officer
Stewardship Development Department

Asset Management One Co., Ltd. Kei Kawai

Analyst
Analyst team, Research & Engagement, Investments

BlackRock Japan Co., Ltd. Kenji Nakada

Director
Investment Stewardship Department

(Titles and positions at the time discussions took place)

Outside Directors (As of 8/2025)



Tadashi Shimamoto
Outside Director



Masaki Yamauchi
Outside Director



Kahori Miyake
Outside Director



Susumu Murakoshi
Outside Director
Audit & Supervisory
Committee Member



Michiko Ohtsuka
Outside Director
Audit & Supervisory
Committee Member



Akira Marumoto
Outside Director
Audit & Supervisory
Committee Member

Introduction

Miyake This is my first time here, so please allow me to introduce myself. I come from a background of addressing environmental issues at an operating company. This is my first experience working in a manufacturing company, and there is still much I need to learn about technology, but I do know that there are many environmental challenges that must be solved through technology. I hope to contribute, even in a small way, to helping a Japanese company with strong technological capabilities address environmental issues through their business activities.

Marumoto Since stepping down as president of Mazda, I have served on Epson's Audit and Supervisory Committee, starting in June 2024. I provide oversight and advice based on my experience managing a global manufacturing and sales company and my engineering background. This is a critical year for formulating Epson's next strategic corporate vision, and I intend to leverage my previous experience to help guide the company in the right direction.

Strategy Execution Speed

Yamauchi At the last discussion, I raised concerns about execution speed. Since then, there has been some improvement. For example, in September 2024, a decision was made to acquire Fiery, following discussions that began that June. This rapid decision-making was enabled by a restructuring at the top last April. The president and several executive officers now operate as a single management team, engaging in deep discussions to set direction. On the other hand, when it comes to the speed of business execution, we have yet to see tangible progress. I look forward to seeing the new team, under President Yoshida's leadership, deliver results in this area.

Ohtsuka At five years, I am the longest-serving outside director. I feel that the speed of execution has improved compared to five years ago. Reports to the board have also improved. In the past we had to ask questions to identify where the problems were and how they would be addressed. Now, those points are included from the outset in the reports, which allows us to engage in deeper discussions.

Murakoshi I have also served for five years, so let me share my perspective. Epson has always had outstanding technology and talent, but in the past, my impression was that people worked hard within their own business areas, but the company lacked unity and a strong sense of teamwork. Since last year, the management team has become much more effective, and both the quality and speed of discussions have improved significantly.

The Practical Effectiveness of Governance for Future Growth



Takamoto Recently, I had the opportunity to hear from President Yoshida. He shared an optimistic vision for the future, which left a very positive impression from an investor's perspective. At the same time, looking back, there were times when plans did not go as intended.

For example, when certain parts of the business portfolio were underperforming, we would expect outside directors to recognize these issues and encourage corrective action by the executive side. Could you share how oversight is being exercised and what discussions are taking place in this regard?

Shimamoto The strategic direction of the business portfolio short-term was clear, but that from a long-term perspective was somewhat hazy. I have stressed to the executive side that defining long-term strategic goals is essential, and short-term

Discussion Between Institutional Investors and Outside Directors

measures by themselves are meaningless. We are now engaged in serious discussions as we prepare the next strategic corporate vision.

I believe Epson is addressing individual short-term issues. However, challenges remain in interdepartmental collaboration, so I have requested more attention to horizontal connections. The atmosphere of the board is positive, with candid and active discussions on themes such as quality and governance, which I think is a good sign.

Marumoto There are two types of long-term business portfolio. The first is businesses inside the existing portfolio. These are controllable to some extent. The second is new businesses outside the current portfolio, which naturally involve risk. As outside directors, our role includes advising on risk avoidance, but depending on the case, we also advise taking risks as needed. While we must increase added value in the existing portfolio, we also need to launch new businesses, and the next strategic corporate vision must clearly outline that path. In this sense, I believe this year is extremely important.

Itakura You mentioned that the Fiery acquisition was executed quickly, but, at present, I am interested in your discussions surrounding U.S. tariff policies. There must have been a lot of decisions to make. Could you share what kind of discussions took place?



Marumoto Decisions within the existing business portfolio—such as shifting production locations to minimize impact—were made quickly, in my view. The challenge lies in making decisions for businesses outside the current portfolio. That's considerably more difficult.

Organizational Climate and the Embedding of Purpose



Tezuka Epson has established a corporate purpose, but how well is it being embedded across the organization? What do you feel is still lacking for employees to fully understand the purpose and translate it into action? Also, there was mention of encouraging

risk-taking, but does a culture of risk-taking actually exist?

Yamauchi I believe there is a culture of risk-taking and that employees take pride in the corporate purpose and have a strong desire to create social value through our efficient, compact and precise technologies. However, I think we still tend to be too product-out oriented. It's not that we aren't taking on challenges—far from it. We have great confidence in our technological capabilities, but that confidence sometimes makes us less effective at truly understanding our customers' real pain points.

Shimamoto Former President Ogawa made a lot of effort to engage directly with employees on the corporate purpose, and I believe there is an established commitment to solving societal issues and enhancing customer value. But when it comes to executing the purpose, there is still a strong tendency toward a technology-driven, product-out approach, and the perspective of how to deliver value to customers and society seems weak. Going forward, I feel it will be important to articulate a clearer value-creation story and strengthen initiatives that clarify our connection with society.

Miyake As someone coming from a different industry, I get the impression that Epson is a very cautious, risk-averse company. Caution has both positive and negative aspects, but when it comes to new businesses or portfolio reviews, I think it would

be better to allow more freedom and encourage moving forward without fear of failure.

Marumoto We are developing new businesses and already have pilot projects in areas such as medical technologies and environmental solutions, but moving from pilot development to full commercialization will take several additional steps. It is essential to accurately assess the potential of these technologies and identify the challenges and risks involved in commercialization. As an outside director, I believe it is our responsibility to provide appropriate oversight and guidance throughout this process.

The Business Portfolio

Kawai How does Epson determine whether something is a good fit for its business portfolio?

Shimamoto The business portfolio is weighted fairly heavily toward printing. The executive side shares this concern, so how to grow businesses beyond printing will be a key focus in the next

strategic corporate vision. We will also support this effort so that investors can see that Epson is changing.

Ohtsuka We do not expect the current business portfolio to remain unchanged over the next 10 or 20 years; transformation is necessary. But new businesses require cash and resources, and the reality is that we are currently earning those from the printing business. While some may view the printing market as in decline due to the shift toward paperless solutions, Epson is expanding into commercial and industrial printing, such as textiles and labels, and developing new areas using printheads as core devices. We believe these remain growth businesses.



Discussion Between Institutional Investors and Outside Directors

Growing new businesses requires not only cash but also talented people. I feel that the biggest challenge facing companies is the shortage of talent, and in Japan, with its aging and declining population, securing top talent is difficult for any company, including Epson. So, in addition to automating and utilizing digital, we need to focus on developing and reskilling existing employees and increasing mid-career recruitment. I understand that the HR department is examining a talent portfolio to realize the desired business portfolio. I expect Epson to put the right people in the right positions and execute its human resource strategies to fulfill the strategic corporate vision.

Reasons for CEO Appointment and Director Selection

Nakada A new president took office in April. What convinced you that he is the right person for the job?

There was mention of being too technology-oriented—was this intended as a strategic shift? Also, how are internal directors selected? Most companies appoint a chairperson, president, CFO, COO, or business heads, but Epson's approach seems well-mixed and not fixed to specific roles.

Shimamoto As chair of the Director Nomination Committee, I will answer. In June 2024, with input from the outside directors, we appointed three new internal directors, including Mr. Yoshida, because we wanted them to lead the company as a team. Later, Mr. Yoshida's name came up as someone who could take on the responsibility for formulating and carrying out the next strategic corporate vision. He has extensive experience in the printing business and deep knowledge of global sales and marketing, making him well-suited to lead the development and execution of the vision. That's why we recommended him and why the Board approved his appointment.

Yamauchi I'd like to add that Epson's Director Nomination Committee is unique in that all outside directors serve on it. Some companies leave the selection of internal directors to the CEO, but Epson incorporates the perspectives of all outside directors. Rather than fixing directors to specific roles, we select them based on the roles and functions we expect them to play within the kind of management team we want to build in order to enhance corporate value.

Preparing for the Next Strategic Corporate Vision

Nakada Epson 25 Renewed is in its final year. It may be a little early, but what is your view as to the progress on that plan and, if possible, what do you consider to be the priorities in the next strategic corporate vision?

Yamauchi We are off track from the plan, and the results are likely to be unsatisfactory. I feel that the discussion on what businesses in the portfolio can successfully compete was weak. As mentioned earlier, how we tie technology to customer value is a key challenge for the next strategic vision.

Marumoto In the printing business, the gradual decline in developed markets has been greater than expected, and the anticipated growth in emerging markets has not materialized as hoped. The visual products business has been impacted by flat-panel displays. We need a Plan B so that we can quickly pivot when changes beyond our control occur.



Itakura As an investor, I would like you to analyze, identify, and share the reasons for the gap between the plan and performance. Without that analysis, investors might wonder if the same issues will arise. A review is the starting point for the next strategic vision.

Marumoto All outside directors have said that the next strategic vision should be formulated only after a thorough review, and Mr. Yoshida understands this as well. Simply saying "the environment changed" is not an acceptable reason. That is why we need to prepare a Plan B and maintain a strong determination to survive going forward.

Investor Perspectives

Yamauchi Since we have this opportunity, may I ask you, as investors, a question? Are there aspects of Epson that you feel are underutilized, or areas where management should focus more to enhance corporate value?



Takamoto To be valued by the stock market, you need to provide some level of expectation to investors. I understand Epson's potential, but there were periods of weak performance in the past, and you haven't yet won sufficient investor trust. It would help if you could present strategies that show a high likelihood of leading to specific results.

Tezuka You have good technology, but the challenge seems to be using it to drive innovation. I hope to see you create opportunities to turn technology into innovation and secure resources for employees to take on challenges.



Tadashi Shimamoto
Outside Director

Insights from Investors

I want to thank the institutional investors for giving us the opportunity to speak with them. We appreciate the candid feedback. These discussions have heightened our sense of urgency and awareness of key issues as outside directors. This year is a critical one for Epson as we formulate the next strategic corporate vision. We will work diligently to incorporate the insights shared by investors and make Epson an even more attractive company.

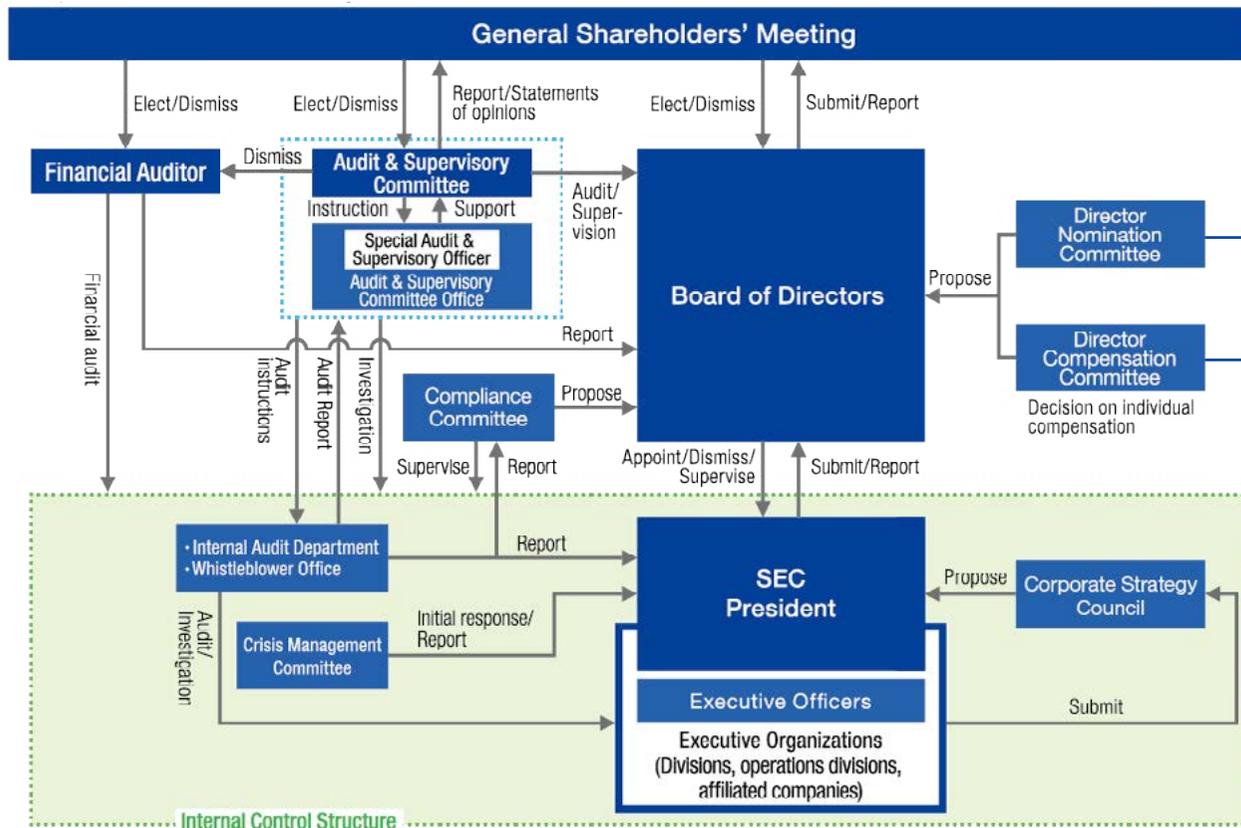
Strengthening Governance

Corporate Governance

Basic Principles

To realize our Purpose, which expresses our aim or reason for being in society based on the Epson Way, which defines our values and behaviors based on the Management Philosophy, EXCEED YOUR VISION, promote sustainable growth, and increase corporate value over the medium and long term, Seiko Epson Corporation strives to continuously enhance and strengthen corporate governance so as to realize transparent, fair, fast, and decisive decision-making.

Corporate Governance System

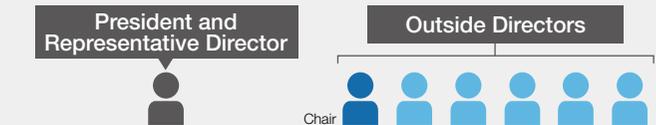


Optional Deliberative Body Activities

* The committee chairs are elected from among the outside directors by mutual vote.
 * Outside directors have comprised the majority of both committees since June 2016, when Epson transitioned to a company with an Audit & Supervisory Committee.

Director Nomination Committee Met 15 times(4/2024-6/2025)¹

- Deliberate on the selection of directors, & executive officers, etc.



Content of Discussions

- Succession plans for the President & Representative Director
- Officer (director, executive officer, special audit & supervisory officer) selection policies and proposed candidates

Director Compensation Committee Met 10 times(4/2024-6/2025)¹

- Review of compensation for directions, executive officers, etc.



Content of Discussions

- Individual base compensation
- Bonus payment coefficient and individual bonuses
- Assignment coefficient, number of shares allocated, and amount of monetary compensation claims under the restricted stock compensation plan
- Renewal of liability insurance for officers
- Conclusion of corporate indemnity agreements and liability limiting agreements
- Procedures related to the liquidation of the former performance-linked stock compensation plan (officer compensation BIP trust)

¹ By the time of the ordinary general meeting of shareholders

Board of Directors Effectiveness Evaluation

Seiko Epson seeks to continuously enhance the effectiveness of its board of directors pursuant to its Corporate Governance Policy. Toward this end, Seiko Epson has been analyzing and evaluating the effectiveness of its board of directors every year since FY2015 based on a self-evaluation questionnaire that all board members complete. To incorporate a more objective perspective, an independent third-party organization conducts an evaluation every three years². The results of the FY2024 effectiveness evaluation confirmed that the board has maintained overall effectiveness.

² Most recently, this was conducted for the FY2023 board of directors.

Strengthening Governance

(Topics on the Board Effectiveness Evaluation Questionnaire for FY2024)

- ① Composition of the Board of Directors and how it is positioned
- ② Operation of the Board of Directors
- ③ Board of Directors discussions and functions
- ④ Directors' activities
- ⑤ Training
- ⑥ Dialogue with shareholders (investors)
- ⑦ Functions and operations of advisory bodies to the Board (the Director Nomination Committee, Director Compensation Committee, and Compliance Committee)
- ⑧ Summary

FY2024 Activities	
Board of Directors Effectiveness Evaluation for the 2023 Fiscal Year	<p>① Discussion and oversight of response to Epson 25 Renewed financial targets and strategy implementation efforts</p> <p>The Board primarily discussed and oversaw businesses identified as growth areas. Every quarter, it also discussed and supervised action items aimed at securing earnings from a short- to medium-term perspective.</p>
	<p>② Holding and acceleration of discussions on long-term corporate strategy</p> <p>Using an arrangement that allows for free discussion among Board members from the early stages of key management topic exploration, the Board members discussed analyses of the internal and external business environments, as well as preliminary strategic proposals developed by the executive team. In addition, opportunities were provided outside of Board meetings for the heads of the businesses to explain the fundamental structure and medium- to long-term direction of their businesses to the Outside Directors. This helped to build a shared understanding of strategies, challenges, and risks among the Board members, thereby laying the groundwork for future discussions on long-term strategy.</p>
	<p>③ Human capital management initiatives linked to management strategy</p> <p>At Board meetings, Board members shared issues related to the vision for human capital management and talent strategy and discussed and monitored initiatives in human capital management.</p>

FY2025 Activities	
Board of Directors Effectiveness Evaluation for the 2024 Fiscal Year	<p>Board effectiveness in the 2024 fiscal year was evaluated by having all Board members complete a questionnaire that covered the topics below, and then analyzing and evaluating effectiveness based on the answers. For certain items, executive officers and others who attend Board meetings were asked to complete a questionnaire that was then analyzed to determine whether there were any significant gaps in understanding between the Board of Directors and the executives responsible for business execution.</p> <p>The results of the evaluation showed that the Board of Directors as a whole is generally functioning effectively. However, after discussions at a meeting of the Board and after also taking into consideration the results of the 2023 fiscal year Board effectiveness evaluation, the Board identified the issues below in order to improve effectiveness in the future.</p>
	<p>Issues Addressed in FY2025</p> <ul style="list-style-type: none"> ① Support for deepening strategic discussions and strengthening execution capabilities of the executive management team ② Oversight of the progress of deliberations on the next long-term strategy and progress on Epson 25 Renewed ③ Improvements to Board operations aimed at strengthening collaboration between the Board of Directors and the executive team

Audit & Supervisory Committee Effectiveness Evaluation

The effectiveness of the Audit & Supervisory Committee has been evaluated to improve audits and corporate governance since 2017. The evaluation consists of six areas and is carried out through a questionnaire in which committee members quantitatively score themselves on a three-point scale for each area and write free comments. The committee then discusses the results and applies the PDCA cycle, thereby further enhancing effectiveness. It has been standard practice since FY2019 to share the findings of committee effectiveness evaluations with the board of directors. The effectiveness evaluations are also used as the basis for recommendations for improving internal control and corporate governance.

Main Issues	<ul style="list-style-type: none"> ● Taking more proactive steps to translate management issues identified through audit activities into concrete executive actions ● Monitoring, verifying, and promoting further improvements in the effectiveness of the internal control system
Recommendations	<ul style="list-style-type: none"> ● Formulating the next strategic corporate vision based on a review of the current vision, Epson 25 Renewed ● Ensuring the management team functions effectively under the new president

Providing Information to Outside Directors

We provide opportunities for outside directors to deepen their understanding of the company's management, governance, and business characteristics so that they can adequately fulfill their supervisory functions. When they are first appointed, we brief them on our business in overview, our strategy, and so on. Thereafter, we support their efforts to gain the knowledge they need. During the fiscal year under review, the heads of divisions and businesses gave briefings and site tours, among other opportunities to learn.

In addition, outside directors may ask for explanation or reports from executive directors, executive officers, and employees, or request internal documents whenever needed. There are systems in place for outside directors to work with the Audit & Supervisory Committee and get support from the department serving as the board of directors secretariat so that directors are better able to gather information without it affecting their independence.

Appointment of Officers

To ensure transparency and objectivity, the Director Nomination Committee, which is chaired by an outside director and composed of a majority of outside directors, recommends candidates for director positions, and the board of directors makes the final decision on whether to approve their appointment.

■ Policies

- ① Considering the role that Officers of the Company are required to fulfill and the nomination criteria that Epson has established, Officers must meet the standard requirements of insight, accountability, and ethics. They must also satisfy the selection criteria in 2, depending on their respective roles, and must be able to contribute to an increase in corporate value.
- ② In addition to the foregoing requirements, Officers of the Company shall satisfy the selection criteria below
 - A Non-Executive Director candidates
 - Oversight capability, management knowledge, professional knowledge
 - B Executive Director candidates
 - Oversight capability, foresight/insight, the ability to conceive a vision, decisiveness/courage, the ability to execute and produce results, an inclination to drive change and innovation, the ability to be a unifying force

A candidate for President and Representative Director in particular shall possess the following:

 - The ability to face societal issues, construct a vision based on deep insight, and the courage to carry out that vision
 - A strong sense of ethics and the ability to humbly accept diverse values, tap the initiative of employees, and be a unifying force that consolidates the power of the entire company
- ③ Outside Directors must satisfy criteria concerning the independence of Outside Directors in order to guarantee their independence. The Board of Directors established “Criteria for Independence of Outside Directors.”

In addition to the foregoing, we appoint a well-balanced group of diverse individuals as outside directors based on our Corporate Governance Policy and skills matrix. Selection deliberations are conducted primarily with reference to the three roles they are expected to serve. They are expected to:

- (1) contribute as an experienced manager;
- (2) contribute based on specialized expertise; and
- (3) contribute from the perspective of diversity.

We take multiple opportunities to contact potential candidates to learn not only general background information, but also how they think. This is used as basic information for our selection process.

Evaluation of the President and Representative Director and Directors

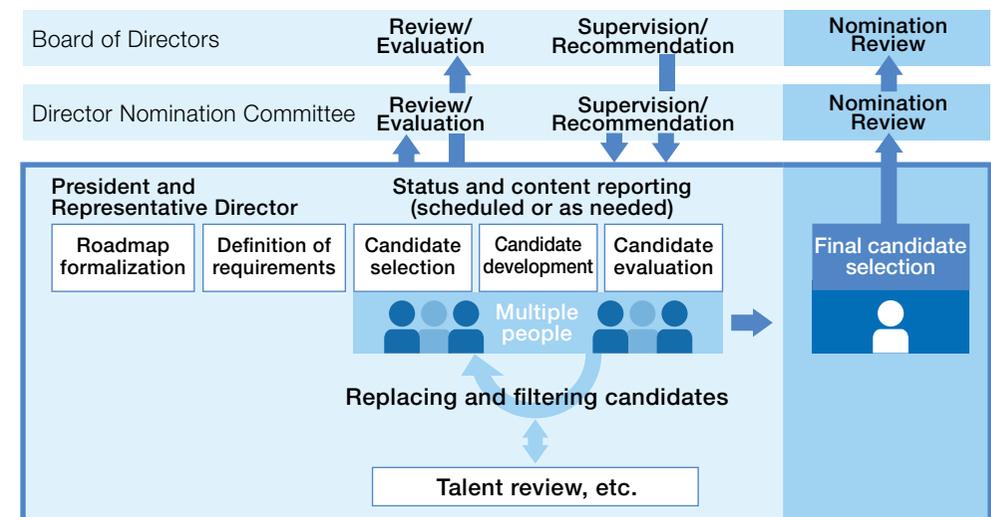
Officers are evaluated annually through a regular review process designed for executive management. All internal directors, including the president, are evaluated against defined requirements, roles, and themes. They are also the subject of a 360-degree evaluation. The results of these evaluations are reported when the Director Nomination Committee deliberates on the board structure and serve as a reference for selection decisions.

Succession Plans

In April 2025, a new president was tapped to lead the company. Succession planning for the position began in 2020 when the previous president assumed the role, with efforts focused on detailing and formalizing the roadmap. Based on this plan and selection process, Junkichi Yoshida was nominated and appointed as the new president.

Succession planning is a process whereby the president drafts a list of candidates and plans for their development based on the results of an HR executive management review and talent requirements. This is followed by deliberation by the Director Nomination Committee and final discussion and resolution by the board of directors. With the recent change in president, we are revisiting succession planning to prepare for unforeseen circumstances and future changes. This includes considering multiple possible timing scenarios for leadership transition and developing plans that take into account the composition of the entire management team, including executives who will work alongside the president.

■ President & Representative Director Successor Selection Process



Experience in the areas below is considered desirable before taking on an executive management role. We try to ensure that each candidate can gain sufficient experience in these areas through our development program.

- 1) Experience as a business leader during critical phases of corporate strategy
 - Ex. core businesses, businesses with significant challenges, new businesses
- 2) Experience across multiple businesses and functions, including areas outside one's specialty
 - Ex. roles broadly overseeing corporate functions, head of a subsidiary or overseas affiliate
- 3) Sufficient experience participating in corporate management at the same level as executive management, through discussions in top level management meeting
- 4) Experience leading company-wide projects, such as projects to formulate the next medium- and long-term plans
- 5) Experience in external exchange programs with other industries, gaining exposure to diverse values, acquiring new perspectives, thinking about business from a broad viewpoint, objectively assessing the company's strengths and weaknesses, and building cross-industry networks

Officer Compensation

The Director Compensation Committee's purpose is to plan and review the compensation system and internal regulations for the Company's officers (directors, executive officers, and special audit & supervisory officers), and to deliberate fairly on the amount of compensation to individual officers through a process that ensures transparency and objectivity. The Committee is mandated by the board of directors to determine the amount of compensation to individual directors who are not Audit & Supervisory Committee members. The maximum amount of compensation for directors is determined by resolution of shareholders.

Officer Compensation Policy

Compensation for executive officers

1. Compensation shall provide an incentive to improve business performance and reflect the commitment thereof in order to promote the Epson Group's sustainable growth and corporate value in the medium and long term.
2. Compensation shall be sufficient to attract and retain qualified persons both from within the Company and from outside.
3. Compensation shall be commensurate with period performance so that directors and executive officers can demonstrate their management capabilities to the fullest during their tenure.
4. Compensation shall clearly reflect the linkage between officer compensation and the value of the Company's shares and strengthen awareness of the need to share profits with shareholders.
5. A mechanism to suppress fraud shall be embedded.
6. The process for determining compensation shall be highly transparent, objective, and fair.

Compensation for non-executive officers

1. The composition of compensation shall guarantee independence so that these Officers can suitably exert their general management supervisory function, etc.
2. Compensation shall be sufficient to attract and retain qualified persons both from within the Company and from outside.

Compensation Structure

Officer compensation at the Company consists of base compensation, bonuses, and restricted stock compensation. Directors who do not have executive duties receive only base compensation (which is fixed) because their role is to generally supervise management from a perspective that is independent from executive functions. Total and base compensation are set at levels at or above the median of peer companies in Japan to enable the Company to secure and retain top talent.

The compensation mix varies depending on the individual's position and the size of his or her role and assigned duties (this is called the "role grade"). For officers who have executive duties, the higher the role grade, the greater the proportion of variable compensation, thereby strengthening the link to performance and share value. The composition of president and representative director's compensation is benchmarked against major Japanese corporation in the TOPIX 100 and Nikkei 225 and is determined with reference to survey data provided by multiple external services.

Composition of Compensation



Officer Compensation System

Strengthening Governance

How Compensation Is Calculated

Fixed compensation	Base compensation is a monetary amount paid on a monthly basis. It is determined by the individual's position and role grade. Base compensation may be raised or lowered by the board of directors if warranted by Company performance or for other reasons.		
Short-term variable compensation	<p>Bonuses are monetary compensation paid once a year. They serve as a short-term incentive. The amount is determined based on the company's annual performance indicator and the degree of achievement with respect to individual objectives. Seiko Epson uses return on equity (ROE) as the annual performance indicator. It is incorporated into the compensation system to promote improved profitability by</p> <ul style="list-style-type: none"> • improving profit margins; • utilizing assets efficiently; and • achieving an optimal capital structure. <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid black; padding: 5px; text-align: center;"> Standard bonus (Total compensation for the year x bonus ratio) </div> <div style="font-size: 2em;">×</div> <div style="border: 1px solid black; padding: 5px; text-align: center;"> Degree of achievement with respect to the corporate ROE target^{3,6} (0% - 200%) </div> <div style="font-size: 2em;">×</div> <div style="border: 1px solid black; padding: 5px; text-align: center;"> Degree of achievement of personal objectives (60% - 140%) </div> </div> <p>³ FY2024 corporate ROE used in the calculation: 6.5%</p>		
Medium- and long-term variable compensation	<p>Restricted stock compensation is non-monetary compensation paid once a year. It is designed to provide greater incentive to increase the share price, sustain growth, and increase long-term corporate value. Seiko Epson uses ROIC as an indicator for long-term corporate value creation. We aim to generate returns that exceed the cost of capital by optimizing our business portfolio. The degree of achievement with respect to sustainability objectives is also incorporated into evaluations. Officers are evaluated on the basis of annual objectives for the following:</p> <ul style="list-style-type: none"> • Measures to become carbon-negative by 2050, including energy-saving measures for facilities, greenhouse gas removals, supplier engagement, and decarbonized logistics • Realizing responsible supply chains • Leveraging diverse talent • Strengthening the foundation of compliance management <p>(See P24, Key Sustainability Topics and KPIs.) A number of shares equivalent to the following amount is allocated.</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid black; padding: 5px; text-align: center;"> Standard stock compensation (Total compensation for the year x stock compensation ratio) </div> <div style="font-size: 2em;">×</div> <div style="border: 1px solid black; padding: 5px; text-align: center;"> Degree of achievement with respect to the corporate ROIC target^{4,6} (80% - 120%) × 50% </div> <div style="font-size: 2em;">+</div> <div style="border: 1px solid black; padding: 5px; text-align: center;"> Degree of achievement of sustainability objectives⁵ (80% - 120%) × 50% </div> </div> <p>⁴ FY2023 corporate ROIC used in the calculation: 4.4% ⁵ Degree of achievement with respect to FY2023 sustainability objectives used in the calculation: 80%</p>		

⁶ Coefficients may be amended after deliberation by the Director Compensation Committee in the event of any variability factors that need to be considered. If so, the board of directors shall pass a resolution on the matter.

Total Amount of Compensation (FY2024)

(Millions of yen)

Director category	No. of individuals paid	Base compensation	Bonus	Restricted stock compensation	Total
Directors who are not Audit & Supervisory Committee members (amount accounted for by outside directors)	10 (4)	162 (44)	39 (-)	40 (-)	242 (44)
Directors who are Audit & Supervisory Committee members (amount accounted for by outside directors)	5 (4)	81 (48)	/	/	81 (48)
Total	15	244	39	40	324

Compliance

Epson engages in a variety of compliance activities to ensure that we observe all applicable laws, regulations, company rules, and business ethics and meet the expectations of society. The Epson Way (comprising the Management Philosophy, Principles of Corporate Behavior, and the Epson Global Code of Conduct) represents the shared values and expectations of conduct within the Epson Group, forming the foundation for our compliance efforts. We strive to build, maintain, and strengthen trust with all stakeholders by ensuring management transparency and fairness and practicing swift and effective compliance management based on the Epson Way.

Compliance Organization

An advisory body to the board of directors, the Compliance Committee is made up of six outside directors and a director who is a full-time member of the Audit & Supervisory Committee. Chaired by the latter, it oversees compliance activities and makes reports and suggestions to the board of directors. The Chief Compliance Officer (CCO) supervises and monitors the execution of all compliance operations and periodically reports the state of compliance affairs to the Compliance Committee. Under the supervision of the president, the compliance control department globally promotes and enforces compliance in cooperation with businesses and subsidiaries. To advance effective compliance initiatives globally, Epson has appointed a Regional Chief Compliance Officers (R-CCOs) in each of five regions, grouped by geography, language, legal, regulatory, and cultural similarities. At global compliance meetings, the CCO impresses upon the R-CCOs the importance of compliance and promotes collaboration across the Group by sharing compliance incidents and discussing effective preventive measures.

Compliance Activities

To engrain compliance awareness and ensure effectiveness, we have translated the Principles of Corporate Behavior and Epson Global Code of Conduct into 17 languages. We provide compliance training to all personnel, including online courses and rank-specific training given by internal and external instructors. October is Compliance Month at Epson. One of the things we do across the global Epson Group during the month is remind all personnel of the Epson Way, the foundation on which our business activities rest, and urge them to maintain high ethical standards. We raise compliance awareness by having the COO and the heads of our business units and subsidiaries issue compliance messages, familiarizing employees with the Epson Global Code of Conduct, requiring compliance training, and conducting a compliance awareness survey. Survey answers are analyzed for each department and subsidiary to give us ideas for further improvement.

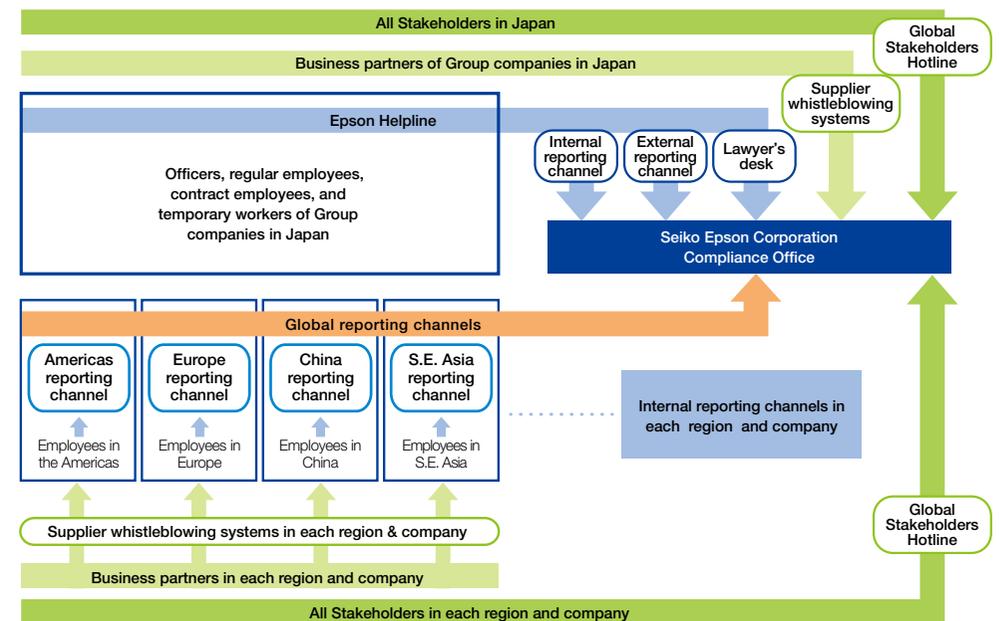
Whistleblowing Systems

Epson guarantees strict control of information in whistleblower reports and whistleblowers anonymity and protection from reprisals in Principles of Corporate Behavior and the Epson Group Whistleblowing Systems Regulation. We continuously revise the system to adapt to situational

changes. For example, we established systems in compliance with the amended Whistleblower Protection Act designating persons to respond to whistleblowing reports. Whistleblowing systems have been introduced at all Group companies and are open to officers, employees, dispatch workers, external business partners, and others. In Japan, the Epson Helpline has three reporting channels: an internal channel for reporting to a party within Epson, an external channel for reporting to a third-party company, and a channel that can be used to contact an external attorney. We also have a system to take reports from suppliers. The number of reports received in Japan has been rising every year. In FY2024, 144 reports were received. All were investigated and dealt with appropriately. Group companies abroad provide local reporting channels for employees and suppliers. The Epson Executive Compliance Hotline is a global reporting system that directly takes reports on compliance issues involving executives at subsidiaries outside Japan. This helps us to improve the reliability and effectiveness of the Group's reporting system. In 2025, we established a Global Stakeholders Hotline (GSH) at Seiko Epson⁷. By accepting reports from a broader range of people, we aim to detect compliance issues and other risks early.

⁷ We have established a separate channel to handle stakeholder inquiries and reports regarding human rights issues. For details, see P46, "Grievance Mechanism."

Epson Group Whistleblowing System

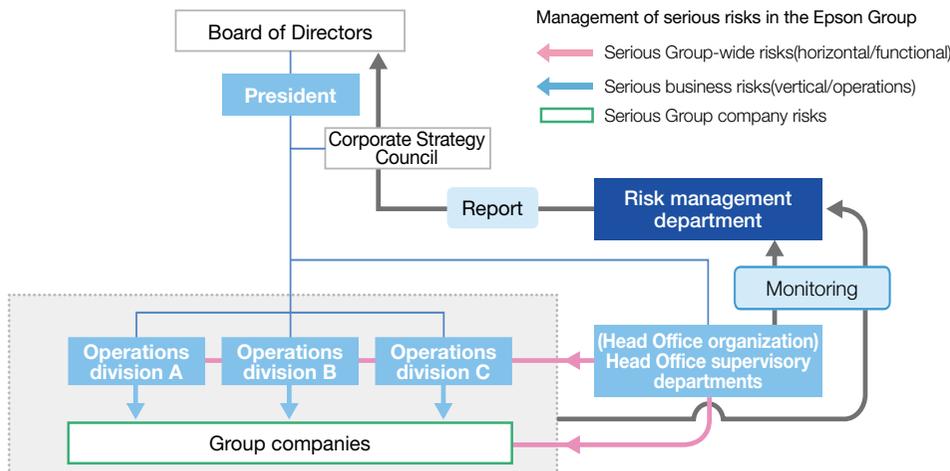


Risk Management

Risk Management Organization

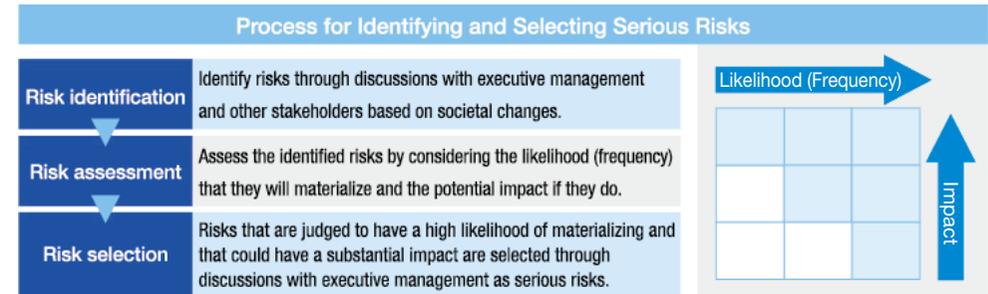
Based on the Basic Internal Control System Policy, overall responsibility for risk management in the Epson Group, including subsidiaries, belongs to the president of Seiko Epson. Group-wide risk management is carried out by Head Office supervisory departments with the cooperation of the operations divisions and subsidiaries. Risks unique to an individual business are managed by the Chief Operating Officer of that business, including at subsidiaries consolidated under them. The Company has also set up the risk management department, monitors overall risk management Group-wide, makes corrections and adjustments thereto, and ensures the effectiveness of risk management programs. The risk management structure is defined in the Epson Group Risk Management Basic Regulations.

Risk Management Structure Chart



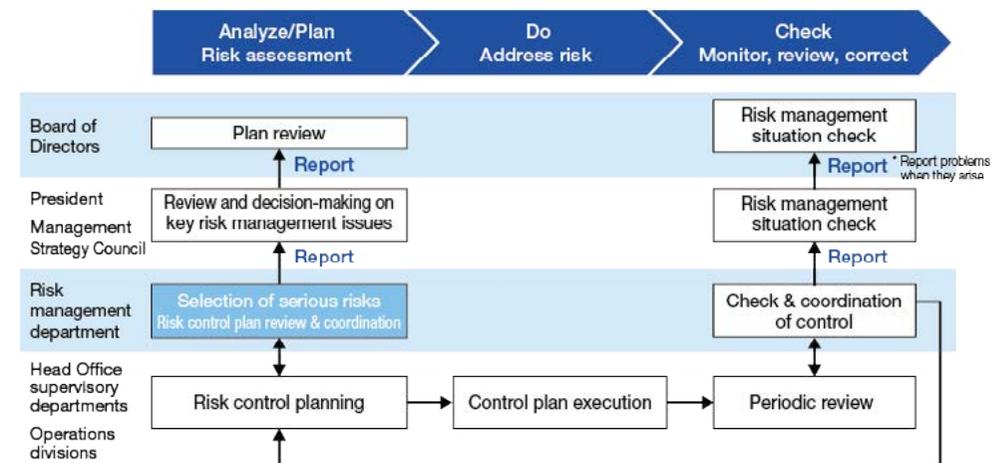
Epson identifies a wide range of ethical risks as important business challenges based on the Code of Conduct of the Responsible Business Alliance (RBA), such as information transparency, IP protection, fair competition, whistleblower protection, responsible mineral procurement, and privacy protection, in addition to misconduct such as bribery, corruption, and cartels. These risks are prioritized based on risk assessment in reference to the internal control framework "COSO" and the international standard for risk management "ISO 31000." Risks that could have serious adverse effects on Epson Group operations are considered "serious Group-wide risks." Risks that could have serious adverse effects on business operations are considered "serious business risks." And risks that could have serious adverse effects on subsidiaries' operations are considered "serious subsidiary risks."

⁸ Committee of Sponsoring Organizations of the Treadway Commission: An organizational committee intended to help businesses to enhance ethics, implement internal control and ensure governance and others



Epson drafts and executes plans to control those serious risks identified and periodically monitors their progress. The Company also strives to ensure control activities effectiveness of control activities by evaluating activities related to "serious Group-wide risks" every quarter and evaluating "serious business risks" and "serious subsidiary risks" every six months, as well as by striving to monitor the risk environment at all times and, if any change that may become serious is found, by analyzing and assessing the relevant risk and revising the control plans so that the risk is handled as a serious risk as necessary. The president of Seiko Epson reports important risk management affairs to the Board of Directors quarterly. Furthermore, the company fulfills its accountability to a wide range of stakeholders in and outside the Group, such as shareholders, customers, employees, business partners, communities, and the environment, while continuously working to improve the transparency and effectiveness of risk management.

Management Cycle for Controlling Serious Risks



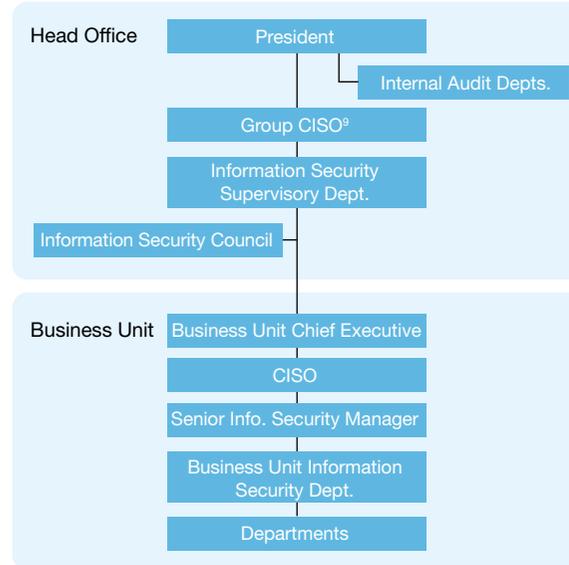
Information Security

Epson recognizes all information used in its business activities as a vital management resource and regards information security to be a management priority. We are working to ensure that every member of the Group understands the importance of information security and to create information security governance and a corporate culture that reflect this mindset in daily operations.

Information Security Framework

Epson has a system in which each business unit is responsible for establishing and maintaining its information security framework based on standard Group-wide regulations under the governance of Chief Information Security Officer (Group CISO). Under this system, the systems and controls of each business unit are internally assessed to check whether information security risks are being managed effectively.

Information Security Organization



⁹ Chief Information Security Officer

Cyber Security

To deal with increasingly sophisticated cyber security threats and attacks, we have established a medium-term plan that defines our cybersecurity strategy on a global level and are strengthening our countermeasures. For reference, we have used the Cyber Security Management Guidelines of the Ministry of Economy of Japan, Trade and Industry and the Cybersecurity Framework developed by the U.S. National Institute of Standards and Technology.

As part of this effort, we have established a 24/7 security monitoring system, enabling a rapid response to alerts related to malware, including ransomware. We also use case studies of past incidents as training material and revise our response procedures accordingly.

We continue to improve and reinforce our cyber security. To detect cyberattacks as early as possible and to minimize potential damage, we have introduced managed detection and response (MDR), a service that monitors IT equipment and networks and detects and responds to suspicious behavior.

Crisis Management

Strengthening Governance

At Epson, we maintain a standing crisis management program to enable us to quickly address incidents that could have a significant impact on Group management. This program provides for a Crisis Management Committee chaired by the president and vice-chaired by the general manager in charge of risk management, and initial response procedures are in place to handle crises.



In the event of a crisis, the general manager of the relevant Head Office department in charge of the type of crisis will act as the person responsible for crisis management and will set up a system that enables a rapid response based on a quick decision made by the chairperson of the Crisis Management Committee through direct confirmation. The crisis management program includes response programs for each type of crisis, which specify initial procedures to be taken in response to anticipated crises. The relevant organizations promptly work together to grasp and analyze the situation and draft and implement measures to prevent further damage. If necessary, we also seek the cooperation of external organizations such as lawyers, consulting firms, and government authorities to ensure a thorough response.

The crisis management system will be lifted when the situation stabilizes. However, the situation will continue to be monitored within the risk management cycle, and measures will be taken to ensure recovery, prevent recurrence, and share information within the Group. These will be regularly reported to executive management, including outside directors, through meetings of the Board of Directors and other bodies. The crisis management program will be reviewed, and measures in risk control activities will be reflected to improve the ability to respond to new crises.

List of Main Risks

Note: The content of the list was excerpted from “Risks related to Epson’s business operations” in Epson’s Annual Report. Please see the Annual Report for additional details.



Strengthening Governance
Epson’s Annual Report 2025
<https://corporate.epson/en/investors/publications/annual-report.html>

Main risks	General description of risk	Main countermeasures
Parts procurement risks from certain suppliers	<ul style="list-style-type: none"> ● A supplier parts shortage or quality problem with supplier parts could interfere with Epson’s manufacturing and selling activities. 	<ul style="list-style-type: none"> ● Procure parts and materials from multiple suppliers whenever possible. ● Work with suppliers to maintain or improve quality and reduce costs to ensure stable and efficient procurement.
Intellectual property rights risks	<ul style="list-style-type: none"> ● An objection might be raised to, or an application to invalidate might be filed with respect to, an intellectual property right of Epson, and as a result, that right might be recognized as invalid. ● A third party to whom we originally had not granted a license could come to possess a license as a result of a merger with or acquisition by another party, potentially causing us to lose the competitive advantage conferred by that intellectual property. ● New restrictions could be imposed on an Epson business as a result of a buyout or a merger with a third party, and we could be forced to spend money to find a solution to those restrictions. 	<ul style="list-style-type: none"> ● Independently develop technologies we need; acquire patent, trademark, and other IP rights for them; and license the rights for products and technologies. ● Strengthen our intellectual property portfolio by placing personnel in key positions to manage our IP.
Environmental risks	<ul style="list-style-type: none"> ● An environmental problem could arise that would require us to pay damages and/or fines, bear costs for cleanup, or halt production. ● New regulations could be enacted that would require major expenditures. 	<ul style="list-style-type: none"> ● Develop and manufacture products with reduced environmental impact, develop environmental technologies, reduce energy consumption, recover, recycle, and reuse products, comply with international chemical substance regulations, and improve environmental management systems in line with Environmental Vision 2050, under which Epson aims to become carbon negative and underground resource¹⁰ free by 2050. ● Grow revenue by selling commercial and industrial inkjet printing solutions and printheads that reduce environmental impact, increase productivity, and reduce printing costs, and by providing production systems with a reduced environmental impact. ● Develop environmental business by establishing material recycling technology and Dry Fiber Technology applications to combat global warming and transition to a circular economy. <p>¹⁰ Non-renewable resources such as oil and metals</p>
Hiring and personnel retention risks	<ul style="list-style-type: none"> ● Competition could intensify for the best talent to develop advanced new technologies and manufacture advanced new products. 	<ul style="list-style-type: none"> ● Secure and retain top-notch talent by introducing role-based compensation, developing internal talent, promoting diversity, implementing flexible work arrangements, managing health, and promoting global talent to create an amenable work environment and climate in which diverse human resources can make the most of their abilities.
Legal, regulatory, licensing and similar risks	<ul style="list-style-type: none"> ● Epson conducts business internationally. In the event of an international legal or regulatory violation, or in the event of an investigation or proceedings against Epson by responsible authorities, the introduction of stricter laws or regulations or their more rigorous enforcement by the authorities, Epson could incur damage to its credibility, large civil fines, constraints on its business activities, higher expenses to comply with laws and regulations, or other negative consequences. 	<ul style="list-style-type: none"> ● Ensure compliance by building a robust compliance framework in each country and business and through internal awareness campaigns. ● Treat compliance as a high management priority, and develop measures to prevent and control potential issues as appropriate.
Natural disasters, infectious diseases, etc.	<ul style="list-style-type: none"> ● There could be war, acts of terrorism, and supply chain disruptions caused by unpredictable events such as natural disasters, pandemics involving new infectious diseases like COVID-19, disasters emerging infectious diseases, or disasters affecting suppliers. ● There is potential for epidemic caused by a new strain of pathogen that is highly infectious and brings the risk of severe disease, or an emerging infectious disease epidemic to replace COVID-19. 	<ul style="list-style-type: none"> ● Conduct disaster drills, prepare earthquake disaster action plans, and establish business continuity plans to mitigate the effects of disasters to the extent possible. ● Insure against losses arising from earthquakes. (However, the scope of indemnification is limited.) ● Establish a business continuity plan (BCP) for emerging infectious diseases. ● Establish action plans for normal times, the early stages of an epidemic, and during the epidemic itself, and minimize risk.

Board of Directors (As of June 26, 2025)

* See the Notice of the 83rd Ordinary General Meeting of Shareholders for details of the reasons for the election of each director.



Notice of the 83rd Ordinary General Meeting of Shareholders (2025)
<https://corporate.epson/en/investors/information/meeting.html>

Strengthening Governance



Yasunori Ogawa

Chairman of the Board

Reasons for Selection

As the former president and representative director, Mr. Ogawa has considerable business experience and a proven track record in leading the development of the Group. He will continue to provide excellent leadership for the company's sustainable growth and long-term corporate value.



Junkichi Yoshida

President and Representative Director

Reasons for Selection

Mr. Yoshida, drawing on his experience in overseas sales and marketing, business development, and strategic execution in the printing solutions business, has led the planning and execution of long-term business strategy. He can demonstrate leadership in increasing corporate value.



Yasunori Yoshino

Director, Executive Officer

Reasons for Selection

Mr. Yoshino has extensive experience in the visual products value chain, a customer-centric mindset, and sharp business acumen. As head of the Corporate Strategy Division, he is also involved in formulating the next long-term strategic plans for the company and will contribute to corporate value.



Akihiro Fukaishi

Director, Executive Officer

Reasons for Selection

Mr. Fukaishi has extensive experience in driving sales strategies and managing business operations. He has played a pivotal role in strengthening the Group's management foundation, leading initiatives that span both corporate and business domains. He is expected to be able to contribute to corporate value going forward.



Masayuki Kawana

Director, Full-Time Audit & Supervisory Committee Member

Reason for appointment

Mr. Kawana has considerable experience and a proven track record, particularly in human resources, and as a director. He makes decisions on important management matters and monitors the execution of operations appropriately. He will continue his contributions to monitoring management and ensuring sound management in order to improve corporate value.



Tadashi Shimamoto

Outside Director

Outside
Independent Director

Reason for appointment

In addition to serving in top management positions at Nomura Research Institute, Ltd., Mr. Shimamoto has considerable experience and deep knowledge in base technology, logistics, service, industry-related systems, and more. He will monitor corporate management appropriately by offering his opinions from the perspectives of overall management and DX/IT systems.



Masaki Yamauchi

Outside Director

Outside
Independent Director

Reason for appointment

Mr. Yamauchi has served as president and chairperson of Yamato Holdings Co., Ltd. and has considerable insight and experience in corporate management. He will monitor corporate management appropriately by offering his opinions from such perspectives as organizational management related to the fundamentals of corporate management.



Kahori Miyake

Outside Director

Outside
Independent Director

Reason for appointment

Ms. Miyake promoted ESG strategies as an executive officer of AEON Co., Ltd. and is currently a fellow officer of Sumitomo Mitsui Trust Bank, Limited. She has also served as co-chair of Japan Climate Leaders' Partnership and will monitor corporate management appropriately by offering her opinions from the perspective of environmental management with her expertise in environmental and social contributions.



Susumu Murakoshi

Outside Director, Audit & Supervisory Committee Member

Outside
Independent Director

Reason for appointment

Mr. Murakoshi has a high level of expertise as an attorney and considerable experience in the legal community, including as president of the Japan Federation of Bar Associations. He will continuously contribute to monitoring management appropriately and ensuring sound management.



Michiko Ohtsuka

Outside Director, Audit & Supervisory Committee Member

Outside
Independent Director

Reason for appointment

Ms. Ohtsuka has a high level of expertise as a certified public accountant and considerable insight and experience as an outside officer of a listed company. She will continuously contribute to monitoring management appropriately and ensuring sound management.



Akira Marumoto

Outside Director, Audit & Supervisory Committee Member

Outside
Independent Director

Reason for appointment

At Mazda Motor Corporation, Mr. Marumoto was in charge of a wide range of administrative areas, including corporate planning and production and sales operations in the U.S. Since becoming president, he has dealt with various management issues and strengthened earning power, and his experience and knowledge will contribute to monitoring management appropriately and ensuring sound management.

Areas of Particular Expertise (Skill Matrix)

Strengthening Governance

The company believes that a diverse board of directors is useful for facilitating substantive board discussions that cover all angles. Therefore, our basic policy is to maintain a board that is well-balanced and composed of diverse persons who combine a broad spectrum of knowledge, experience, and skill in their respective areas of expertise. Since the Annual General Meeting of Shareholders in June 2023, outside directors have comprised the majority of the board of directors. We will continue to review the composition of the board, taking into account the Company's medium- to long-term direction.

Title	Name	Tenure as a director at the end of the 6/26/2025 general shareholders' meeting	Voluntary Committee		Independent Director	Areas of expertise and skills particularly expected by the company								
			Director Nomination Committee (◎Chair)	Director Compensation Committee (◎Chair)		Corporate Management	Development, Design, Business Development	Sales & Marketing	IT, Digital	Finance, Accounting, Investment	Compliance, Governance	HR Development, HR Management	Environment, Sustainability	Global Perspective
Chairman of the Board	Yasunori Ogawa	7 years					●				●		●	
President and Representative Director	Junkichi Yoshida	1 year	○	○		●		●	●					
Director, Executive Officer	Yasunori Yoshino	1 year					●		●	●				
Director, Executive Officer	Akihiro Fukaishi	—						●				●		●
Outside Director	Tadashi Shimamoto	2 years	◎	○	○	●	●		●					
Outside Director	Masaki Yamauchi	2 years	○	◎	○	●		●				●		
Outside Director	Kahori Miyake	1 year	○	○	○			●					●	●
Director, Full-Time Audit & Supervisory Committee Member	Masayuki Kawana	11 years								●	●	●		
Outside Director, Audit & Supervisory Committee Member	Susumu Murakoshi	5 years	○	○	○					●	●		●	
Outside Director, Audit & Supervisory Committee Member	Michiko Ohtsuka	5 years	○	○	○					●	●	●		
Outside Director, Audit & Supervisory Committee Member	Akira Marumoto	1 year	○	○	○	●	●							●

* Up to three areas of particular expertise are indicated.

Achieving Our Purpose

“Our philosophy of efficient, compact and precise innovation enriches lives and helps create a better world.” This statement of purpose distills our reason for being and serves as a compass for the entire Group, even in times of rapid change.

The pursuit of ever greater efficiency, compactness, and precision that we have embraced for so long goes well beyond technology. “Efficient, compact and precise” are more than just technologies. They reflect a unique approach to eliminating waste, making things smaller and achieving greater precision. This philosophy is the foundation of innovation at Epson. It is what enables us to reduce environmental impact, enrich the global environment and create greater social value. Guided by the purpose, we continuously demonstrate a spirit of creativity and challenge and seek to address global environmental problems and other pressing societal issues to deliver new value that only Epson can provide. Achieving this vision requires shared belief and collaboration—not only from our employees but also from customers, partners and communities worldwide. Together, we will forge a future in which we enrich lives and help create a better world, one in which we remain a trusted and valued company for generations to come.

Internal Purpose Activities

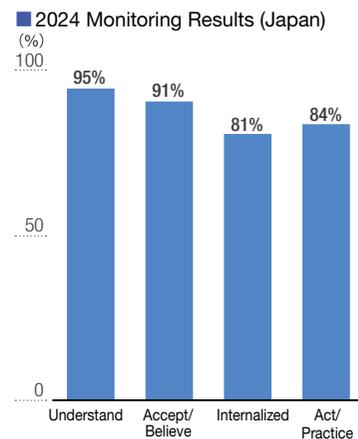
Since defining the corporate purpose in 2022, Epson has implemented activities to help every employee understand its meaning and practice it in their own work. These activities go beyond simply sharing the purpose. They are designed to translate it into concrete action and value creation.

We conduct engagement surveys and questionnaires to assess employee mindfulness and response to the activities so that we can continuously improve the quality of our activities. The 2023 survey results indicate that accepting and believing in the purpose lead to purpose-driven actions. Accordingly, in 2024, we focused on activities that build belief in the purpose.

We will continue initiatives to embed the purpose and encourage all personnel to live it.

2024 Monitoring Results (Japan)

The percentage of employees in Japan who accept and believe in the purpose has reached 91%. The purpose is thus becoming embedded as a meaningful compass for most employees. Moreover, over 81% of employees have internalized it as their own and are translating it into concrete actions, and a growing number are making workplace decisions and taking action based on the purpose. These changes suggest that the company as a whole is evolving into an organization that thinks and acts in accordance with shared values.



At the same time, some employees have expressed uncertainty about what specific actions they should take. Going forward, we believe it is important for each individual to consider how their actions relate to the purpose and to improve the quality of those actions.

Transitioning to the Action Phase

Epson is now transitioning from the phase where belief in the purpose is understood and deeply absorbed to the action phase where our activities embody our purpose.

Epson personnel have begun to consciously incorporate the purpose into their work and decision-making, and we are gradually seeing more people put the purpose into practice across different regions and businesses. To create unique Epson value, we will continue to put purpose at the heart of everything we do and to deepen our commitment to realizing social sustainability.

Initiatives to Put the Purpose into Practice

Epson Innovation Challenge (Epson Korea)

To enrich lives and create a better world, Epson collaborates with startups and partners across industry, government, and academia to address societal issues through innovation. As part of this effort, we began in 2019 to host events at which partners pitch original business solutions that utilize our open Web API, Epson Connect API. These competitive events, held previously in North America and Asia, bring together partners with ideas for developing services and apps that enhance the customer experience.

In 2024, Epson Korea hosted the seventh such event, the “Epson Innovation Challenge in Korea.” The event attracted 30 teams and 95 participants who received training in API usage, business development and programming. They worked on creating new business models and added value in fields such as education, e-commerce and K-culture. Award-winning projects included a children’s app combining voice recognition and generative AI to create coloring book pages, and a remote book-scanning solution. Some of ideas have already been commercialized, with further collaborations underway.

This program aims to enrich learning and everyday life through digital technology and creative ideas. By co-creating value with diverse partners, the program is putting Epson’s Purpose into action. We will continue to go beyond providing technology and products, driving meaningful change for people and society as we advance toward our purpose.



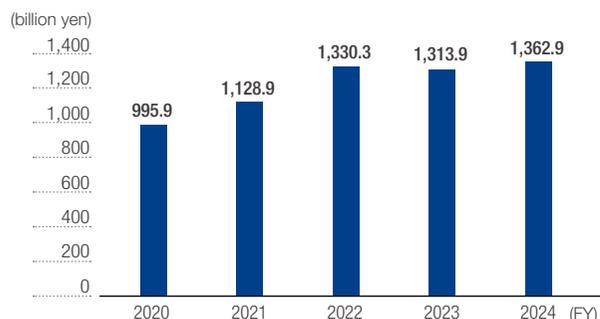
Fact Data

Financial and Non-Financial Highlights

Financial Highlights

Revenue

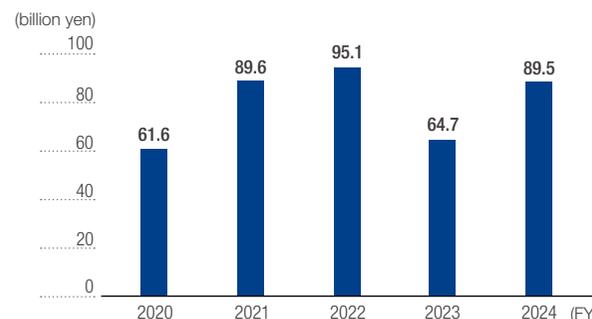
¥1,362.9 billion



Revenue increased year-on-year. This increase was primarily due to sharp growth in sales of high-capacity ink tank printers, office shared inkjet printers, and printheads, as well as the positive foreign exchange effects from a weaker yen.

Business Profit

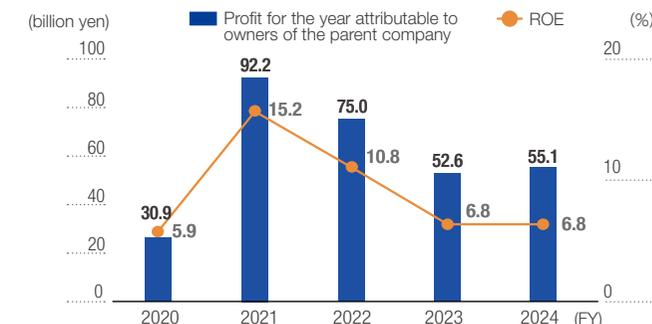
¥89.5 billion



In addition to higher revenue and positive foreign exchange effects, business profit was sharply up from the prior year, when inventory reductions had a substantial negative impact on profit.

Profit for the Year Attributable to Owners of the Parent Company & ROE

Profit for the year attributable to owners of the parent company **¥55.1 billion** ROE **6.8%**

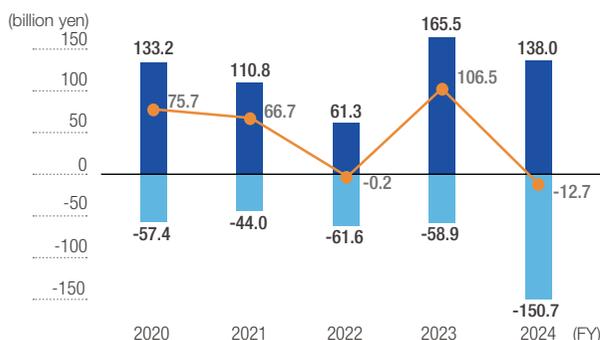


Other operating expenses increased due to the recording of a foreign exchange loss and financial income decreased, but profit for the year attributable to owners of the parent company increased from the prior year on higher business profit and higher profit from operating activities. ROE was consistent with the previous period, at 6.8%.

Free Cash Flow

-¥12.7 billion

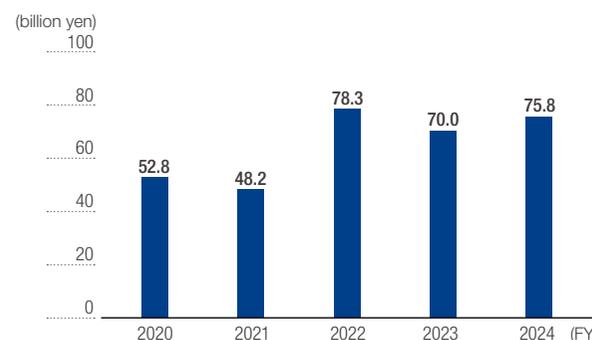
■ Net cash from (used in) operating activities
■ Net cash from (used in) investing activities
● Free cash flow



Net cash from operating activities totaled ¥138.0 billion. This was primarily due to the recording of ¥55.1 billion in profit for the period as well as depreciation and amortization. Net cash used in investing activities totaled ¥150.7 billion, with payments associated with the acquisition of shares of Fiery, LLC, the largest component. Consequently, free cash flow sharply decreased compared to the prior year.

Capital Expenditure

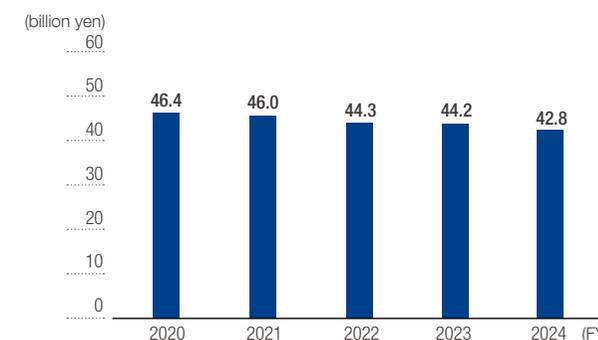
¥75.8 billion



Epson spent on future business growth, particularly on new products, production capacity, automation, maintenance and upgrades, and environmental. We will continue to focus investment on production systems for printheads and digital infrastructure, as well as on automation to improve productivity.

Research and Development Expenses

¥42.8 billion



Epson places research and development at the core of strengthening its business infrastructure, and makes efforts for continuous evolution of its foundational technologies, core technologies and product technologies. Going forward, we intend to accelerate the development of our technical foundation for increasing the competitiveness of our existing businesses and creating new businesses, through strengthening our material technologies, AI, and digital technologies in particular, in addition to our manufacturing capabilities.

Non-Financial Highlights: Social, Governance, Environmental

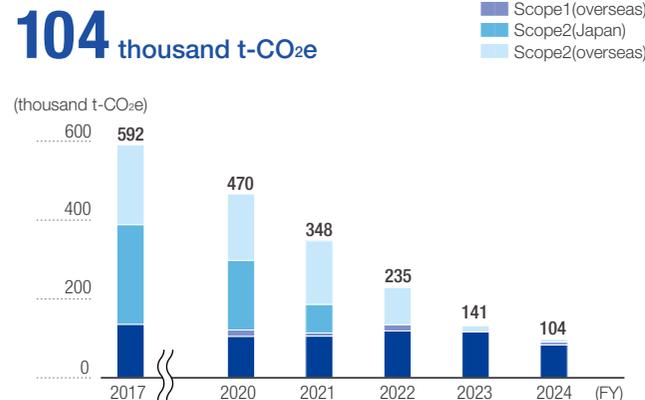
Registered Patent Rankings¹

Japan		U.S.	
Inkjet printers	1 st	Inkjet printers	1 st
Projectors	1 st	Projectors	1 st
Robots	3 rd	Robots	4 th
Crystal devices	1 st	Crystal devices	1 st

¹ The 2024 ranking in number of registered patents (per Epson research)

Epson delivers new customer value through products that embody our core technologies. Our patent portfolio is both qualitatively and quantitatively world-class in product fields such as inkjet printers and projectors, and this industry-leading intellectual property supports the creation of proprietary core technologies.

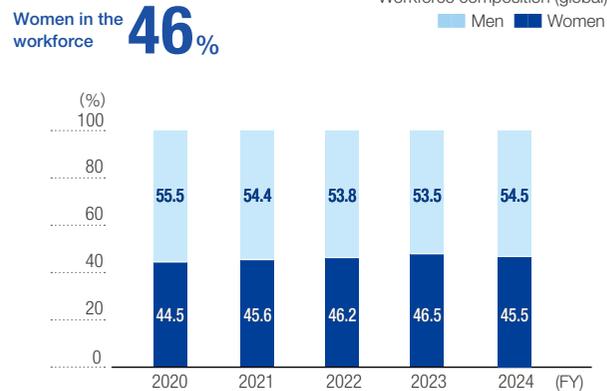
Greenhouse Gas (GHG) Emissions^{3,4}



By continuing the use of renewable electricity in addition to driving site-based energy-saving initiatives, we achieved our 2025 target of reducing scope 1 and scope 2 greenhouse gas (GHG) emissions by 34% compared to FY2017.

▶ See P70 for footnotes ^{3,4}

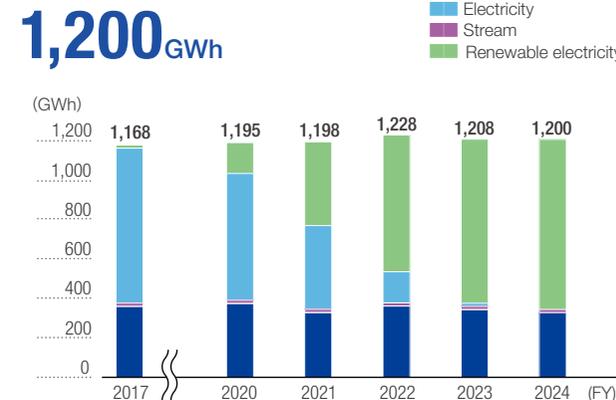
Diversity²



To understand a diverse range of customers and meet their needs, our own diversity is important. Epson is taking action to support the advancement of more women in the workplace by, for example, increasing the number of female managers.

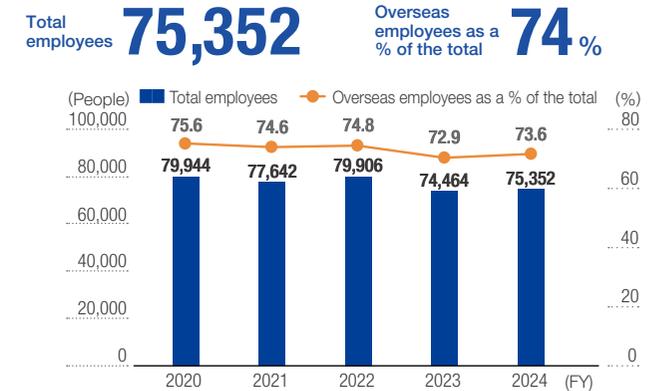
² Regular employees in the Epson Group as of the fiscal year-end (March 31)

Energy Usage



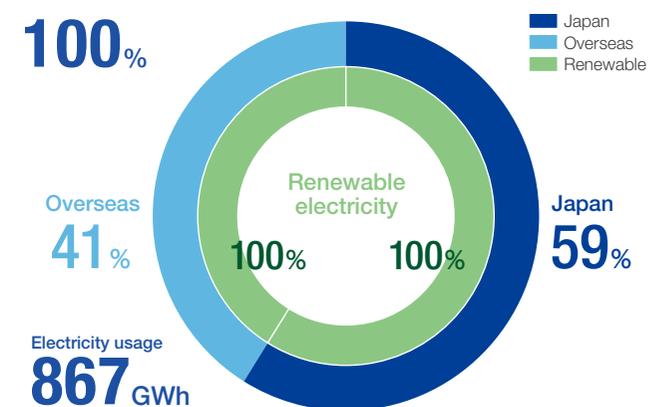
Our energy-saving initiatives results in a slight dip in energy use. As part of our scope 1 reduction measures, we are progressively electrifying fuel-based equipment. While this transition is expected to increase overall electricity consumption, we are mitigating the impact by expanding the use of renewable energy, thereby reducing reliance on oil, gas, and other non-renewable energy sources.

Total Employees & Overseas Employees as a % of the Total



Epson has over 100 R&D, production, or sales sites in countries and regions outside Japan. Overseas operations generate approximately 80% of consolidated revenue and account for 70% of employees. For this reason, securing and retaining a solid base of human resources that can survive and thrive in global competition is the key to our human resources strategy.

Renewable Electricity Usage Ratio⁵ (FY2024)



In December 2023, Epson completed the switch to renewable electricity for the electricity used at its sites worldwide⁶. Renewable electricity now accounts for 100% of our annual electricity usage. As a result, emissions from electricity, which previously accounted for over 70% of Epson's total GHG emissions, have been reduced to zero, making a significant contribution to lowering scope 2 emissions.

▶ See P70 for footnotes ^{5,6}

Consolidated Financial Highlights

		IFRS (Consolidation)				
		FY2015	FY2016	FY2017	FY2018	FY2019
Statement of income (billions of yen)	Revenue	1,092.4	1,024.8	1,102.1	1,089.6	1,043.6
	Gross profit	397.6	365.9	400.8	412.6	362.0
	Business profit ¹	84.9	65.8	74.7	70.4	40.8
	Profit from operating activities	94.0	67.8	65.0	71.3	39.4
	Profit before tax	91.5	67.4	62.6	72.0	39.7
	Profit for the period attributable to owners of the parent company	45.7	48.3	41.8	53.7	7.7
Statement of financial position (billions of yen)	Equity attributable to owners of the parent company	467.8	492.1	512.7	540.1	503.7
	Total assets	941.3	974.3	1,033.3	1,038.3	1,040.9
	Interest-bearing liabilities ²	141.7	146.5	166.5	142.3	209.6
Statement of cash flows (billions of yen)	Net cash provided by (used in) operating activities	113.0	96.8	84.2	76.9	102.3
	Net cash provided by (used in) investing activities	-51.5	-75.7	-74.6	-82.7	-76.1
	Free cash flows	61.4	21.1	9.6	-5.7	26.1
Financial and management indicators (billions of yen·%)	Research and development expense	53.1	52.7	50.3	58.2	49.2
	Capital expenditures	69.4	75.3	79.4	82.0	80.0 ⁶
	Depreciation and amortization	45.3	43.2	49.4	55.6	67.8
	Equity ratio attributable to owners of the parent company	49.7	50.5	49.6	52.0	48.4
	ROE (profit for the period attributable to owners of the parent company/beginning and ending balance average equity attributable to owners of the parent company)	9.5	10.1	8.3	10.2	1.5
	ROA (business profit/beginning and ending balance average total assets)	8.7	6.9	7.4	6.8	3.9
	ROS (business profit/revenue)	7.8	6.4	6.8	6.5	3.9
	ROIC (return on invested capital) ³	-	7.4	7.9	7.2	4.1
	Consolidated dividend payout ratio	46.9	43.9	52.2	40.7	278.5
	Consolidated dividend payout ratio (based on business profit) ⁴	36.1	45.9	41.7	44.3	75.0
Per share data (yen)	Basic earnings per share (EPS)	127.94	136.82	118.78	152.49	22.26
	Equity attributable to owners of the parent company per share (BPS)	1,307.58	1,397.40	1,455.67	1,533.57	1,456.20
	Cash dividends per share	60.00 ⁷	60.00	62.00	62.00	62.00
Index of stock price (multiples)	Price earnings ratio (PER)	14.21	17.13	15.92	11.12	52.56
	Price book-value ratio (PBR)	1.39	1.68	1.30	1.11	0.80
Revenue breakdown by region (billions of yen) ⁵	Japan	264.0	251.3	250.1	251.4	254.9
	The Americas	320.0	290.9	320.4	310.5	293.0
	Europe	226.3	211.9	233.2	225.2	214.0
	Asia/Oceania	282.0	270.5	298.2	302.4	281.5
Average exchange rate for the period (yen)	Yen/U.S. dollars	120.14	108.38	110.85	110.86	108.74
	Yen/Euro	132.58	118.79	129.66	128.40	120.85
Number of employees at period end (person)	Total	67,605	72,420	76,391	76,647	75,608
	Domestic	18,699	19,175	19,436	19,456	19,558
	Overseas	48,906	53,245	56,955	57,191	56,050

¹ Business profit is calculated by subtracting cost of sales and selling, general and administrative expenses from revenue.

² Lease obligations are included in interest-bearing liabilities.

³ ROIC = Business profit after tax/(equity attributable to owners of the parent company + interest-bearing liabilities)

⁴ Calculated based on profit after an amount equivalent to the statutory effective tax rate is deducted from business profit.

⁵ Sales (revenue) by region is based on the location of the customers.

⁶ The figure for FY2019 includes leases.

⁷ Including a 10-yen anniversary dividend

Consolidated Financial Highlights

		IFRS (Consolidation)				
		FY2020	FY2021	FY2022	FY2023	FY2024
Statement of income (billions of yen)	Revenue	995.9	1,128.9	1,330.3	1,313.9	1,362.9
	Gross profit	352.3	418.4	466.6	456.6	493.0
	Business profit ¹	61.6	89.6	95.1	64.7	89.5
	Profit from operating activities	47.6	94.4	97.0	57.5	75.1
	Profit before tax	44.9	97.1	103.7	70.0	78.3
	Profit for the period attributable to owners of the parent company	30.9	92.2	75.0	52.6	55.1
Statement of financial position (billions of yen)	Equity attributable to owners of the parent company	550.9	665.6	727.3	810.9	804.7
	Total assets	1,161.3	1,266.4	1,341.5	1,413.0	1,456.4
	Interest-bearing liabilities ²	265.9	243.1	233.2	204.7	224.7
Statement of cash flows (billions of yen)	Net cash provided by (used in) operating activities	133.2	110.8	61.3	165.5	138.0
	Net cash provided by (used in) investing activities	-57.4	-44.0	-61.6	-58.9	-150.7
	Free cash flows	75.7	66.7	-0.2	106.5	12.7
Financial and management indicators (billions of yen·%)	Research and development expense	46.4	46.0	44.3	44.2	42.8
	Capital expenditures	52.8	48.2	78.3	70.0	75.8
	Depreciation and amortization	69.4	64.4	68.6	68.6	72.0
	Equity ratio attributable to owners of the parent company	47.4	52.6	54.2	57.4	55.3
	ROE (profit for the period attributable to owners of the parent company/beginning and ending balance average equity attributable to owners of the parent company)	5.9	15.2	10.8	6.8	6.8
	ROA (business profit/beginning and ending balance average total assets)	5.6	7.4	7.3	4.7	6.2
	ROS (business profit/revenue)	6.2	7.9	7.1	4.9	6.6
	ROIC (return on invested capital) ³	5.6	7.3	7.1	4.6	6.1
	Consolidated dividend payout ratio	69.4	23.2	32.6	46.6	43.9
	Consolidated dividend payout ratio (based on business profit) ⁴	49.7	34.2	36.3	54.2	38.2
Per share data (yen)	Basic earnings per share (EPS)	89.38	266.73	220.75	158.68	168.75
	Equity attributable to owners of the parent company per share (BPS)	1,592.36	1,923.68	2,194.02	2,445.52	2,512.15
	Cash dividends per share	62.00	62.00	72.00 ⁷	74.00	74.00
Index of stock price (multiples)	Price earnings ratio (PER)	20.14	6.90	8.52	16.67	14.14
	Price book-value ratio (PBR)	1.13	0.96	0.86	1.08	0.95
Revenue breakdown by region (billions of yen) ⁵	Japan	221.2	229.1	232.0	223.3	225.9
	The Americas	287.9	332.7	436.9	429.9	439.2
	Europe	208.4	239.5	282.2	289.4	298.9
	Asia/Oceania	278.1	327.4	379.0	371.1	398.7
Average exchange rate for the period (yen)	Yen/U.S. dollars	106.01	112.37	135.44	144.44	152.47
	Yen/Euro	123.67	130.55	140.90	156.66	163.64
Number of employees at period end (person)	Total	79,944	77,642	79,906	74,464	75,352
	Domestic	19,470	19,705	20,124	20,209	19,924
	Overseas	60,474	57,937	59,782	54,255	55,428

¹ Business profit is calculated by subtracting cost of sales and selling, general and administrative expenses from revenue.

² Lease obligations are included in interest-bearing liabilities.

³ ROIC = Business profit after tax/(equity attributable to owners of the parent company + interest-bearing liabilities)

⁴ Calculated based on profit after an amount equivalent to the statutory effective tax rate is deducted from business profit.

⁵ Sales (revenue) by region is based on the location of the customers.

⁶ The figure for FY2019 includes leases.

⁷ Including a 10-yen anniversary dividend

External Recognition

 External Recognition
<https://corporate.epson/en/sustainability/evaluation/>

Inclusion in ESG Indices and Ratings

<p>FTSE4Good Index Series (June 2025)</p>  <p>FTSE4Good</p>	<p>FTSE Blossom Japan Index (June 2025)</p>  <p>FTSE Blossom Japan</p>	<p>FTSE Blossom Japan Sector Relative Index (June 2025)</p>  <p>FTSE Blossom Japan Sector Relative Index</p>	<p>MSCI ESG Ratings (April 2025)</p>  <p>MSCI ESG RATINGS <small>CCC B BB BBB A AA AAA</small></p>	<p>MSCI Japan ESG Select Leaders Index (June 2025)</p> <p>2025 CONSTITUENT MSCI NIKONKABU ESG SELECT LEADERS INDEX</p>	<p>MSCI Japan Empowering Women Index (WIN) (June 2025)</p> <p>2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)</p>
<p>Morningstar Japan ex-REIT Gender Diversity Tilt Index (December 2025)</p>	<p>S&P/JPX Carbon Efficient Index (June 2025)</p> 	<p>Epson Recognized under the Health & Productivity Stock Selection Program for the 4th Consecutive Year (March 2025)</p>  <p>2025 健康経営銘柄 <small>KENKO Investment for Health</small></p>	<p>Named to the CDP's A List (Category: climate change) (February 2025)</p> 	<p>Certified by DBJ under its Environmentally Rated Loan Program (December 2022)</p> 	<p>Earned a gold rating for sustainability from EcoVadis (September 2025)</p> 

Participation in External Initiatives

<p>United Nations Global Compact</p> <p>Epson has pledged to conduct its affairs as a good corporate citizen and to uphold ten principles in the areas of human rights, labor, environment, and anti-corruption to achieve sustainable growth.</p>  <p>WE SUPPORT UN GLOBAL COMPACT</p>	<p>Responsible Business Alliance</p> <p>A business alliance to promote CSR in global supply chains</p>  <p>Responsible Business Alliance <small>Advancing Sustainability Globally</small></p>	<p>Responsible Minerals Initiative</p> <p>An alliance for the responsible sourcing of minerals</p> 	<p>TCFD</p> <p>Created by the Financial Stability Board to promote disclosures on climate-related risks and opportunities</p>  <p>TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES</p>	<p>Taskforce on Nature-related Financial Disclosures (TNFD)</p> <p>TFND is an international initiative dedicated to establishing a framework that corporations and organizations can use to assess and disclose the impact of their own economic activities on natural capital and biodiversity.</p>  <p>TNFD Taskforce on Nature-related Financial Disclosures</p>
<p>Science Based Targets Initiative</p> <p>An international partnership that persuades companies to set science-based GHG emissions reduction targets</p>  <p>SCIENCE BASED TARGETS <small>DRIVING AMBITIOUS CORPORATE CLIMATE ACTION</small></p>	<p>RE100</p> <p>An international initiative that brings together the world's most influential businesses to drive the transition to 100% renewable electricity</p>  <p>RE100 <small>CLIMATE GROUP</small> </p>	<p>Japan Climate Initiative</p> <p>A network of non-state entities such as companies, local governments, research institutions, and NGOs committed to combating climate change</p>  <p>JAPAN CLIMATE INITIATIVE</p>	<p>Japan for Circular Economy (J4CE)</p> <p>A partnership established by the Ministry of the Environment, the Ministry of Economy, Trade and Industry, and the Japan Business Federation.</p>	<p>CSR Europe</p> <p>An organization that makes recommendations on guidelines and principles for the European Commission. As a leading European business network, it supports the CSR efforts of businesses, industries, governments, and NGOs</p>  <p>CSR EUROPE</p>

Group Outline (current as of March 31, 2025)

Corporate Outline

Company name	Seiko Epson Corporation
Founded	May 18, 1942
Head Office	3-3-5 Owa, Suwa, Nagano Prefecture
Share capital	53,204 million yen
Employees	Epson Group: 75,352 persons Seiko Epson: 12,792 persons

Matters related to Company Shares

Total number of shares authorized to be issued	1,214,916,736 shares
Total number of shares outstanding	373,573,152 shares (including 53,229,249 treasury shares)
Number of shareholders	32,303 persons

Major shareholders	Shareholder name	Number of shares held (shares)	Shareholding ratio (%)
	The Master Trust Bank of Japan, Ltd. (TrustAccount)	71,098,500	22.19
	Custody Bank of Japan, Ltd. (Trust Account)	27,481,200	8.57
	Seiko Group Corporation	11,000,000	3.43
	Mizuho Trust & Banking Co., Ltd., Retirement benefit trust, Mizuho Bank, Ltd. Account	8,153,800	2.54
	Epson Group Employees' Shareholding Association	7,015,200	2.18
	Sanko Kigyo Kabushiki Kaisha	7,000,000	2.18
	STATE STREET BANK WEST CLIENT-TREATY 505234	6,780,777	2.11
	JPMorgan Securities Japan Co., Ltd.	6,316,786	1.97
	The Dai-ichi Life Insurance Company, Limited	6,115,200	1.90
	Etsuko Hattori	4,321,400	1.34

Note: Although the Company holds 53,229,249 shares of treasury shares, the Company is excluded from the above list of major shareholders. Shareholding ratio is calculated by deducting treasury shares.

Notes

P31 ⁵ The Hong Kong Research Institute of Textiles and Apparel

P32 ⁹ Fabry-Perot interferometer: an interference filter that utilizes the light interference produced by two parallel reflective surfaces. The wavelength of transmitted light can be changed by adjusting the distance between the reflective surfaces.

⁹ The ratio to the total mass of the plastic used. Excludes projection lenses, printed circuit boards, cables, electronic parts, adhesives, etc. The ratio is calculated based on the proportion of recycled materials used, and the actual content may vary depending on procurement conditions.

P37 ¹⁰ A quantity that expresses the contribution by products and services to a reduction in society's GHG emissions

¹¹ Based on the calculation method confirmed by Mizuho Research & Technologies, Ltd., the value is obtained by multiplying the difference between the weighted average of the publicly available lifetime CO₂ emissions of major laser printers in the global market and the lifetime CO₂ emissions of Epson's A3 color inkjet printer by the number of Epson A3 color inkjet printers sold in a given fiscal year. The assumptions differ from those used in the FY2023 results disclosure due to a review of the calculation conditions.

P48 ¹ Smelters and refiners certified as being Conformant under RMI's Responsible Minerals Assurance Process (RMAP).

² Smelters and refiners certified as being Active under RMI's Responsible Minerals Assurance Process (RMAP).

³ CO₂ conversion factor of greenhouse gas emissions

- Electric power: Disclose market-based emissions. In Japan, we use the adjusted emissions factors for the load serving entities (i.e., utilities) from which our sites purchase electricity, pursuant to Load Serving Entity Emission Factors announced by the Ministry of Environment and the Ministry of Economy, Trade and Industry. Overseas, we use the emission factors of the electricity retailers contracted at each site or the emission factors of the IEA (International Energy Agency) for each country. The emission factor is set to zero for the amount of renewable energy certificates and J-Credits utilized.

P66 [•] Fuel: The factors announced by the IPCC in 2019 were used for both domestic and overseas data.
[•] GHGs other than CO₂: Equivalent values were calculated based on 100-year GWP values in the Fifth Assessment Report (AR5) of the IPCC. AR6 is used from 2024 onwards.

⁴ Calculations are based on the GHG Protocol. Calculations for FY2017, 2023, and 2024 are based on the latest SBT standards.

⁵ Includes self-generated portion from fuels such as CGS. Since it is difficult to procure renewable energy fuels or green gas certificates that meets the RE100 technical criteria, we have achieved 100% renewable electricity by voluntarily applying renewable energy certificates equivalent to the amount of electricity used.

⁶ Excluding some sales sites and leased properties where the amount of electricity consumed cannot be determined.

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