(Note) This document has been translated from the Japanese original for reference purposes only. If there is any discrepancy between the Japanese original and the translated document, the original Japanese document shall prevail.

(Translation)

Notice of the 83rd Ordinary General Meeting of Shareholders

May 30, 2025

(Start date of measures for the electronic provision: May 24, 2025)

Dear Shareholders with Voting Rights,

We are pleased to send you this convocation notice for the 83rd Ordinary General Meeting of Shareholders. We have sent shareholders residing in Japan the convocation notice and attached documents in Japanese, which were compiled in accordance with the Japanese Companies Act. Under this Act, there is no obligation to provide materials in languages other than Japanese. However, we have enclosed an English translation for the reference of non-Japanese shareholders. It is not intended to influence shareholders in exercising their voting rights. Unfortunately, we are only able to provide official documents in Japanese. We ask for your understanding in this matter and thank you for your continued support of the Seiko Epson Corporation (hereinafter the "Company").

In convening this General Meeting of Shareholders, the Company has taken the measures for the electronic provision of information contained in the reference materials for general meetings of shareholders, etc. (matters subject to electronic provision), and has posted the matters subject to electronic provision as the "Notice of the 83rd Ordinary General Meeting of Shareholders" on the following website.

If you are unable to attend the meeting in person, you may exercise your voting rights by mail or via the Internet, etc. Please exercise your voting rights no later than 5:00 p.m., Wednesday, June 25, 2025 (Japan time). Prior to voting, you may wish to review the "Reference Materials for the Ordinary General Meeting of Shareholders" document, provided herein.

- **The Company's website:**
  https://corporate.epson/en/investors/information/meeting.html

- **Tokyo Stock Exchange, Listed Company Search:**
  https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show
  Please visit the website and search for the stock name "Seiko Epson" or the securities code "6724," select "Basic information" then choose "Documents for public inspection/PR information."

- **Website for the materials for the General Meeting of Shareholders:**
  https://s.srdb.jp/6724/ (available in Japanese only)

Voting by Mail

To vote by mail, please indicate on the enclosed voting form whether you approve or disapprove of each of the proposals and return the completed form to us. The completed form must be received no later than 5:00 p.m., Wednesday, June 25, 2025 (Japan time).

Voting via the Internet

To vote via the Internet, please log into the shareholders' voting website at https://evote.tr.mufg.jp/ to register your approval or disapproval (Japanese only). Voting via the Internet must be completed no later than 5:00 p.m., Wednesday, June 25, 2025 (Japan time).

Sincerely yours,

Junkichi Yoshida
President and Representative Director

Seiko Epson Corporation
4-1-6 Shinjuku, Shinjuku-ku, Tokyo

Description

1. Date and Time 10:00 a.m., Thursday, June 26, 2025 (Japan time)
(Reception starts at 9:30 a.m.)

2. Place "Ruby Hall," 2nd Floor, the Main Building, Hotel Beniya,
2-7-21 Kogan-dori, Suwa-shi, Nagano

3. Meeting Agenda

Reporting:

1. Report on the business reports, the consolidated financial statements and the reports of the Financial Auditors and of the Audit & Supervisory Committee regarding the consolidated financial statements for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025).
2. Report on the non-consolidated financial statements for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025).

Proposals:

1. Appropriation of Surplus
2. Election of Seven Directors Who Are Not Audit & Supervisory Committee Members
3. Bonus to Directors Who Are Not Audit & Supervisory Committee Members

- For those shareholders who have not requested the delivery of paper copies, the reference materials for the Ordinary General Meeting of Shareholders as well as reference information (special features, company overview, shareholder memo, etc.) are also sent together.
- In accordance with the provisions of laws and regulations and the Company's Articles of Incorporation, the following items are not included in the paper copies sent to shareholders who have requested the delivery of such copies. The Audit & Supervisory Committee and the Financial Auditors have audited the documents, including these matters.
  1) Internal Control Systems (A system for ensuring that business is conducted suitably by the corporate group) and Basic Policy regarding Company Control in the Business Report.
  2) Consolidated Statement of Changes in Equity and Notes to the Consolidated Financial Statements in the Consolidated Financial Statements
  3) Statement of Changes in Net Assets and Notes to the Non-consolidated Financial Statements in the Non-consolidated Financial Statements
- In the event of any revision to the matters subject to electronic provision, the Company will announce the matters before and after the revision on respective websites.

4. Convocation rules

(1) If you exercise your voting rights both by mail and via the Internet, we will treat the vote via the Internet as valid.

(2) If you exercise your voting rights via the Internet on multiple occasions, we will treat the last vote as valid.

5. Notes

(1) If attending the meeting in person, please remember to bring the ballot enclosed within these materials and to hand it to a receptionist.

(2) If you exercise your voting rights by proxy, you should appoint as proxy another shareholder with voting rights in the Company. A written letter of proxy should be brought to the meeting and handed to the receptionist.

***The Company offers institutional investors access to ICJ Inc.'s electronic voting platform.**

Reference Materials for the Ordinary General Meeting of Shareholders

Proposals and related items

Proposal 1: Appropriation of Surplus

Items Relating to the Year-End Dividend

With respect to the year-end cash dividends on common stock shares for this fiscal year, the Company proposes to pay a dividend of 37 yen per share. Moreover, 37 yen was paid out as an interim dividend; hence, the annual dividend will be 74 yen per share.

(1) Type of Dividend Property
Cash

(2) Distribution of Dividend
37 yen per share of common stock, total amount 11,852,724,411 yen

(3) Effective Date of Distribution
June 27, 2025

(Reference)

The Company's Dividend Policy

The Company strives to sustain business growth through the creation of customer value and to generate stable cash flow by improving profitability and using management resources efficiently. While the top priority is on strategic investment in growth, the Company also actively returns profits in parallel with its efforts to build a robust financial structure that is capable of withstanding changes in the business environment.

In line with this policy, the Company has set a consolidated dividend payout ratio in the range of 40% as a mid-term target, the ratio based on profit after an amount equivalent to the statutory effective tax rate is deducted from business profit, a profit category that shows profit from the Company's main operations. The Company intends to be more active in giving back to shareholders by agilely repurchasing the Company's shares as warranted by share price, the capital situation, and other factors.

Note: Business profit is a profit indicator that Epson voluntarily discloses in applying International Financial Reporting Standards (IFRS), and is very similar in principle to operating income under Japanese Generally Accepted Accounting Principles (JGAAP).

Proposal 2: Election of Seven Directors Who Are Not Audit & Supervisory Committee Members

The terms of office of the seven (7) Directors who are not Audit & Supervisory Committee Members will expire at the conclusion of this Meeting. Accordingly, we propose to appoint seven (7) Directors who are not Audit & Supervisory Committee Members.

The candidates for Directors who are not Audit & Supervisory Committee Members have been nominated after consideration by the Director Nomination Committee, which is chaired by an Outside Director and the majority of which is composed of Outside Directors in accordance with screening criteria predetermined by the Board of Directors. The candidates for Outside Directors are compliant with our "Criteria for Independence of Outside Directors."

The candidates for Directors who are not Audit & Supervisory Committee Members are as follows:

Candidate No.	Name		Current titles and responsibilities at the Company	Attendance at meetings of the Board of Directors
1	Yasunori Ogawa	Reappointment	Chairman and Director	13 / 13 meetings (100%)
2	Junkichi Yoshida	Reappointment	President and Representative Director	10 / 10 meetings (100%)
3	Yasunori Yoshino	Reappointment	Director and Executive Officer General Administrative Manager, Corporate Strategy Division Chief Operating Officer, Manufacturing Solutions Operations Division	10 / 10 meetings (100%)
4	Akihiro Fukaishi	New appointment	Executive Officer General Administrative Manager, Sales & Marketing Division Chief Operating Officer, P Commercial & Industrial Solutions Operations Division	-
5	Tadashi Shimamoto	Reappointment Outside Director Independent Director	Outside Director	13 / 13 meetings (100%)
6	Masaki Yamauchi	Reappointment Outside Director Independent Director	Outside Director	13 / 13 meetings (100%)
7	Kahori Miyake	Reappointment Outside Director Independent Director	Outside Director	10 / 10 meetings (100%)

Candidate No.	Name (Date of Birth)	Summary of career, title, and responsibilities			Shares of the Company's stock owned
1	 Yasunori Ogawa (April 11, 1962) Reappointment	Apr.	1988	Joined the Company	84,746 **Attendance at meetings of the Board of Directors** 13 / 13 meetings (100%)
		Apr.	2017	Chief Operating Officer, Visual Products Operations Division of the Company	
		Jun.	2017	Executive Officer of the Company	
		Jun.	2018	Director of the Company	
		Oct.	2018	General Administrative Manager, Technology Development Division of the Company	
		Jun.	2019	Managing Executive Officer of the Company, Chief Operating Officer, Wearable Products & Industrial Solutions Operations Segment of the Company	
		Apr.	2020	President and Representative Director of the Company	
		Apr.	2025	Chairman and Director of the Company (current position)	

Reason for nominating Yasunori Ogawa as a Director

Mr. Ogawa has appropriately managed the Board of Directors as the Chairman of the Board of Directors, and has appropriately fulfilled a supervisory role in important management decisions and business execution. In addition, as President and Representative Director over the past five years, he has been responsible for Epson's management, led the improvement of corporate value over the medium to long term, promoted innovation through organizational culture reform, and implemented his management style of realizing both contributions to society and employee happiness.

We have nominated him as a candidate for Director, considering that we can expect him, as Chairman and Director, to continue to serve as Chairman of the Board of Directors and provide accurate management decisions and supervision of business execution from a company-wide perspective, toward the sustainable growth and medium- to long-term enhancement of corporate value.

Note: There are no special interests between the candidate and the Company.

Candidate No.	Name (Date of Birth)	Summary of career, title, and responsibilities			Shares of the Company's stock owned
2	 Junkichi Yoshida (September 27,1964) Reappointment	Apr.	1988	Joined the Company	14,800 **Attendance at meetings of the Board of Directors** 10 / 10 meetings (100%)
		Jun.	2020	Executive Officer of the Company, Deputy General Administrative Manager, DX Division of the Company, General Manager, P Strategic Planning Department of the Company	
		Oct.	2020	Executive Officer of the Company, Deputy General Administrative Manager, DX Division of the Company, Deputy Chief Operating Officer, Printing Solutions Operations Division of the Company	
		Apr.	2021	Executive Officer of the Company, General Administrative Manager, Printing Solutions Division of the Company	
		Jun.	2024	Director of the Company	
		Apr.	2025	President and Representative Director of the Company (current position)	

Reason for nominating Junkichi Yoshida as a Director

Mr. Yoshida has appropriately fulfilled a supervisory role in the decision-making of important management matters and the execution of business. He has utilized his experience in sales, marketing, and business development overseas in the printer business and the promotion of business strategies in the Printing Solutions business to lead the development and execution of medium- to long-term business strategies for the Printing Solutions business through thorough analysis and formulating scenarios. As Deputy General Administrative Manager of the DX Division, he has promoted the establishment of a new business model utilizing digital technology, and as General Administrative Manager of the Printing Solutions Division, he has worked on the creation of global customer value and business growth through inkjet innovation.

We have nominated him as a candidate for Director with the expectation that he will continue to demonstrate excellent leadership in his role as President and Representative Director toward the sustainable growth and medium- to long-term enhancement of corporate value of the Company.

Note: There are no special interests between the candidate and the Company.

Candidate No.	Name (Date of Birth)	Summary of career, title, and responsibilities			Shares of the Company's stock owned
3	 Yasunori Yoshino (January 4, 1979) Reappointment	Apr.	2001	Joined the Company	15,500 **Attendance at meetings of the Board of Directors** 10 / 10 meetings (100%)
		Apr.	2020	Chief Operating Officer, Visual Products Operations Division of the Company	
		Apr.	2021	Executive Officer of the Company, Chief Operating Officer, Visual Products Operations Division of the Company	
		Oct.	2023	Executive Officer of the Company, General Administrative Manager, Corporate Strategy Division of the Company; Chief Operating Officer, Visual Products Operations Division of the Company	
		Apr.	2024	Executive Officer of the Company, General Administrative Manager, Corporate Strategy Division of the Company, Chief Operating Officer, Manufacturing Solutions Operations Division of the Company (current position)	
		Jun.	2024	Director of the Company (current position)	

Reason for nominating Yasunori Yoshino as a Director

Mr. Yoshino has appropriately fulfilled a supervisory role in the decision-making of important management matters and the execution of business. He has extensive experience in the value chain such as supply chain operation management in the Visual Products business in addition to product planning and product management. He has a high level of customer awareness and business perspectives.

Since he was appointed as Chief Operating Officer of the Visual Products Operations Division, he has been promoting the enhancement and improvement of profit structure through business structure reforms and is currently formulating the next long-term strategy as General Administrative Manager of the Corporate Strategy Division. In addition, as Chief Operating Officer of the Manufacturing Solutions Operations Division, which is a growth area for the Company, he has been working to create a lean profit structure and customer value. We have nominated him as a candidate for Director with the expectation that he will be able to make appropriate managerial decisions from a companywide perspective and monitor business affairs, aiming at improving the Company's corporate value.

Note: There are no special interests between the candidate and the Company.

Candidate No.	Name (Date of Birth)	Summary of career, title, and responsibilities		Shares of the Company's stock owned
4	 Akihiro Fukaishi (October 13, 1964) New appointment	Apr. 1987	Joined the Company	9,046
		Apr. 2012	Chief Operating Officer, Business Systems Operations Division of the Company	
		Jun. 2013	Executive Officer of the Company, Chief Operating Officer, Business Systems Operations Division of the Company	
		Apr. 2015	Executive Officer of the Company, Deputy Chief Operating Officer, Professional Printing Operations Division of the Company	
		Apr. 2017	Executive Officer of the Company, President of Epson (China) Co., Ltd.	
		May 2022	Executive Officer of the Company, Chairman and President of Epson (China) Co., Ltd.	
		Apr. 2024	Executive Officer of the Company, General Administrative Manager, Sales & Marketing Division of the Company	
		Apr. 2025	Executive Officer of the Company, General Administrative Manager, Sales & Marketing Division of the Company Chief Operating Officer, P Commercial & Industrial Solutions Operations Division (current position)	

Reason for nominating Akihiro Fukaishi as a Director

Mr. Fukaishi has worked to strengthen the overall management foundation of entire Epson Group in a balanced way from both a company-wide and business perspective, with a focus on sales functions and through experience of business operations and working at overseas affiliates. Currently, as General Administrative Manager of the Sales & Marketing Division, he is working on sales strategies to reform the distributor structure and accelerate growth. Additionally, since April 2025, he has been working on business operations as Chief Operating Officer of the P Commercial & Industrial Solutions Operations Division.

We have nominated him as a candidate for Director as we believe that he has the ability to make management decisions and oversee business operations from a company-wide perspective, and that he will contribute to the enhancement of our corporate value, toward the sustainable growth and medium- to long-term enhancement of corporate value of the Company.

Note: There are no special interests between the candidate and the Company.

Candidate No.	Name (Date of Birth)	Summary of career, title, and responsibilities	Shares of the Company's stock owned
5	 Tadashi Shimamoto (February 8, 1954) Outside Director Independent Director Reappointment	Apr. 2002 Senior Managing Director of Nomura Research Institute, Ltd. Jun. 2008 Senior Executive Managing Director, Member of the Board and Representative Director of Nomura Research Institute, Ltd. Apr. 2010 President & CEO, Representative Director, Member of the Board of Nomura Research Institute, Ltd. Apr. 2015 Chairman and President & CEO, Representative Director, Member of the Board of Nomura Research Institute, Ltd. Apr. 2016 Chairman, Member of the Board of Nomura Research Institute, Ltd. Jun. 2019 Member of the Board of Nomura Research Institute, Ltd. Jun. 2021 Special Advisor of Nomura Research Institute, Ltd. Director of Reading Skill Test, Inc. (current position) Mar. 2022 Outside Director of Mitsubishi Pencil Co., Ltd. (current position) Jul. 2022 Member of the Public Interest Body, PricewaterhouseCoopers Aarata LLC (now PricewaterhouseCoopers Japan LLC) (current position) Jun. 2023 Outside Director of the Company (current position) **Important concurrent positions held at other companies** Director of Reading Skill Test, Inc. Outside Director of Mitsubishi Pencil Co., Ltd. Member of the Public Interest Body, PricewaterhouseCoopers Japan LLC	6,000 **Attendance at meetings of the Board of Directors** 13 / 13 meetings (100%)

Reason for nominating Tadashi Shimamoto as an Outside Director and outline of expected roles

Mr. Shimamoto has served as President & CEO and Member of the Board as well as Chairman and Member of the Board of Nomura Research Institute, Ltd. and has a wealth of experience and insight as a corporate manager and in fundamental technology, distribution, service, and industry-related systems. We have nominated him as a candidate for Outside Director with the expectation that as Outside Director he will monitor corporate management appropriately, aiming at achieving sustainable growth and improving the Company's corporate value over the medium- to long-term through his active opinions and proposals from the perspective of overall management and DX/IT systems, based on his familiarity with corporate management in the information service industry, which is a different business field.

Independence of duties

Mr. Shimamoto was involved in business affairs at Nomura Research Institute, Ltd. Although the Company has had a business relationship with Nomura Research Institute, Ltd. for the past three years, the annual transaction amount is minimal, accounting for less than 0.1% of the consolidated net sales of the Company and Nomura Research Institute, Ltd., and Nomura Research Institute, Ltd. does not account for a major business partner as defined in the Criteria for Independence of Outside Directors.
The Company has notified the Tokyo Stock Exchange that Mr. Shimamoto is an Independent Director as defined by the Tokyo Stock Exchange. If this proposal is approved as proposed, he will continue to serve as an Independent Director.

The term of office as an Outside Director

At the conclusion of this Meeting, two years will have passed since his initial appointment.

Note 1: There are no special interests between the candidate and the Company.

Note 2: The Company has concluded a liability limitation contract with Mr. Shimamoto, who is the incumbent Outside Director of the Company, to limit his liability for damages to the amount determined by relevant laws and regulations in accordance with Article 427, Paragraph 1 of the Companies Act. If he is reappointed as a Director, the Company intends to renew the aforementioned contract with him.

Candidate No.	Name (Date of Birth)	Summary of career, title, and responsibilities	Shares of the Company's stock owned
6	 Masaki Yamauchi (January 11, 1961) Outside Director Independent Director Reappointment	Apr. 2005 Executive Officer of Yamato Transport Co., Ltd. (now Yamato Holdings Co., Ltd.) Apr. 2008 Representative Director, President and Executive Officer of Yamato Logistics Co., Ltd. (now Yamato Transport Co., Ltd.) Apr. 2011 Representative Director, President and Executive Officer of Yamato Transport Co., Ltd. Jun. 2011 Director and Executive Officer of Yamato Holdings Co., Ltd. Apr. 2015 Representative Director, Executive Officer and President of Yamato Holdings Co., Ltd. Apr. 2019 Chairperson of the Board of Directors of Yamato Holdings Co., Ltd. Jun. 2020 Independent Director of Persol Holdings Co., Ltd. (current position) Jun. 2022 Special Advisor of Yamato Holdings Co., Ltd. Outside Director of Resona Holdings, Inc. (current position) Jun. 2023 Advisor of Yamato Holdings Co., Ltd. (current position) Outside Director of the Company (current position) **Important concurrent positions held at other companies** Advisor of Yamato Holdings Co., Ltd. Independent Director of Persol Holdings Co., Ltd. Outside Director of Resona Holdings, Inc.	2,400 **Attendance at meetings of the Board of Directors** 13/ 13 meetings (100%)

Reason for nominating Masaki Yamauchi as an Outside Director and outline of expected roles

Mr. Yamauchi has served as President and Chairperson of the Board of Directors of Yamato Holdings Co., Ltd. and has a wealth of insight and experience in corporate management. We have nominated him as a candidate for Outside Director with the expectation that, based on his experience in practicing satisfaction-creating management that makes full use of digital technology, his efforts to instill Yamato's DNA (values) in employees and his track record of fostering organizational culture, he will monitor corporate management appropriately, aiming at achieving sustainable growth and improving the Company's corporate value over the medium- to long-term through his active opinions and proposals from the perspectives of organizational management, DX/IT, and sustainability that relate to the fundamentals of corporate management.

Independence of duties

Mr. Yamauchi was involved in business affairs at Yamato Holdings Co., Ltd. Although the Company has had a business relationship with Yamato Transport Co., Ltd., a consolidated subsidiary of Yamato Holdings Co., Ltd., for the past three years, the annual transaction amount is minimal, accounting for less than 0.1% of the consolidated net sales of the Company and Yamato Holdings Co., Ltd., and Yamato Holdings Co., Ltd. does not account for a major business partner as defined in the Criteria for Independence of Outside Directors.

The Company has notified the Tokyo Stock Exchange that Mr. Yamauchi is an Independent Director as defined by the Tokyo Stock Exchange. If this proposal is approved as proposed, he will continue to serve as an Independent Director.

The term of office as an Outside Director

At the conclusion of this Meeting, two years will have passed since his initial appointment.

Note 1: There are no special interests between the candidate and the Company.

Note 2: The Company has concluded a liability limitation contract with Mr. Yamauchi, who is incumbent Outside Director of the Company, to limit his liability for damages to the amount determined by relevant laws and regulations in accordance with Article 427, Paragraph 1 of the Companies Act. If he is reappointed as a Director, the Company intends to renew the aforementioned contract with him.

Candidate No.	Name (Date of Birth)	Summary of career, title, and responsibilities	Shares of the Company's stock owned
7	 Kahori Miyake (July 19, 1968) Outside Director Independent Director Reappointment	Jul. 1991 Joined JUSCO Co., Ltd. (now AEON Co., Ltd.) Apr. 2008 President and Representative Director of Claire's Nippon Co., Ltd. Jun. 2013 Director of Research Institute for Quality Living Co., Ltd. Mar. 2014 Executive Officer of AEON RETAIL Co., Ltd. General Manager of Customer Service Department of AEON RETAIL Co., Ltd. Mar. 2017 Executive Officer; CSR & Communication Chief Officer of AEON Co., Ltd. Apr. 2019 Co-Chair of Japan Climate Leaders' Partnership (current position) Mar. 2021 Chief Officer of CSR of AEON Co., Ltd. Apr. 2022 Director, ESG Planning and Promotion Department of Sumitomo Mitsui Trust Bank, Limited Apr. 2023 Fellow Officer of Sumitomo Mitsui Trust Bank, Limited, Director, ESG Planning and Promotion Department (now Sustainability Strategy and Solutions Department) of Sumitomo Mitsui Trust Bank, Limited (current position) Jun. 2023 Outside Director (Audit and Supervisory Committee Member) of Members Co., Ltd. (current position) Jun. 2024 Outside Director of the Company (current position) **Important concurrent positions held at other companies** Co-Chair of Japan Climate Leaders' Partnership Fellow Officer; Director, Sustainability Strategy and Solutions Department of Sumitomo Mitsui Trust Bank, Limited Outside Director (Audit and Supervisory Committee Member) of Members Co., Ltd.	100 **Attendance at meetings of the Board of Directors** 10/ 10 meetings (100%)

Reason for nominating Kahori Miyake as an Outside Director and outline of expected roles
Ms. Miyake promoted ESG strategies as Executive Officer of AEON Co., Ltd. and is currently a Fellow Officer of Sumitomo Mitsui Trust Bank, Limited and Co-Chair of the Japan Climate Leaders' Partnership, a cross-industry group of companies working to achieve a sustainable, decarbonized society.
We have nominated her as a candidate for Outside Director with the expectation that, based on her wealth of experience and considerable insight into ESG and decarbonization measures, she will monitor corporate management appropriately, aiming at our goal of achieving sustainability and enriching communities and improving the Company's corporate value over the medium- to long-term through her active opinions and proposals from the perspective of environmental management with expertise in environmental and social contribution.

Independence of duties
Although the Company has requested her to give lectures and has had transactions with her to receive advice on the promotion of environmental strategies, etc. for the past three years, the transaction amount is minimal, accounting for less than 500,000 yen, and she is not a major business partner or a consultant who receives large amounts of money or other benefits from the Company other than compensation as defined in the Criteria for Independence of Outside Directors.
The Company has notified the Tokyo Stock Exchange that Ms. Miyake is an Independent Director as defined by the Tokyo Stock Exchange. If this proposal is approved as proposed, she will continue to serve as an Independent Director.

The term of office as an Outside Director
At the conclusion of this Meeting, one year will have passed since her initial appointment.

Note 1: There are no special interests between the candidate and the Company.
Note 2: The Company has concluded a liability limitation contract with Ms. Miyake, who is incumbent Outside Director of the Company, to limit her liability for damages to the amount determined by relevant laws and regulations in accordance with Article 427, Paragraph 1 of the Companies Act. If she is reappointed as a Director, the Company intends to renew the aforementioned contract with her.

Indemnity Agreement

The Company has entered into an indemnity agreement provided for in Article 430-2, Paragraph 1 of the Companies Act with all Directors currently in office to encourage each Director to make reasonable, prompt and decisive business decisions without being intimidated by the possibility of being held liable for their decisions. If each new Director candidate is elected and assumes office as proposed, the Company plans to enter into a similar agreement with each of them.

An overview of the details of such indemnity agreement is provided in the Business Report, "4.3 Outline of the indemnity agreement."

Directors and Officers Liability Insurance Contract

The Company has entered into a directors and officers liability insurance contract provided for in Article 430-3, Paragraph 1 with an insurance company. If each candidate is elected and assumes office as proposed, he/she will be insured under the said insurance contract. The Company plans to renew the said insurance contract during the terms of office of Directors.

An outline of the contents of the said insurance contract is as stated in the Business Report, "4.4 Outline of directors and officers liability insurance contract."

Audit & Supervisory Committee Opinion

For the election of Directors who are not Audit & Supervisory Committee Members, fundamental framework and policies for the Company's Board of Directors and Directors, as well as candidate nominating policies and specific proposals were confirmed at the Director Nomination Committee. The committee is chaired by an Outside Director and is composed of six Outside Directors including three Outside Directors who are Audit & Supervisory Committee Members, and majority of which are Outside Directors. Outside Directors who are Audit & Supervisory Committee Members attended the committee meeting, expressed opinions, and shared the results thereof for deliberation at the Audit & Supervisory Committee.

As a result, the Audit & Supervisory Committee determined that the election of Directors who are not Audit & Supervisory Committee Members is reasonable and concluded that there were no special items to be stated at the General Meeting of Shareholders in accordance with the provision of the Companies Act.

(Reference)

Policies and Procedures for Nominating Director Candidates

With an aim to ensure transparency and objectivity, Director candidates who are submitted for their appointments to the General Meeting of Shareholders are determined by the Board of Directors after going through a fair, transparent, and rigorous screening and reporting by the Director Nomination Committee, which is chaired by an Outside Director and the majority of which is composed of Outside Directors.

Policies: (extract)

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 for Independence of Outside Directors" stipulated by the Board of Directors in order to guarantee their independence.

Note: Regarding the nomination and compensation of Directors and Executive Officers, etc., the Company established a Director Nomination Committee and a Director Compensation Committee as advisory bodies of the Board of Directors. The committees are chaired by an Outside Director and the majority of which are composed of Outside Directors who make significant contributions with an aim to ensure transparency and objectivity. Both committees are composed of President and Representative Director, in addition to Outside Directors who account for the majority thereof. Directors who are Full-Time Audit & Supervisory Committee Members can attend meetings of both committees as observers.

Activities of the Director Nomination Committee

The Committee met 13 times during the period from April 2024 to March 2025. The Committee deliberated on matters including the succession plan for the President and Representative Director, policies for selecting Officers (Directors, Executive Officers and Special Audit & Supervisory Officers) and candidates proposal, .

Criteria for Independence of Outside Directors

The Company has established the criteria below to objectively determine whether potential Outside Directors are independent.

1. A person is not independent if:

(1) The person considers the Company to be a major business partner[1], or has served as an executive[2] within the past five years in an entity for which the Company is a major business partner;

(2) The person is a major business partner[3] of the Company or has served as an executive within the past five years in an entity that is a major business partner of the Company.

(3) The person is a business consultant, certified public accountant, or lawyer who has received a large sum of money or other forms of compensation[4] (other than remuneration as an officer) from the Company or has, within the past three years, performed duties equivalent to those of an executive as an employee of a corporation or group, such as a union, that has received a large sum of money or other forms of compensation from the Company;

(4) The person is a major shareholder[5] of the Company or has, within the past five years, been an executive or Audit & Supervisory Board Member of an entity that is a major shareholder of the Company;

(5) The person is an executive or Audit & Supervisory Board Member of an entity in which the Company is currently a major shareholder;

(6) The person is a major lender[6] to the Company or has been an executive of a major lender to the Company within the past five years;

(7) The person has been employed by an auditing firm that has conducted a legal accounting audit of the Company within the past five years;

(8) The person has been employed by a leading managing underwriter of the Company within the past five years;

(9) The person has received a large donation[7] from the Company or, within the past three years, has performed duties equivalent to those of an executive as an employee of a corporation or a group, such as a union, that has received a large donation from the Company;

(10) The person came from an entity, which has a relationship of interlocking Outside Officers[8] with the Company; or

(11) A spouse or relative within the second degree of kinship of a person having the interests listed in (1) through (9) above.

2. Even if any of the foregoing criteria apply to a potential Outside Director, the Company can elect that person as an Outside Director if that person satisfies the requirements for Outside Directors set forth in the Companies Act, and the Company deems the person suitable as an Outside Director of the Company in light of his or her personality, knowledge, experience, or other qualifications upon explaining and announcing the reasons thereof.

Notes

1: A person (usually a supplier) considers the Company to be a major business partner if 2% or more of its consolidated net sales (consolidated revenue) has come from the Company in any fiscal year within the past three years.

2: "Executive" means an executive officer, executive director or operating officer, or an employee occupying a senior management position of department manager or higher.

3: A person (usually a buyer) is a major business partner if 2% or more of the Company's consolidated revenue has come from that partner in any fiscal year within the past three years.

4: "A large sum of money or other forms of compensation" means an average annual amount for the past three years that is:

i) no less than 10 million yen for an individual; or

ii) no less than 2% of the annual revenues in any fiscal year for a group.

5: "Major shareholder" means a shareholder who directly or indirectly holds 10% or more of the voting rights.

6: "A major lender" means a financial institution or other major creditor that is indispensable for the Company's financing and on which the Company depends to the extent that it is irreplaceable in any fiscal year within the past three years.

7: "Large donation" means a donation whose annual average amount for the past three years exceeds either:

i) 10 million yen or

ii) 30% of the annual expense of the group, whichever is higher.

8: "Interlocking Outside Officers" means mutual dispatch of Outside Officers between the Company and another corporation.

—End—

(Reference)

Matrix of areas of expertise particularly expected for Directors (skill matrix)

Epson clarifies a management system toward achieving the Corporate Purpose and Corporate Vision based on the Management Philosophy utilizing a matrix as below.

Title	Name			Areas of expertise and skills particularly expected by the Company						
		Corporate management	Development Design Business development	Sales Marketing	IT Digital	Finance Accounting Investment	Compliance Governance	HR development HR management	Environment Sustainability	Global (Internationality)
Chairman and Director	Yasunori Ogawa		●				●		●	
President and Representative Director	Junkichi Yoshida	●		●	●					
Director Executive Officer	Yasunori Yoshino		●		●	●				
Director Executive Officer	Akihiro Fukaishi			●				●		●
Outside Director	Tadashi Shimamoto	●	●		●					
Outside Director	Masaki Yamauchi	●		●				●		
Outside Director	Kahori Miyake			●					●	●
Director Full-Time Audit & Supervisory Committee Member	Masayuki Kawana					●	●	●		
Outside Director Audit & Supervisory Committee Member	Susumu Murakoshi					●	●		●	
Outside Director Audit & Supervisory Committee Member	Michiko Ohtsuka					●	●	●		
Outside Director Audit & Supervisory Committee Member	Akira Marumoto	●	●							●

Note 1: Up to three areas of expertise particularly expected are stated.

Note 2: Composition of Directors if Proposal 2 is approved as proposed: 9 men, 2 women (ratio of female Directors: 18.18%)

Proposal 3: Bonus to Directors Who Are Not Audit & Supervisory Committee Members

The Company proposes to pay bonuses of 39,630,000 yen in total to four Directors who are not Audit & Supervisory Committee Members excluding Outside Directors as of March 31, 2025, which is calculated by multiplying the base amount of the bonus determined based on the weight of responsibility, such as position and details of delegated duties and tasks, by the coefficient corresponding to the degree of achievement of performance targets and individual targets for the current fiscal year.

The beneficiaries, total amount of the bonus payment, and amount paid to each Director in this Proposal have been determined after consideration by the Director Compensation Committee, which is chaired by an Outside Director and the majority of which is composed of Outside Directors, in accordance with the decision-making policies, etc. on compensation for individual Directors who are not Audit & Supervisory Committee Members, which have been determined by the Board of Directors (please refer to Business Report "4.5 Compensation to Directors"). Accordingly, the Company believes the details are reasonable.

Audit & Supervisory Committee Opinion

Regarding compensation, etc. for Directors who are not Audit & Supervisory Committee Members, policies for compensation system for Directors, specific calculation methods for the amount of compensation and proposals for bonuses for Directors who are not Audit & Supervisory Committee Members were confirmed at the Director Compensation Committee. The committee is chaired by an Outside Director and is composed of six Outside Directors including three Outside Directors who are Audit & Supervisory Committee Members, and majority of which are Outside Directors. Outside Directors who are Audit & Supervisory Committee Members attended the committee meeting, expressed opinions, and shared the results thereof for deliberation at the Audit & Supervisory Committee.

As a result, the Audit & Supervisory Committee determined that the payment of bonuses to Directors who are not Audit & Supervisory Committee Members is appropriate and concluded that there were no special items to be stated at the General Meeting of Shareholders in accordance with the provision of the Companies Act regarding the payment.

(Reference)

Activities of the Director Compensation Committee

The Committee met seven times during the period from April 2024 to March 2025. The Committee deliberated on matters including the amount of base compensation for each Director, bonus payment coefficient and amount for each Director, coefficient allocated, number of shares allocated and amount of monetary compensation claims under the restricted stock compensation plan, renewal of directors and officers liability insurance, conclusion of a company indemnity agreement and a liability limitation contract, procedures related to the settlement of the performance-linked stock compensation (officer compensation BIP trust) under the previous system, etc.

—End—

(Appendix)

Business Report

(from April 1, 2024 to March 31, 2025)

1. Matters related to the Current Status of the Epson Group

1.1 Business progress and results

(1) Overview

Please refer to page 1 of Financial Results for the Year ended March 31, 2025.
(https://corporate.epson/en/investors/publications/financial-reports/2024/pdf/results_2024_full_e.pdf)

(2) Overview by Segment

Please refer to page 1 to 2 of Financial Results for the Year ended March 31, 2025.
(https://corporate.epson/en/investors/publications/financial-reports/2024/pdf/results_2024_full_e.pdf)

1.2 Overview of capital expenditures

Capital expenditures for the consolidated fiscal year under review were concentrated in key strategic areas, primarily new products, increase in production capacity, environmental investments, and automating, rationalizing, upgrading and maintaining equipment and facilities to help foster the development of new businesses and prepare for future growth. In addition, from the viewpoint of generating stable cash flow, Epson continued to carefully select investments and efficiently utilize existing facilities.

As a result of these efforts, total capital expenditures (of property, plant and equipment and software) for the consolidated fiscal year under review amounted to 75,821 million yen.

An overview of the major capital expenditures for the consolidated fiscal year under review is as follows:

- Completion of a new building to increase production capacity of inkjet printer heads at Tohoku Epson Corporation

Segment	Amount of capital expenditures (Millions of yen)	Year-on-year change (%)
Printing Solutions Business	46,429	5.2
Visual Communications Business	9,066	50.5
Manufacturing-related & Wearables Business	12,598	1.9
Other and overall	7,726	2.4
Total	75,821	8.2

1.3 Overview of financing

The Company issued unsecured straight bonds totaling 40 billion yen to fund the acquisition of Fiery, LLC and for working capital.

1.4 Shares and other equity holdings, or acquisition or disposal of subscription rights to shares of other companies

In December 2024, as part of our growth strategy to realize our long-term vision “Epson 25 Renewed,” the Company made Fiery, LLC, a leading provider of workflow solutions for the printing industry, a wholly-owned subsidiary.

1.5 Business transfers, absorption-type company splits or incorporation-type company splits

Not applicable.

1.6 Assignment of business from other companies

Not applicable.

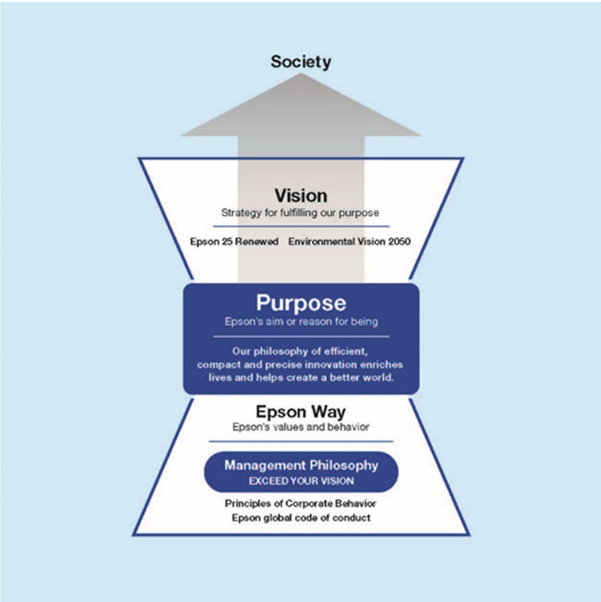
1.7 Succession of rights and obligations due to absorption-type mergers or absorption-type company splits

Not applicable.

1.8 Issues to be addressed

(1) Basic management policy

Corporate Purpose is at the heart of all Epson's corporate activities. To define the kind of value that Epson provides to society and to demonstrate both inside and outside the Company its unique reason for being and aspirations, the Company established the Corporate Purpose, "Our philosophy of efficient, compact and precise innovation enriches lives and helps create a better world" in September 2022. Epson will provide new value to society by realizing the Corporate Purpose through its vision, based on its management philosophy, which is the universal concept of the Epson Way that defines the Group's values and behavior. Through these efforts, we will strive to achieve sustainable growth and enhance corporate value over the medium to long term in the future.



<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.

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

(2) Concept of "Epson 25 Renewed" Corporate Vision

We have established "Epson 25 Renewed," with the goal of achieving sustainability and enriching communities, which we have set as our aspirational goal to pursue into the future. At present, humanity is facing a wide range of social issues, including climate change. We believe that we have entered an era in which people aspire to achieve a variety of enrichment, including not only material and economic wealth, but also spiritual and cultural enrichment. Sustainability is a fundamental requirement for achieving this. With this background, Epson develops its business by always focusing on social issues as a starting point, considering what we can do to solve them, and how we can use our technologies to solve problems and contribute to society.

1) "Epson 25 Renewed" vision statement

We have established the vision statement for "Epson 25 Renewed," which is "Co-creating sustainability and enriching communities to connect people, things, and information by leveraging our efficient, compact, and precision technologies and digital technologies." We will provide solutions that connect people, things, and information in a smart manner to society as a whole, including people's personal lives, industries, and manufacturing sites, in order to achieve our aspirational goal. The three most important initiatives in doing so are the environment, DX, and co-creation.

(Environmental initiatives)

◆ Promote decarbonization and close the resource loop, develop environmental technologies, and provide products and services that reduce environmental impacts.

(DX initiatives)

◆ Contribute to customer success by building a robust digital platform, connecting people, things, and information, and co-creating solutions that continue to meet customer needs.

(Co-creation initiatives)

◆ Leveraging our technologies and product families, solve societal issues with partners by providing core devices and a place for co-creation and networking, as well as through collaboration and investment.

2) "Epson 25 Renewed" policies

While uncertainties in society are expected to continue, we will aim to secure profitability and seek future growth by focusing on priorities. Furthermore, we will also continue to strengthen our efforts for the environment, DX, and co-creation across business domains.

Areas	Applicable businesses	Policies
Growth areas	Office printing, Commercial & industrial printing, Printhead sales, Production systems	See environmental changes as an opportunity and invest management resources
Mature areas	Home printing, Projection, Watches, Microdevices	Emphasize profitability through structural changes and efficiency improvements, etc.
New areas	Sensing, Environmental business	Develop new technologies and businesses

(3) Concept of Environmental Vision 2050

Epson has revised "Environmental Vision 2050," a vision for environmental initiatives that are a prerequisite for a sustainable society, as follows, and has set goals to be achieved by 2050 and initiatives to realize these goals.

Items	Contents
Vision statement	Epson will become carbon negative and underground resource free (*1) by 2050 to achieve sustainability and enrich communities
Goals	2030: Reduce total emissions in line with the 1.5°C scenario (*2) 2050: Carbon negative and underground resource free (*1)
Actions	● Reduce the environmental impacts of products and services and in supply chain ● Achieve sustainability in a circular economy and advance the frontiers of industry through creative, open innovation ● Contribute to international environmental initiatives

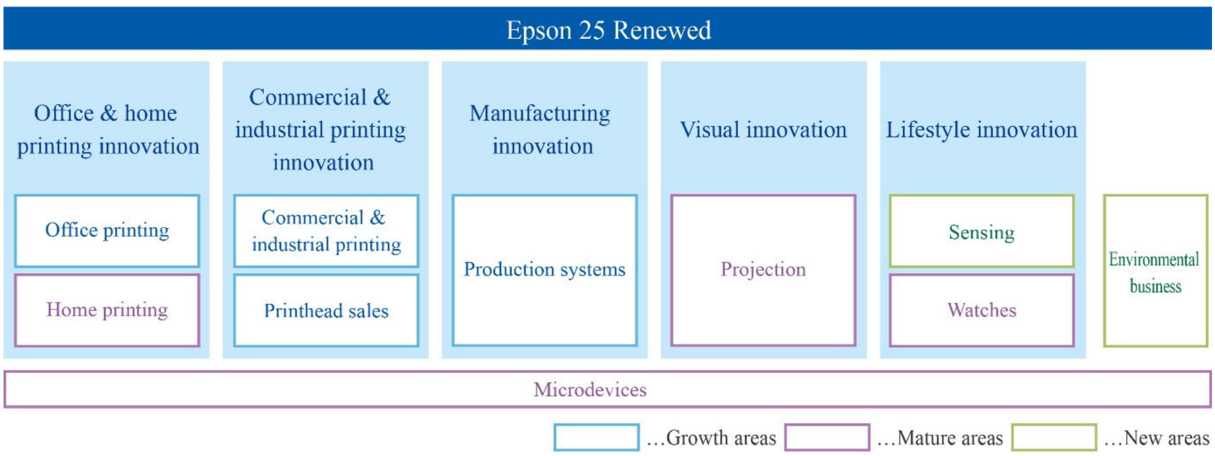
*1. Non-renewable resources such as oil and metals

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

(4) Business and financial issues to be addressed with priority

1) Policies and progress of innovation strategy and future initiatives

We have established five innovation areas around customer value and societal issues in order to execute the strategy for realizing our goals. In the microdevices business that supports the innovation areas, we will contribute to the development of smart communities with crystal semiconductor solutions enhanced with our efficient, compact, and precision technologies.



<Office & home printing innovation>

In this area, we seek to lead the evolution of printing by reducing environmental impacts and increasing work productivity through inkjet technology, paper recycling technology, and open solutions.

In home printing, large-capacity ink tank printers have achieved stable earnings since their launch in 2010, reaching cumulative global sales of 100 million units. In office printing, sales of office shared inkjet printers as a whole has continued to grow through expansion of sales of line inkjet multifunction A3 printers in the medium speed zone, etc. Going forward, the Company will aim to expand sales by increasing market share for both office shared inkjet printers and large-capacity ink tank printers through expansion of subscription services and content apps in each region, as well as strengthening our customer contact base.

<Commercial & industrial printing innovation>

In this area, we seek to offer inkjet technology and solutions that lead the digitalization of printing and contribute to lower environmental impacts and higher productivity.

In the finished products business, despite the impact of the global economic downturn and inflation on customer investment appetite, we have continued to achieve steady growth. Going forward, we will further expand growth areas such as signage and textile printing by introducing new high-productivity machines and enhancing our product lineup. The printhead sales business, which has achieved a high market share thanks to its superior product competitiveness and technical support system, will aim to expand sales by developing new product categories such as DTFilm (*3) and Perovskite Solar Cell. During the current fiscal year, we acquired Fiery, LLC, a leading company in digital front end servers and workflow solutions that maximize the performance of digital printing machines. Epson will advance initiatives to create synergies and achieve growth, particularly in the industrial sector.

*3 Direct to Film: Direct printing onto transfer printing films

<Manufacturing innovation>

In this area, we seek to innovate manufacturing by co-creating flexible high-throughput production systems that reduce environmental impacts.

The manufacturing solutions business continues to face a challenging market environment due to a decline in customer investment appetite and competition from Chinese manufacturers. In this environment, we are implementing fundamental reforms to our profitability, development, production, and sales structures from the current fiscal year. We are also seeking to enhance our competitiveness in existing markets including China, and to develop new business areas through the introduction of strategic products, thereby preparing for future growth.

<Visual innovation>

In this area, we seek to connect people, things, information and services with inspiring video experiences and quality visual communications to support learning, working and lifestyles.

Although the projection business has seen improved profitability due to structural reforms, our performance in the current fiscal year was affected by factors such as the completion of education demand driven by government spending in Europe and the U.S., and continued erosion in the business and education fields by flat panel displays. In the future, we will continue to improve the performance of projectors, develop new applications, and introduce new products to maintain stable business operations.

<Lifestyle innovation>

In this area, we seek to utilize craftsmanship and co-create solutions that utilize sensing technologies to enrich diverse lifestyles.

The watch business has significantly improved profitability through on-going restructuring, including narrowing down the product lines with a focus on profitability, shifting towards high-end products, and revising sales prices. We will continue to implement measures to improve productivity, including the automation of production lines. In addition, we will work to raise recognition and expand sales of our own brand Orient.

2) Financial targets

Epson has shifted to profitability-focused management under "Epson 25 Renewed" and is seeking to secure profitability and future growth by focusing on priorities without pursuing excessive sales growth. Based on changes in the external environment, our earnings forecast for FY2025 is as follows. The impact of U.S. tariff policies is considered in the earnings forecast for FY2025, assuming an additional tariff rate of 10% for the U.S. and 20% for China (*4) and the effects of countermeasures thereto. We will continue to closely monitor tariff policy trends and respond swiftly and flexibly to fulfill out supply responsibilities to our customers.

*4 The future development of the additional U.S. tariffs on China is uncertain, and the impact on Epson is expected to be minimal (assuming implementation of countermeasures)

Consolidated financial targets	FY2020 (Result)	FY2021 (Result)	FY2022 (Result)	FY2023 (Result)	FY2024 (Result)	FY2025 (Projection)
ROIC (*5)	5.6%	7.3%	7.1%	4.6%	6.1%	5.2%
ROE	5.9%	15.2%	10.8%	6.8%	6.8%	5.1%
ROS	6.2%	7.9%	7.1%	4.9%	6.6%	5.7%

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

(5) Concept and initiatives of sustainability

1) Concept of sustainability management

Four materialities (achieve sustainability in a circular economy, advance the frontiers of industry, improve the quality of life, and fulfill our social responsibility) that form the fundamentals of Epson's corporate management are based on social issues. We believe Epson's corporate activities are the solutions to social issues. We step up our activities that pivot on social issues to achieve business growth, which, in turn, leads to solving even more societal issues and fostering mutual growth with society. This is how Epson enhances corporate value. To achieve this, we emphasize the need for strategic management and business transformation that aligns our sustainability goals with those of society. We have positioned this vision as our long-term vision "Epson 25 Renewed."

2) Response to climate change

Epson's Environmental Vision 2050 sets targets to achieve "Reduce total emissions in line with the 1.5°C scenario" by 2030 and "Carbon negative" and "Underground resource free" by 2050. To this end, we are working to promote decarbonization and close the resource loop, as well as providing products and services that reduce environmental impacts and developing environmental technologies.

Since Epson announced its endorsement of the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) in October 2019, the Company has been promoting information disclosure (governance, strategy, risk management, metrics and targets) in accordance with the TCFD framework to ensure good communication with shareholders, investors, and a wide range of stakeholders.

3) Measures for human capital and diversity

<Basic approach to human resource strategy>

Epson is a company born and raised in Shinshu. Today, while maintaining its core functions and bases of operations in Shinshu, Epson has established R&D, production, and sales bases in countries and regions outside Japan, which account for 80% or more of the revenue and 70% or more of the employees, and continues to develop its business globally. Therefore, at Epson, the key to our human resource strategy is to build a human resource base that will enable us to survive severe global competition and achieve our management objectives and business growth by proactively acquiring external human resources and achieving diversity, while turning local job security and the relatively long-term employment that comes with it into our strength.

<Image of human resources we seek>

In order to realize its management strategy and execute its business, Epson needs people who can respond quickly to change with a broad perspective and a high level of expertise, and create customer value independently and autonomously from the customer's perspective, based on the penetration of Corporate Purpose and the Epson Way, and a shared understanding of the business approach set forth in the long-term vision.

In anticipation of further declining birthrates, an aging society, and a shrinking workforce in Japan, we have been working to formulate a human resource portfolio on a global basis. In the consolidated fiscal year under review, we defined the human resource requirements based on skills and behavioral characteristics, and completed efforts to visualize the current human resource portfolio "as is" in 70% of business divisions and headquarters. In FY2025, as a next step, we will promptly complete the "as-is" analysis for the remaining business divisions and headquarters, and in parallel with the ongoing development of business strategies for the next long-term vision, we will outline the desired "to-be" state of the human resource portfolio, identifying the gap between the current and desired states both quantitatively and qualitatively. By doing so, we will implement appropriate measures such as recruitment, reskilling, and optimal placement to build an optimal personnel structure company-wide, and establish a human resource strategy that contributes to the fulfillment of our medium- to long-term strategies.

4) Measures for intellectual property

As regards intellectual property, Epson believes that it is important to help sustain growth in corporate value by converting intellectual property, which broadly encompasses brands, data, and other assets, as well as intellectual property rights, into value. Led by this belief, in order to realize the goal of our long-term vision of achieving sustainability and enriching communities, the Intellectual Property Division closely collaborates with management, the operations divisions, R&D departments, and strategy departments to proactively utilize all forms of intellectual property to convert into value. Our hard work is paying off by improving corporate value and sustaining growth. Robust intellectual property thus serves as a foundation for creating a positive business cycle. It allows us to invest further in research and development and helps us to maintain a competitive advantage by continuing to evolve Epson's products and technologies, including printheads.

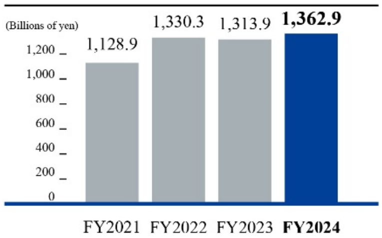
We intend to release the details of "(5) Concept and initiatives of sustainability" in our Annual Securities Report to be disclosed at the end of June 2025.

1.9 Status of assets and income (loss)

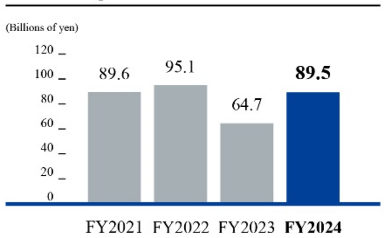
(Millions of yen unless otherwise stated)

Item	FY2021	FY2022	FY2023	FY2024
Revenue	1,128,914	1,330,331	1,313,998	1,362,944
Business profit	89,637	95,106	64,721	89,589
Profit from operating activities	94,479	97,044	57,533	75,108
Profit for the period attributable to owners of the parent company	92,288	75,043	52,616	55,177
Basic earnings per share (yen)	266.73	220.75	158.68	168.75
Total assets	1,266,420	1,341,575	1,413,094	1,456,461
Equity attributable to owners of the parent company	665,628	727,352	810,992	804,752
Equity attributable to owners of the parent company ratio (%)	52.6	54.2	57.4	55.3

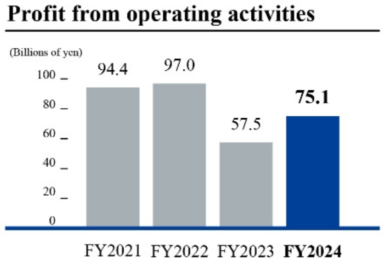
Revenue



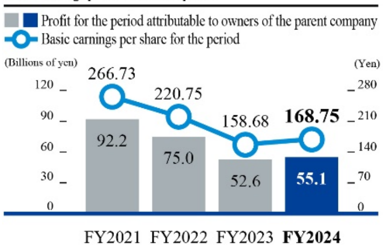
Business profit



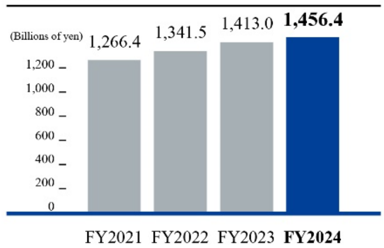
Profit from operating activities



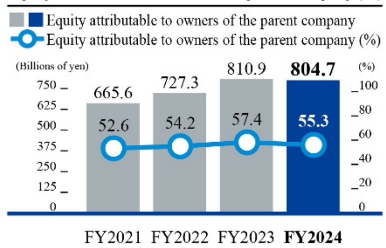
Profit for the period attributable to owners of the parent company / Basic earnings per share for the period



Total assets



Equity attributable to owners of the parent company / Equity attributable to owners of the parent company (%)



Notes

1. The Company prepares the consolidated financial statements on the basis of International Financial Reporting Standards (IFRS), in accordance with Article 120, Paragraph 1 of the Regulation on Corporate Accounting.
2. Business profit is a profit indicator that Epson voluntarily discloses in applying International Financial Reporting Standards (IFRS), and is very similar in principle to operating income under Japanese Generally Accepted Accounting Principles (JGAAP).
3. In the calculation of basic earnings per share, the shares of the Company held by BIP trust are accounted as treasury shares and the number of those shares is deducted from weighted-average number of ordinary shares outstanding during the period.

1.10 Status of significant parent companies and subsidiaries (as of March 31, 2025)

(1) Relationship with the parent company

Not applicable.

(2) Status of Significant Subsidiaries

	Company name	Location	The Company's percentage of equity participation	Main business
Japan	Epson Sales Japan Corporation	Tokyo	100.0%	Printing Solutions Visual Communications Manufacturing-related & Wearables
	Miyazaki Epson Corporation	Miyazaki	100.0%	Manufacturing-related & Wearables
	Tohoku Epson Corporation	Yamagata	100.0%	Printing Solutions Manufacturing-related & Wearables
	Akita Epson Corporation	Akita	100.0%	Printing Solutions Manufacturing-related & Wearables
	Epson Atmix Corporation	Aomori	100.0%	Manufacturing-related & Wearables
	Epson Direct Corporation	Nagano	100.0% (100.0%)	Manufacturing-related & Wearables
	Epson X Investment Corporation	Tokyo	100.0%	Venture investment & development
Americas	U.S. Epson, Inc.	U.S.A.	100.0%	Holding company
	Epson America, Inc.	U.S.A.	100.0% (100.0%)	Regional headquarters Printing Solutions Visual Communications Manufacturing-related & Wearables
	Fiery, LLC	U.S.A.	100.0%	Development and sales of digital printing software solutions
	Epson do Brasil Industria e Comercio Ltda.	Brazil	100.0% (100.0%)	Printing Solutions Visual Communications
	Epson Portland Inc.	U.S.A.	100.0% (100.0%)	Printing Solutions
	Epson Global Reinsurance, Inc.	U.S.A.	100.0	Epson Group's Reinsurance business
Europe/Middle East	Epson Europe B.V.	The Netherlands	100.0%	Regional headquarters Printing Solutions Visual Communications Manufacturing-related & Wearables
	Epson (U.K.) Ltd.	U.K.	100.0% (100.0%)	Printing Solutions Visual Communications
	Epson Deutschland GmbH	Germany	100.0% (100.0%)	Printing Solutions Visual Communications Manufacturing-related & Wearables
	Epson Europe Electronics GmbH	Germany	100.0% (100.0%)	Manufacturing-related & Wearables
	Epson France S.A.S.	France	100.0% (100.0%)	Printing Solutions Visual Communications
	Epson Italia S.p.A.	Italy	100.0% (100.0%)	Printing Solutions Visual Communications Manufacturing-related & Wearables
	Epson Como Printing Technologies S.r.l.	Italy	100.0% (100.0%)	Printing Solutions
	Epson Iberica, S.A.U.	Spain	100.0% (100.0%)	Printing Solutions Visual Communications
	Epson Middle East FZCO	UAE	100.0%	Printing Solutions Visual Communications
	Epson Telford Ltd.	U.K.	100.0% (100.0%)	Printing Solutions

	Company name	Location	The Company's percentage of equity participation	Main business
Asia and Oceania	Epson (China) Co., Ltd.	China	100.0%	Regional headquarters Printing Solutions Visual Communications Manufacturing-related & Wearables
	Epson Singapore Pte. Ltd.	Singapore	100.0%	Regional headquarters Printing Solutions Visual Communications Manufacturing-related & Wearables
	Epson Korea Co., Ltd.	South Korea	100.0%	Printing Solutions Visual Communications Manufacturing-related & Wearables
	Epson Hong Kong Ltd.	China	100.0%	Printing Solutions Visual Communications Manufacturing-related & Wearables
	Epson Taiwan Technology & Trading Ltd.	Taiwan	100.0%	Printing Solutions Visual Communications Manufacturing-related & Wearables
	PT. Epson Indonesia	Indonesia	100.0% (100.0%)	Printing Solutions Visual Communications
	Epson (Thailand) Co., Ltd.	Thailand	100.0% (100.0%)	Printing Solutions Visual Communications
	Epson Philippines Corporation	Philippines	100.0% (100.0%)	Printing Solutions Visual Communications
	Epson Australia Pty. Ltd.	Australia	100.0%	Printing Solutions Visual Communications
	Epson India Pvt. Ltd.	India	100.0% (100.0%)	Printing Solutions Visual Communications
	Epson Precision (Hong Kong) Ltd.	China	100.0%	Printing Solutions Visual Communications
	Epson Engineering (Shenzhen) Ltd.	China	100.0% (100.0%)	Printing Solutions Visual Communications Manufacturing-related & Wearables
	Tianjin Epson Co., Ltd.	China	100.0% (100.0%)	Printing Solutions
	Singapore Epson Industrial Pte. Ltd.	Singapore	100.0%	Manufacturing-related & Wearables
	PT. Epson Batam	Indonesia	100.0% (100.0%)	Printing Solutions
	PT. Indonesia Epson Industry	Indonesia	100.0%	Printing Solutions
	Epson Precision (Thailand) Ltd.	Thailand	100.0%	Manufacturing-related & Wearables
	Epson Precision (Philippines), Inc.	Philippines	100.0%	Printing Solutions Visual Communications
	Epson Precision Malaysia Sdn. Bhd.	Malaysia	100.0%	Manufacturing-related & Wearables
	Epson Precision (Johor) Sdn. Bhd.	Malaysia	100.0% (100.0%)	Manufacturing-related & Wearables

Notes:
1. Percentage of equity participation indicated inside parentheses refers to indirect ownership percentage.
2. There are no specified wholly-owned subsidiaries.

1.11 Principal business locations and plants (as of March 31, 2025)

Epson is organized into operations divisions under global consolidated management. The majority of advanced R&D and product development is conducted in Japan (by Corporate R&D and R&D organizations in the various operations divisions), while manufacturing and sales activities are conducted around the world by Epson Group manufacturing and sales companies, both in Japan and abroad.

The Company

Registered Head Office	4-1-6 Shinjuku, Shinjuku-ku, Tokyo
Head Office	3-3-5 Owa, Suwa-shi, Nagano
Offices	Hirooka Office (Shiojiri-shi, Nagano), Toyoshina Plant (Azumino-shi, Nagano), Fujimi Plant (Fujimi-machi, Suwa-gun, Nagano), Suwa Minami Plant (Fujimi-machi, Suwa-gun, Nagano), Shiojiri Plant (Shiojiri-shi, Nagano), Matsumoto Minami Plant (Matsumoto-shi, Nagano), Ina Plant (Minowa-machi, Kamiina-gun, Nagano), Kanbayashi Plant (Matsumoto-shi, Nagano), Hino Office (Hino-shi, Tokyo), Sakata Plant (Sakata-shi, Yamagata), Chitose Plant (Chitose-shi, Hokkaido), Osaka Office (Osaka-shi, Osaka)

Subsidiaries

For detail, please refer to "1.10 Status of significant parent companies and subsidiaries."

1.12 Status of employees (as of March 31, 2025)

Segment	Number of employees (Persons)	Year-on-year change (Persons)
Printing Solutions Business	53,085	3,094
Visual Communications Business	7,791	(1,534)
Manufacturing-related & Wearables Business	10,325	(768)
Other	461	28
Corporate	3,690	68
Total	75,352	888

Notes:

1. The number of employees represents the number of persons in employment.
2. The number of employees represented as Corporate represents administrative staff not assigned to any particular business segment.

1.13 Major lenders (as of March 31, 2025)

Lender	Borrowing amount (Millions of yen)
Mizuho Bank, Ltd.	25,800
MUFG Bank, Ltd.	8,592
The Hachijuni Bank, Ltd.	4,300

1.14 Other material facts concerning the current status

(1) Civil actions concerning copyright fees in Belgium
In 2010, Epson Europe B.V. ("EEB"), a consolidated subsidiary of the Company, brought a civil suit against La SCRL Reprobel ("Reprobel"), a Belgium-based group that collects copyright royalties, seeking restitution for copyright royalties for multifunction printers. With Reprobel subsequently filing a suit against EEB, the two lawsuits were adjoined. EEB's claims were rejected at the first trial, but EEB, dissatisfied with the decision, intends to appeal.

(2) Allegation by a consumer organization in France
Regarding the inkjet printer products sold in France, authorities have initiated investigations following an allegation made by a consumer organization in the country in 2017, pursuant to consumer protection law. The consumer organization alleges that Epson shortens the life of its products, which was never Epson's intention. Giving the highest priority to quality and environment, Epson will continue to offer designs that meet customer needs.
Progress, result and resolution timing of the investigations, and their impact on Epson's financial performance and its future business development are not predictable at this time.

2. Matters related to Company Shares (as of March 31, 2025)

2.1 Total number of shares authorized to be issued 1,214,916,736 shares

2.2 Total number of shares outstanding 373,573,152 shares
(including 53,229,249 treasury shares)

2.3 Number of shareholders 32,303 persons

2.4 Major shareholders

Shareholder name	Number of shares held (shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	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.

2.5 Shares delivered to management as compensation for execution of duties during the fiscal year under review

Category	Number of shares (shares)	Number of individuals eligible for delivery (persons)
Directors who are not Audit & Supervisory Committee Members (of which, Outside Directors)	31,469 (–)	5 (–)
Directors who are Audit & Supervisory Committee Members (of which, Outside Directors)	– (–)	– (–)
Total	31,469	5

2.6 Other important matters regarding shares

(1) Acquisition of treasury shares

Based on the resolution at the Board of Directors meeting held on April 26, 2024, we acquired treasury shares as follows:

- Class of shares acquired: Ordinary shares of the Company
- Total number of shares acquired: 11,372,200 shares
- Period of acquisition: July 18, 2024 to February 17, 2025

With the termination of the performance-linked stock compensation plan, we acquired treasury shares as follows:

- Class of shares acquired: Ordinary shares of the Company
- Total number of shares acquired: 76,926 shares
- Total amount of acquisition costs: No consideration
- Date of acquisition: September 20, 2024

(2) Cancellation of treasury shares

Based on the resolution at the Board of Directors meeting held on September 27, 2024, we canceled treasury shares as follows:

- Class of shares canceled: Ordinary shares of the Company
- Total number of shares canceled: 76,926 shares
- Date of cancellation: October 2, 2024

Based on the resolution at the Board of Directors meeting held on March 13, 2025, we canceled treasury shares as follows:

- Class of shares canceled: Ordinary shares of the Company
- Total number of shares canceled: 11,372,200 shares
- Date of cancellation: March 28, 2025

3. Matters related to the Subscription Rights to Shares, etc. of the Company

Not applicable.

4. Matters related to Management

4.1 Names, etc. of Directors (as of March 31, 2025)

Name	Title	Areas of responsibility and significant concurrent positions
Yasunori Ogawa	President and Representative Director	—
Eiichi Abe	Representative Director Executive Officer	General Administrative Manager, Human Capital & Well-Being Management Division
Junkichi Yoshida	Director Executive Officer	General Administrative Manager, Printing Solutions Division
Yasunori Yoshino	Director Executive Officer	General Administrative Manager, Corporate Strategy Division Chief Operating Officer, Manufacturing Solutions Operations Division
Tadashi Shimamoto	Outside Director	Director of Reading Skill Test, Inc. Outside Director of Mitsubishi Pencil Co., Ltd. Member of the Public Interest Body, PricewaterhouseCoopers Aarata LLC
Masaki Yamauchi	Outside Director	Advisor of Yamato Holdings Co., Ltd. Independent Director of Persol Holdings Co., Ltd. Outside Director of Resona Holdings, Inc.
Kahori Miyake	Outside Director	Co-Chair, Japan Climate Leaders' Partnership Fellow Officer and Director, ESG Planning and Promotion Department, Sumitomo Mitsui Trust Bank, Limited Outside Director (Audit and Supervisory Committee Member), Members Co., Ltd.
Masayuki Kawana	Director Full-Time Audit & Supervisory Committee Member	—
Susumu Murakoshi	Outside Director Audit & Supervisory Committee Member	Attorney-at-law
Michiko Ohtsuka	Outside Director Audit & Supervisory Committee Member	Certified Public Accountant
Akira Marumoto	Outside Director Audit & Supervisory Committee Member	Senior Advisor, Mazda Motor Corporation

Notes
1. The Company registered Mr. Tadashi Shimamoto, Mr. Masaki Yamauchi, Ms. Kahori Miyake, Mr. Susumu Murakoshi, Ms. Michiko Ohtsuka and Mr. Akira Marumoto as Independent Directors with the Tokyo Stock Exchange.
2. Ms. Kahori Miyake was elected as Director at the Ordinary General Meeting of Shareholders held on June 25, 2024, and assumed office.
3. Mr. Akira Marumoto was elected as Director and Audit & Supervisory Committee Member at the Ordinary General Meeting of Shareholders held on June 25, 2024, and assumed office.
4. Mr. Yasunori Ogawa retired from the post of President and Representative Director and assumed the office of Chairman and Director as of April 1, 2025.
5. Mr. Junkichi Yoshida assumed the office of President and Representative Director and left the office of General Administrative Manager of the Printing Solutions Division as of April 1, 2025.

6. Mr. Eiichi Abe retired from the post of Representative Director, left the office of General Administrative Manager of the Human Capital & Well-Being Management Division, and assumed the office of Director as of April 1, 2025.
7. Director and Audit & Supervisory Committee Member Ms. Michiko Ohtsuka has professional knowledge and experience as a certified public accountant; thus she has considerable knowledge in finance and accounting.
8. Based on a belief that improving audit environment and smooth collection of in-house information through attending important internal meetings, as well as close coordination with an internal audit department, etc. and daily oversight on the internal control system are necessary to ensure the effectiveness of the activities of the Audit & Supervisory Committee, the Company has appointed Mr. Masayuki Kawana as a Full-Time Audit & Supervisory Committee Member.
9. There are no special interests between the Company and the entities where each Outside Director holds significant concurrent positions.
10. List of Executive Officers (excluding Directors concurrently serving as Executive Officers) as of March 31, 2025 is as follows.

Name	Title	Areas of responsibility
Junichi Watanabe	Managing Executive Officer	Deputy General Administrative Manager, Production Planning Division (in charge of Production Procurement, Logistics, Property Management) Deputy General Administrative Manager, Global Environmental Strategy Promotion Office (in charge of Production Planning, Procurement, Logistics)
Akihiro Fukaishi	Executive Officer	General Administrative Manager, Sales & Marketing Division
Keith Kratzberg	Executive Officer	President, and Chief Executive Officer, Epson America, Inc.
Isamu Otsuka	Executive Officer	President, Epson Atmix Corporation
Kazuhiro Ichikawa	Executive Officer	General Administrative Manager, Technology Development Division General Administrative Manager, Global Environmental Strategy Promotion Office
Andrea Zoeckler	Executive Officer	Senior Vice President, Epson America, Inc.
Satoru Hosono	Executive Officer	Deputy General Administrative Manager, Global Environmental Strategy Promotion Office (in charge of Environmental Technology Development Promotion) Deputy General Administrative Manager, Technology Development Division (in charge of Foundational Technology Development)
Akifumi Takei	Executive Officer	General Administrative Manager, Production Planning Division
Samba Moorthy	Executive Officer	Managing Director, Epson India Pvt. Ltd.
Yoichi Yamada	Executive Officer	Deputy General Administrative Manager, Printing Solutions Division (in charge of P Office & Home Operations and Component Design) Chief Operating Officer, P Office & Home Operations Division
Tomoo Takaso	Executive Officer	Chief Operating Officer, Visual Products Operations Division Deputy General Administrative Manager, DX Division (in charge of overall DX strategy)
Toshiaki Miyasaka	Executive Officer	Deputy General Administrative Manager, Printing Solutions Division (in charge of Quality Assurance, Production Technology, Production Management)
Masashi Hayashi	Executive Officer	Chief Operating Officer, Wearable Products Operations Division
Masaharu Mizukami	Executive Officer	General Administrative Manager, Business Management Division General Administrative Manager, Sustainability Promotion Office
Toshihiko Kobayashi	Executive Officer	General Administrative Manager, Intellectual Property Division
Siew Jin Kiat	Executive Officer	Managing Director, Epson Singapore Pte. Ltd.
Tsutomu Norimatsu	Executive Officer	Chief Operating Officer, Microdevices Operations Division

Name	Title	Areas of responsibility
Susumu Maruyama	Executive Officer	General Administrative Manager, DX Division
Emile Pattiwael	Executive Officer	President, PT Indonesia Epson Industry
Takanori Inaho	Executive Officer	President, Epson Europe B.V.
Haruo Kuribayashi	Executive Officer	President, Epson Sales Japan Corporation
Tsuyoshi Yamanaka	Executive Officer	Deputy General Administrative Manager, Printing Solutions Division (in charge of P Commercial & Industrial Operations, Planning and Design (Common Functions)) Chief Operating Officer, P Commercial & Industrial Operations Division
Masahiro Uchida	Executive Officer	Chairman and President, Epson Engineering (Shenzhen) Ltd.
Shunya Fukuda	Executive Officer	Chief Operating Officer, IJS Operations Division
Keijiro Naito	Professional Officer	In charge of specific projects in the Corporate Strategy Division (Medium- to Long-term Strategy)
Yoshifumi Yoshida	Professional Officer	In charge of specific projects in the Production Planning Division (Molding Automation)

11. Changes in the positions and responsibilities of Executive Officers after the end of the fiscal year under review are as follows.

Name	After change	Before change	Date of change
Akihiro Fukaishi	Executive Officer General Administrative Manager, Sales & Marketing Division Chief Operating Officer, P Commercial & Industrial Solutions Operations Division	Executive Officer General Administrative Manager, Sales & Marketing Division	April 1, 2025
Isamu Otsuka	Executive Officer General Administrative Manager, Technology Development Division General Administrative Manager, Global Environmental Strategy Promotion Office Chairman, Epson Atmix Corporation	Executive Officer President, Epson Atmix Corporation	April 1, 2025
Yoichi Yamada	Executive Officer Chief Operating Officer, P Office & Home Solutions Operations Division	Executive Officer Deputy General Administrative Manager, Printing Solutions Division (in charge of P Office & Home Operations and Component Design) Chief Operating Officer, P Office & Home Operations Division	April 1, 2025
Tomoo Takaso	Executive Officer Chief Operating Officer, Visual Products Operations Division Deputy General Administrative Manager, DX Division (in charge of Solution Business Promotion)	Executive Officer Chief Operating Officer, Visual Products Operations Division Deputy General Administrative Manager, DX Division (in charge of overall DX strategy)	April 1, 2025

Name	After change	Before change	Date of change
Toshiaki Miyasaka	Executive Officer Deputy Chief Operating Officer, P Office & Home Solutions Operations Division (in charge of Quality Assurance, Production Technology, Production Management) Deputy Chief Operating Officer, P Commercial & Industrial Solutions Operations Division (in charge of Quality Assurance, Production Technology, Production Management) Deputy Chief Operating Officer, P System Solutions Operations Division (in charge of Quality Assurance, Production Technology, Production Management)	Executive Officer Deputy General Administrative Manager, Printing Solutions Division (in charge of Quality Assurance, Production Technology, Production Management)	April 1, 2025
Tsuyoshi Yamanaka	Executive Officer Chief Operating Officer, P System Solutions Operations Division	Executive Officer Deputy General Administrative Manager, Printing Solutions Division (in charge of P Commercial & Industrial Operations, Planning and Design (Common Functions)) Chief Operating Officer, P Commercial & Industrial Operations Division	April 1, 2025
Osamu Shigemura	Executive Officer Deputy Chief Operating Officer, P Office & Home Solutions Operations Division (in charge of Business Strategy, Environmental Strategy, Business Management, General Affairs, DX) Deputy Chief Operating Officer, P Commercial & Industrial Solutions Operations Division (in charge of Business Strategy, Environmental Strategy, Business Management, General Affairs, DX) Deputy Chief Operating Officer, P System Solutions Operations Division (in charge of Business Strategy, Environmental Strategy, Business Management, General Affairs, DX)	Deputy General Administrative Manager, Printing Solutions Division (in charge of Business Strategy, Environmental Strategy, Business Management, General Affairs, DX)	April 1, 2025
Yushi Irie	Executive Officer President, Epson Precision (Philippines), Inc.	President, Epson Precision (Philippines), Inc.	April 1, 2025
Yosuke Takakura	Executive Officer General Administrative Manager, Human Capital & Well-Being Management Division	General Manager, Human Resources Department	April 1, 2025
Emiko Nemura	Professional Officer In charge of specific projects in the Human Capital & Well-Being Management Division (Diversity, Organizational Culture, and Work-style Reform)	General Manager, DE&I Strategic Promotion Department	April 1, 2025

12. Mr. Junichi Watanabe, Mr. Kazuhiro Ichikawa and Ms. Andrea Zoeckler retired from the posts of Executive Officer, and Mr. Yoshifumi Yoshida retired from the post of Professional Officer, as of March 31, 2025.
13. Mr. Osamu Shigemura, Mr. Yushi Irie and Mr. Yosuke Takakura assumed the office of Executive Officer and Ms. Emiko Nemura assumed the office of Professional Officer as of April 1, 2025.

14. The Company has elected Special Audit & Supervisory Officer, a post to support the Audit & Supervisory Committee. The list of Special Audit & Supervisory Officer as of March 31, 2025 is as follows.

Name	Title	Areas of responsibility
Yoshihiro Mizoguchi	Special Audit & Supervisory Officer	General Administrative Manager of the Audit & Supervisory Committee Office

4.2 Outline of liability limitation contracts

The Company has entered into contracts with its non-executive Directors, namely, Mr. Tadashi Shimamoto, Mr. Masaki Yamauchi, Ms. Kahori Miyake, Mr. Masayuki Kawana, Mr. Susumu Murakoshi, Ms. Michiko Ohtsuka and Mr. Akira Marumoto, which limit their liabilities to the damages pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum liability amount under the contracts shall be the minimum liability amount stipulated in laws and regulations.

4.3 Outline of the indemnity agreement

The Company has entered into an indemnity agreement, whose outline is as follows.

1. Names of company officers
   Mr. Yasunori Ogawa, Mr. Eiichi Abe, Mr. Junkichi Yoshida, Mr. Yasunori Yoshino, Mr. Tadashi Shimamoto, Mr. Masaki Yamauchi, Ms. Kahori Miyake, Mr. Masayuki Kawana, Mr. Susumu Murakoshi, Ms. Michiko Ohtsuka, Mr. Akira Marumoto
2. Outline of the indemnity agreement
   The Company will indemnify for the expenses provided for in item (i) and the losses provided for in item (ii) of Article 430-2, Paragraph 1 of the Companies Act to the extent provided by laws and regulations. However, in order to ensure that the indemnity agreement does not impair the appropriateness of the execution of duties, the Board of Directors determines whether indemnity is required and the extent of such indemnity.

4.4 Outline of directors and officers liability insurance contract

The Company has entered into a directors and officers liability insurance contract, whose outline is as follows.

1. Scope of the insured
   (1) Directors, Executive Officers, Professional Officers and Special Audit & Supervisory Officers of the Company
   (2) Directors and Audit & Supervisory Board Members of the Company’s domestic subsidiaries
   (3) Employees in management positions of the Company and its domestic subsidiaries
   (4) Individuals occupying officer positions of companies other than the Company or its domestic subsidiaries based on a request or an instruction from the Company
   (5) The Company and its domestic subsidiaries
2. Actual ratio of premiums paid by the insured
   The premiums are paid by the Company, and the insured does not effectively bear a ratio of the premiums.
3. Outline of events insured against
   Damages (legal compensation for damages, litigation expenses, etc.) arising from claims for damages due to the execution of duties by the insured will be covered.
4. Measures to ensure the appropriateness of the execution of duties by officers, etc. is maintained
   An exemption clause is included in the contract, which stipulates to the effect that damages arising from personal offers of illegal profit, criminal acts, etc. will not be covered.

4.5 Compensation to Directors

1. Total amount of compensation

(Millions of yen)

Category	Persons paid (persons)	Base compensation (monetary)	Performance-linked compensation Bonuses (monetary)	Stock compensation with transfer restrictions (non-monetary)	Total
Directors who are not Audit & Supervisory Committee Members (of which, Outside Directors)	10 (4)	162 (44)	39 (–)	40 (–)	242 (44)
Directors who are Audit & Supervisory Committee Members (of which, Outside Directors)	5 (4)	81 (48)			81 (48)
Total	15	244	39	40	324

Notes

1. The Company has introduced an officers' shareholding association system to link compensation more closely to shareholders' value. A portion of the base compensation is discretionally allotted for the acquisition of the Company's shares. The Company has established the criteria for shareholding by its officers based on internal regulations defined by the Board of Directors to demonstrate its commitment to and responsibilities for the management to all shareholders.
2. The amount above includes bonuses to be paid to Directors in the amount of 39 million yen (amount to be paid to four Directors excluding Outside Directors and Directors who are Audit & Supervisory Committee Members), subject to the approval of the proposal concerning the payment of bonus to Directors to be proposed at the Ordinary General Meeting of Shareholders scheduled on June 26, 2025.
3. From the fiscal year under review, the Company has introduced a restricted stock compensation plan with the aim of sharing share price fluctuation benefits and risks with shareholders and to increase incentives for share price appreciation, sustainable growth, and medium- to long-term corporate value enhancement even more. The overview of the restricted stock compensation plan is described in "2. <Outline of contents of the decision-making policies> (3)" below.
4. The performance-linked stock compensation plan, which was introduced by employing a framework referred to as the officer compensation BIP (Board Incentive Plan) trust, terminated along with the completion on August 20, 2024, of the delivery and payment pertaining to the points already granted of the Company's common stock and the cash equivalent to an amount obtained through the conversion of the Company's common stock into cash, with the introduction of the restricted stock compensation plan upon resolution of the Ordinary General Meeting of Shareholders held on June 28, 2022.
5. The number of individuals paid for under the above restricted stock compensation plan does not include five Directors who are not Audit & Supervisory Committee Members and are independent from business execution (Chairman and Director without the right of representation and Outside Directors).
6. The number of persons paid above includes three Directors who are not Audit & Supervisory Committee Members that retired at the conclusion of the Ordinary General Meeting of Shareholders held on June 25, 2024.
7. Based on a resolution at the Ordinary General Meeting of Shareholders held on June 23, 2006 to abolish bonuses for retiring executives, the Company provided payment of 24 million yen to one eligible Director who retired at the conclusion of the Ordinary General Meeting of Shareholders held on June 25, 2024.
8. Stock options are not granted.

2. Decision-making policies, etc. on compensation for individual Directors who are not Audit & Supervisory Committee Members

The Company has established its decision-making policies on compensation for individual Directors who are not Audit & Supervisory Committee Members.

<Method of determining the decision-making policies>

Decision-making policies are determined by the Board of Directors upon deliberation of its contents at the Director Compensation Committee, which is chaired by an Outside Director and the majority of which is composed of Outside Directors.

<Outline of contents of the decision-making policies>

(1) Basic stance

The Company's officer compensation shall consist of base compensation, which is fixed compensation, bonuses, which is performance-linked compensation, and stock compensation with transfer restrictions, which is non-monetary compensation. Given their roles to monitor the management as a whole as well as their independence from the business affairs, the Company pays only fixed compensation as base compensation to Officers who do not have executive duties and therefore does not pay bonuses and stock compensation with transfer restrictions.

Compensation for Officers who have executive duties

- Compensation shall be incentive that motivates and demonstrates commitment to improving business performance in order to achieve the Group's sustainable growth and increase corporate value over the medium to long term.
- Compensation shall be sufficient to secure and retain qualified persons both from within the Company and from outside.
- Compensation shall be commensurate with the business performance so that they can demonstrate their management capabilities to the fullest during their terms of offices.
- Compensation shall make clear the linkage between compensation for officers and the value of the Company's shares and reinforce a sense of shared interests with shareholders.
- Compensation shall include built-in mechanisms to control misconduct.
- Compensation shall be determined through a transparent, objective, and fair process.

Compensation for Officers who do not have executive duties

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

(2) Decision-making policies on the amount of compensation for individual Directors who are not Audit & Supervisory Committee Members and the ratio of compensation

- Summary of content and ratio of compensation, etc. and policy for determining the ratio

Types of compensation	Contents	Ratio and policy for determining the ratio
Base compensation	- Fixed monetary compensation determined in accordance with the size of the role, such as positions, duties and delegations (hereinafter the "Role Grade") - Compensation is paid periodically on a monthly basis during the term of office. - The Board of Directors may increase or decrease the amount depending on the Company's business performance or other reasons.	Base compensation: 45% to 55% Determine the percentage of total annual compensation (*) based on positions and the Role Grade * Calculated based on each Director's positions and the Role Grade
Bonuses	- Performance-linked monetary compensation that fluctuates based on the achievement level of performance indicators and personal goals for a single fiscal year (once a year) - Bonuses are paid annually upon resolution of the General Meeting of Shareholders.	Bonuses: 25% to 30% Determine the percentage of total annual compensation based on positions and the Role Grade
Stock compensation	- Stock compensation to promote further value sharing with shareholders and to increase incentives for share price appreciation, sustainable growth, and medium- to long-term corporate value enhancement even more (once a year) - The details are as described in "(3) Decision-making policies on non-monetary compensation for Directors who are not Audit & Supervisory Committee Members."	Stock compensation: 20% to 25% Determine the percentage of total annual compensation based on positions and the Role Grade

Note: The percentage of total compensation for Directors who are not Audit & Supervisory Committee Members (excluding Chairman and Director without the right of representation and Outside Directors) in the consolidated fiscal year under review was 55.8% for base compensation, 21.8% for bonuses, and 22.4% for stock compensation.

Bonuses

[Details of performance indicators and reasons for selection thereof]

In consideration of the nature of bonuses as a short-term incentive, company-wide ROE is used as a performance indicator in order to link it to business performance.

[Calculation method]

The amount of bonuses payable are calculated by multiplying the annual total compensation determined based on each officer's positions and the Role Grade as of the last month of the fiscal year under review by the bonus ratio for each position and the Role Grade, and then multiplying the bonus base amount by a coefficient (0% to 200%) (*) based on the achievement level against index values such as company-wide ROE targets and a coefficient (±40%) based on the achievement level against individual targets.

*In the event that there are any variable factors that should be taken into consideration, the coefficient may be adjusted upon deliberation by the Director Compensation Committee and is determined by the Board of Directors.

[Results of performance indicators]

Company-wide ROE used as a performance indicator is 6.5%. Company-wide ROE is calculated excluding treasury shares acquired in and after the fiscal year 2022.

(3) Decision-making policies on non-monetary compensation for Directors who are not Audit & Supervisory Committee Members

Stock compensation with transfer restrictions

Items	Contents
Type of shares	Common stock (subject to transfer restrictions in the allotment agreement)
Offering method	Disposal of treasury shares
Recipients	Directors (excluding those in positions independent from business execution, such as Outside Directors and Directors who are Audit & Supervisory Committee Members, as well as overseas residents)
Maximum amount of compensation	200 million yen per year
Maximum number of shares	200,000 shares
Restriction period	Until the date of resignation or retirement from any position as a Director, Executive Officer, or employee of the Company
Basic stock compensation amount	The number of shares to be allotted during the applicable period shall be calculated by dividing the base amount of compensation, which is obtained by multiplying the total annual compensation calculated based on each Director's positions and the Role Grade by a stock compensation ratio (20% to 25%) based on the positions and a coefficient (80% to 120%) (*) based on the achievement level against indicators such as company-wide ROIC and sustainability targets, by the price per share of restricted stock determined by the Board of Directors. *In the event that there are any variable factors that should be taken into consideration, the coefficient may be adjusted upon deliberation by the Director Compensation Committee and is determined by the Board of Directors.
Determination of the amount of compensation to be paid	The amount of monetary compensation claims to be paid to each Director as compensation, etc. for shares with transfer restrictions shall be calculated by multiplying the number of allotted shares by the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Board of Directors pertaining to the issue or disposal of such shares.

Items	Contents
Basic conditions for lifting of transfer restrictions/ acquisition without consideration other than expiration of transfer restriction period	(i) Details of Restrictions on Transfer Eligible Directors who receive allotment of shares with transfer restrictions may not transfer, pledge, grant security interests, gift during their lifetime, or bequeath, to any third party, or engage in any other act of disposal (hereinafter “Transfer Restrictions”) with regard to the shares with transfer restrictions allotted to them (hereinafter “Allotted Shares”) during the period from the date of delivery of the shares with transfer restrictions until the date on which they resign or retire from their position as either Directors, Executive Officers, or employees of the Company (hereinafter “Transfer Restriction Period”). (ii) Acquisition of Shares with Transfer Restrictions without Contribution If an eligible Director who has received allotment of shares with transfer restrictions resigns or retires from his or her position as a Director, Executive Officer or employee of the Company during the period on or after the date of commencement of the Transfer Restriction Period until the day before the date of the first Ordinary General Meeting of Shareholders thereafter, the Company will acquire the Allotted Shares without contribution, unless there are grounds deemed justifiable by the Board of Directors. The Company will also automatically acquire the Allotted Shares without contribution if there are any Allotted Shares for which Transfer Restrictions have not been lifted pursuant to the provisions of the grounds for lifting Transfer Restrictions in (iii) below at the time the Transfer Restriction Period in (i) above expires. (iii) Lifting Transfer Restrictions The Company will lift Transfer Restrictions for all of the Allotted Shares upon the expiration of the Transfer Restriction Period, on the condition that the eligible Directors who have received an allotment of shares with transfer restrictions hold the position of Director, Executive Officer or employee of the Company continuously from the date of commencement of the Transfer Restriction Period until the date of the first Ordinary General Meeting of Shareholders thereafter. However, if, due to grounds deemed justifiable by the Board of Directors, such eligible Directors resign or retire from their position as a Director, Executive Officer or employee of the Company during the period on or after the date of commencement of the Transfer Restriction Period until the day before the date of the first Ordinary General Meeting of Shareholders thereafter, the Company will make reasonable adjustments, as necessary, to the number of Allotted Shares for which Transfer Restrictions will be lifted and the timing at which Transfer Restrictions will be lifted. (iv) Handling When Reorganizing, etc. If, during the Transfer Restriction Period, matters concerning a merger agreement in which the Company becomes a disappearing company, a share exchange agreement or a share transfer plan in which the Company becomes a wholly owned subsidiary, or any other matter concerning organizational restructuring, etc., are approved by a general meeting of shareholders (or by the Board of Directors in cases where approval by a general meeting of shareholders is not required for such reorganization, etc.), the Company will, by resolution of the Board of Directors, lift the Transfer Restrictions prior to the effective date of such organizational restructuring, etc., for the number of Allotted Shares that is reasonably determined based on the period from the date of commencement of the Transfer Restriction Period until the date of approval of such organizational restructuring, etc. In such cases, the Company will automatically acquire the Allotted Shares without contribution for which Transfer Restrictions have not been lifted at the time immediately after the Transfer Restrictions are lifted in accordance with the above-stated provisions.

(4) Matters regarding delegation of decisions on compensation for individual Directors who are not Audit & Supervisory Committee Members

Regarding the amount of compensation for the fiscal year under review, in order to ensure fair screening through a process with ensured transparency and objectivity, upon the resolution at the Board of Directors meeting, the Director Compensation Committee (all Outside Directors: Chaired by Mr. Masaki Yamauchi, and consisting of seven members in total including Mr. Tadashi Shimamoto, Ms. Kahori Miyake, Mr. Susumu Murakoshi, Ms. Michiko Ohtsuka, Mr. Akira Marumoto, and President and Representative Director Mr. Yasunori Ogawa) has been provided with discretion to determine such compensation. In order to make sure that the said authority is exercised appropriately, the majority of the members of the Director Compensation Committee comprises Outside Directors, and the chairperson is elected from among Outside Directors by the members of the Committee.

(5) Other important matters regarding decisions on the details of compensation for individual Directors who are not Audit & Supervisory Committee Members

The Company has established provisions (malus and clawback clauses) to acquire without contribution some or all of the Allotted Shares allotted to eligible Directors or common stock of the Company for which Transfer Restrictions have been lifted, or to be paid an amount equivalent to the value of the Allotted Shares or common stock of the Company for which Transfer Restrictions have been lifted, in cases in which the Board of Directors recognizes that eligible Directors have violated laws, regulations, or internal rules, etc. in any material respect during the Transfer Restriction Period or after the lifting of the Transfer Restrictions, and when certain circumstances determined by the Board of Directors have occurred, including serious accounting irregularities or large losses, etc.

<Reasons why the Board of Directors has determined that the details of compensation for individual Directors who are not Audit & Supervisory Committee Members for the fiscal year under review comply with the said decision-making policies>

The Board of Directors has confirmed the following points and determined that the compensation for Directors who are not Audit & Supervisory Committee Members for the fiscal year under review complies with the said policies.

- A fair, transparent, and rigorous reporting by the Director Compensation Committee, which is chaired by an Outside Director and the majority of which is composed of Outside Directors, has been conducted.
- The Audit & Supervisory Committee shared and discussed the details that were discussed by the Director Compensation Committee and reported that there were no items to be stated at the General Meeting of Shareholders.

3. Decision-making policies, etc. on compensation for individual Directors who are Audit & Supervisory Committee Members

The Company has established its decision-making policies on compensation for individual Directors who are Audit & Supervisory Committee Members.

<Method of determining the decision-making policies>

Decision-making policies are determined by the Audit & Supervisory Committee.

<Outline of contents of the decision-making policies>

The Company's compensation for individual Directors who are Audit & Supervisory Committee Members shall be decided by taking into consideration factors such as whether he or she is Full-Time or not, how the audit work has been divided, and the details and levels of compensation for Directors who are not Audit & Supervisory Committee Members.

Given their roles to monitor the management as a whole based on independence from the business affairs, the Company pays only fixed compensation to Directors who are Audit & Supervisory Committee Members. In addition, basic stance for such fixed compensation is as stated in "Compensation for Officers who do not have executive duties," and it is determined by the Board of Directors upon deliberation of its contents at the Director Compensation Committee, which is chaired by an Outside Director and the majority of which is composed of Outside Directors.

4. Resolutions by the General Meeting of Shareholders on compensation for Directors

The total amount of compensation for Directors was resolved at the past general meetings of shareholders as follows.

Officer category	Types of compensation	Date of resolution of general meeting of shareholders	Details of compensation	Number of officers as of the date of resolution
Directors who are not Audit & Supervisory Committee Members	Base compensation	June 28, 2016	Up to 62 million yen per month (including up to 10 million yen per month for Outside Directors)	8 (including two Outside Directors)
	Stock compensation with transfer restrictions	June 28, 2022	- Up to 200 million yen per year - Up to 200,000 shares per year	3
	Performance-linked stock compensation (officer compensation BIP trust)	June 28, 2016	Up to 500 million yen in total over a period of three fiscal years, with the maximum number of total points to be granted per year set at 100,000 points (one point is equivalent to one share in the Company)	6
Directors who are Audit & Supervisory Committee Members	Base compensation	June 28, 2016	Up to 20 million yen per month	4

4.6 Main activities of Outside Directors

(1) Outside Directors

Name	Outline of comments at meetings of the Board of Directors and duties performed in relation to expected roles	Attendance at meetings of the Board of Directors (Attendance rate)
Tadashi Shimamoto	Based on a wealth of experience and considerable insight as a corporate manager regarding corporate governance, he has fulfilled his role in appropriately supervising management by actively expressing opinions including findings and proposals regarding managerial issues from the viewpoints of overall management and DX/IT systems based on his thorough knowledge of corporate management in the advanced information service industry.	Meetings of the Board of Directors: 13 / 13 meetings (100%)
Masaki Yamauchi	Based on a wealth of considerable insight and experience as a corporate manager, he has fulfilled his role in appropriately supervising management by actively expressing opinions including findings and proposals from the perspectives of organizational management, DX/IT, and sustainability that relate to the fundamentals of corporate management.	Meetings of the Board of Directors: 13 / 13 meetings (100%)
Kahori Miyake	Based on a wealth of experience and considerable insight gained from working for a major distribution company and a corporate group aiming to achieve a decarbonized society, she has fulfilled her role in appropriately supervising management by actively expressing opinions including findings and proposals regarding managerial issues from the perspective of promoting ESG strategies.	Meetings of the Board of Directors: 10 / 10 meetings (100%)

(2) Outside Directors, Audit & Supervisory Committee Members

Name	Outline of comments at meetings of the Board of Directors and Audit & Supervisory Committee and duties performed in relation to expected roles	Attendance at meetings of the Board of Directors and Audit & Supervisory Committee (Attendance rate)
Susumu Murakoshi	Based on a high level of expertise as an attorney-of-law and a considerable insight and experience through his involvement in the legal community including as the President of Japan Federation of Bar Association, he has fulfilled his role in appropriately supervising management by actively expressing opinions including findings and proposals regarding managerial issues from a perspective of a legal professional.	Meetings of the Board of Directors: 13 / 13 meetings (100%) Meetings of the Audit & Supervisory Committee: 16 / 16 meetings (100%)
Michiko Ohtsuka	Based on a high level of expertise as a certified public accountant and a considerable insight and experience through her involvement in the management of a listed company as outside officer, she has fulfilled her role in appropriately supervising management by actively expressing opinions including findings and proposals regarding managerial issues from a perspective of finance and accounting professional.	Meetings of the Board of Directors: 13 / 13 meetings (100%) Meetings of the Audit & Supervisory Committee: 16 / 16 meetings (100%)
Akira Marumoto	Based on a wealth of experience and considerable insight as a corporate manager, he has fulfilled his role in appropriately supervising management by actively expressing opinions including findings and proposals regarding overall managerial issues from a perspective of a corporate manager well-versed in the global corporate management in the automotive industry, which is a different business field.	Meetings of the Board of Directors: 10 / 10 meetings (100%) Meetings of the Audit & Supervisory Committee: 11 / 11 meetings (100%)

Notes: 1. Attendance at meetings of the Board of Directors for Ms. Kahori Miyake and Mr. Akira Marumoto is counted based on 10 meetings held after their appointment at the Ordinary General Meeting of Shareholders on June 25, 2024.

2. Attendance at meetings of the Audit & Supervisory Committee for Mr. Akira Marumoto is counted based on 11 meetings held after his appointment at the Ordinary General Meeting of Shareholders on June 25, 2024.

5. Financial Auditor

5.1 Financial auditor's name

Ernst & Young ShinNihon LLC

5.2 Financial auditor's compensation, etc. for the fiscal year under review

Category	Compensation for audit certificate service (Millions of yen)	Compensation for non-audit service (Millions of yen)
The Company	227	2
Consolidated subsidiaries	37	-
Total	264	2

Notes: 1. Taking into consideration the "Practical Guidelines for Corporate Auditors on the Evaluation and Selection Criteria for Financial Auditor" announced by the Japan Audit & Supervisory Board Members Association, Audit & Supervisory Committee has given consent to the compensation, etc., to be paid to the financial auditor as stipulated in Article 399, Paragraph 1 of the Companies Act, as a result of confirming the policies and the content of the auditing plan that form the basis of compensation to the financial auditor, auditing time and auditing compensation, as well as the auditing plan and its results for the previous fiscal year, and examining the validity of quotation for the auditing.

2. Under the audit agreement between the Company and its financial auditor, compensation for audits pursuant to the Companies Act and audits pursuant to the Financial Instruments and Exchange Act are not strictly separated, and otherwise cannot be separated. Consequently, the financial auditor's compensation, etc. for this fiscal year under review reflects the total compensation.

3. The Company pays fees to its financial auditor for advisory and other services that are not covered by the services specified in Article 2, Paragraph 1 of the Certified Public Accountants Act.

4. Of the significant subsidiaries of the Company, 34 overseas subsidiaries undergo audits (limited to those specified by Japan's Companies Act or the Financial Instruments and Exchange Act, or foreign laws and regulations equivalent to such laws) by certified public accountants or audit firms other than the financial auditor of the Company (including those with comparable qualifications abroad).

5.3 Policy regarding determination of dismissal or non-reappointment of financial auditor

In the event that any of the items set forth in the clauses of Article 340, Paragraph 1 of the Companies Act is met, and the Audit & Supervisory Committee deems it appropriate to dismiss the financial auditor, the Audit & Supervisory Committee shall dismiss the financial auditor subject to the unanimous consent of Audit & Supervisory Committee Members.

In addition, if the Audit & Supervisory Committee deems that (i) the quality of audit, quality control, independence and other aspects of the financial auditor are likely to hinder the execution of proper audits, (ii) an audit system more appropriate to the Company would be achieved by replacing the audit firm, or (iii) otherwise it would be necessary, the Audit & Supervisory Committee shall, based on its resolution, determine the details of the proposal to dismiss or not reappoint the financial auditor for submission to the General Meeting of Shareholders.

6. Internal Control Systems (A system for ensuring that business is conducted suitably by the corporate group)

6.1 Basic Internal Control System Policy

The content of the Company's basic policy regarding the internal control system is described below.

Seiko Epson Corporation ("Epson" or "the Company") has defined the Epson Way, which is founded on the Management Philosophy, and strives to share it across the corporate group, which is comprised of the Company and its subsidiaries (the "Epson Group."). The Company shall provide an internal control system for implementation throughout the Epson Group. The following basic policy regarding the internal control system is intended to ensure that business is conducted appropriately within the Epson Group based on the Epson Way and is provided in aims of having each organization detect and solve issues by itself (decentralized autonomous internal control system).

* The Epson Way is a set of shared values and behavior within the Epson Group. It refers generally to the Management Philosophy and EXCEED YOUR VISION, which state the fundamental, universal principles of the Epson Group; the Principles of Corporate Behavior, which sets forth values and actions that reflect our philosophy of management and so on.

1. Compliance

(1) The Company has established a compliance regulation for the Epson Group and defined the compliance organization, system, and other basic matters.

(2) The Company shall also create a Compliance Committee to serve as an advisory body to the Board of Directors. The Compliance Committee shall be chaired by a Full-Time Audit & Supervisory Committee Member and shall be made up as members the outside directors and Audit & Supervisory Committee members. The Compliance Committee will meet to hear and discuss important matters concerning the Company's compliance program. It will report its findings and offer opinions to the board of directors. Financial Auditors and the head of the internal audit administrative department shall be able to attend meetings of the Compliance Committee as observers.

(3) A Chief Compliance Officer ("CCO") shall be selected to oversee and monitor the execution of all compliance operations. The CCO shall periodically report the state of compliance affairs to the Compliance Committee.

(4) Compliance promotion and enforcement shall be supervised by the President of the Company. Compliance programs shared by the Epson Group shall be carried out by Head Office supervisory departments with the cooperation of departments in the various operations divisions and subsidiaries. Compliance programs of the divisions and their related subsidiaries shall be promoted by the respective Chief Operating Officers of the divisions. A compliance control department shall help to ensure the completeness and effectiveness of compliance programs by monitoring compliance across the Epson Group and by taking corrective action or making adjustments where needed.

(5) The Corporate Management Council, an advisory body to the President comprised of the Directors and others, addresses important matters with respect to compliance promotion and enforcement within the Epson Group. The Council strives to ensure the effectiveness of compliance by exhaustively discussing and analyzing the state of programs for assuring observance of statutes, internal regulations, business ethics and initiatives in key areas.

(6) The Company shall strive to provide an effective whistleblowing system. Employees shall be encouraged and shall be able to easily and immediately report compliance violations using internal and external hotlines and e-mail addresses. Controls shall be in place to protect whistleblowers from reprisal, and allegations shall be reported to the Board of Directors, the Audit & Supervisory Committee, the Compliance Committee, and the Corporate Management Council in a way that whistleblowers cannot be identified.

(7) The Company shall strive to enhance compliance consciousness by providing Epson Group employees with web-based training and other educational opportunities.

(8) The President of the Company shall periodically report important compliance-related matters to the Board of Directors and shall take measures as needed to respond to issues.

(9) Principles of Corporate Behavior, which provides that the Company shall have no association whatsoever with organized crime, shall be observed. The Company shall take a firm stance in rejecting any and all contact with organized crime that threatens social order and security.

2. System for Ensuring Proper Financial Reporting

(1) The creation of proper financial reports is recognized as a critical issue. The Company shall build, on the orders of the president, a system that enables internal control over financial reporting to be properly arranged, implemented, and evaluated. The financial reports will not be limited in scope to evaluations and reporting required by the Financial Instruments and Exchange Act but will also include reporting over the scope deemed necessary by management.

(2) A basic regulation and other regulations and standards pertaining to internal control over financial reporting shall be created, and their observance shall be obligatory across the entire Epson Group.

(3) Continuously evaluate whether the internal controls that have been put in place for financial reporting are effectively and properly functioning, and take corrective action where needed.

3. Business execution system

(1) The Company shall formulate long-term vision statements and mid-range business plans, and it shall set clear mid- to long-term goals for the Epson Group as a whole.

(2) The Company shall institute a system that shall ensure the appropriate and efficient execution of business. To that end, the Company shall establish regulations governing organization management, job authorities, the division of responsibilities, and the management of affiliated companies, thus distributing power and authority across the entire Group.

(3) Personnel responsible for business operations shall report the matters below to the Board of Directors at least once every three months.

- Current business performance and performance outlook
- Risk management responses
- Status of key business operations

4. Risk management

(1) The Company shall establish a regulation that stipulates the risk management system of the Epson Group and that defines the organization, risk management methods and procedures, and other basic elements of this system.

(2) Overall responsibility for risk management in the Epson Group shall belong to the President of the Company. Risks shared by the Epson Group shall be managed by Head Office supervisory departments with the cooperation of the operations divisions and subsidiaries. Risks unique to an individual business shall be managed by the Chief Operating Officer of that business, including at subsidiaries consolidated under them. The Company shall also set up a risk management control department, monitor overall risk management within the Epson Group, make corrections and adjustments thereto, and ensure the effectiveness of risk management programs.

(3) The Corporate Management Council shall strive to ensure effective management of serious risks that could have an egregious effect on the Company by dynamically and exhaustively discussing and analyzing action to identify and control risks. Also, when major risks become apparent, the President shall lead the entire company in mounting a swift initial response in line with the Company's prescribed crisis management program.

(4) The President of the Company shall periodically report to the Board of Directors on critical risk management issues and formulate appropriate measures to respond to these issues.

5. Ensuring the appropriateness of operations in the corporate group

(1) The Epson Group's management structure shall help to ensure that operations in the Epson Group are conducted appropriately. Essentially, the Company shall be organized into product-based divisions. Each division shall be headed by a Chief Operating Officer who owns global consolidated responsibility for that business. Meanwhile, supervisory functions within the Head Office shall own global responsibility. Responsibility for providing the framework for business operations at subsidiaries shall be owned by the head of each business. Corporate functions that are shared by the Epson Group shall be the responsibility of the heads of Head Office supervisory departments.

(2) The Company shall have a controlled system for executing business across the Epson Group. This shall be accomplished by internal regulations that require subsidiaries to report or acquire pre-approval for certain business operations from the parent company, Epson, and by requiring issues that meet certain criteria to be submitted to Epson's Board of Directors for resolution. Moreover, the Company shall seek to ensure the suitability and efficiency of business operations across the Epson Group by establishing a company that supervises subsidiaries.

(3) Based on internal audit regulations, internal audit departments shall serve as monitoring organizations that are independent from the management and supervisory functions of the operations divisions and the Head Office. The internal audit departments shall audit internal controls and the state of operations across the Epson Group. The findings of the internal audit departments shall be presented to the head of the audited organization along with requests for corrective action. This information shall also be regularly reported to the President of the Company and to the Audit & Supervisory Committee. In this way, Epson shall strive to optimize operations across the Epson Group.

6. Safeguarding and management of information on performance of duties

(1) Information on the performance of duties shall be safeguarded and managed in accordance with regulations governing, among other things, document control, management approval, and contracts. All Directors shall be able to access the necessary information.

(2) The Company shall strive to prevent the leak and loss of Epson Group internal information by managing confidential information according to the level of sensitivity, in accordance with the Epson Group basic information security regulation.

7. Audit system

(1) The Audit & Supervisory Committee can interview Directors who are not Audit & Supervisory Committee Members, Executive Officers, and other personnel whenever they deem necessary in the performance of duties based on the Audit & Supervisory Committee audit regulation.

(2) Audit & Supervisory Committee Members can attend Corporate Management Council meetings and other important business meetings that shall enable them to conduct audits based on the same information as that available to Directors who are not Audit & Supervisory Committee Members. Audit & Supervisory Committee shall also routinely review important documents related to management decision-making.

(3) An Audit & Supervisory Committee Office shall be set up to assist the duties of the Audit & Supervisory Committee. The head of the Audit & Supervisory Committee Office shall serve as a Special Audit & Supervisory Officer and shall assign full-time personnel to the Audit & Supervisory Committee Office. The head and personnel of the Audit & Supervisory Committee Office shall discharge their duties to assist the Audit & Supervisory Committee, obeying the orders of the Audit & Supervisory Committee alone and not orders from Directors who are not Audit & Supervisory Committee Members. Matters relating to the personnel of the office must be approved in advance by the Audit & Supervisory Committee.

(4) To ensure that audits by the Audit & Supervisory Committee are systematic and effective, a framework shall be created to secure close cooperation between the internal audit department and others and the Audit & Supervisory Committee. Matters relating to the appointment and dismissal of the head of the internal audit administrative department, as well as performance evaluations of said person, must be approved in advance by the Audit & Supervisory Committee.

(5) The Audit & Supervisory Committee can ask the Representative Director or the Board of Directors to take corrective action if the Audit & Supervisory Committee recognizes that the structure of the Audit & Supervisory Committee Office and the system of cooperation between the Audit & Supervisory Committee and the internal audit departments and others interfere with the efficacy of audits.

(6) The Audit & Supervisory Committee shall receive audit reports from the internal audit departments and can issue specific instructions to the internal audit departments as needed. If the instructions issued to the internal audit departments by the Audit & Supervisory Committee and the President are in conflict, the instructions of the Audit & Supervisory Committee shall prevail.

(7) Based on the Audit & Supervisory Committee audit regulation, the Audit & Supervisory Committee can ask Directors who are not Audit & Supervisory Committee Members, the compliance control department, and the risk management control department, as well as others to report or explain the state of management within the Epson Group. It can also inspect supporting materials. The Audit & Supervisory Committee shall, where necessary, be able to ask subsidiary company Directors, Audit & Supervisory Board Members, internal audit departments, and others to report the state of management within their respective companies. A system shall be put in place to protect reporters from reprisal for having made a report, and the identity of the reporter shall be protected even if the President or a Board Member, for example, is asked to make corrections and so forth based on the report.

(8) The Audit & Supervisory Committee shall strive to enhance the effectiveness of audits by holding regular discussions with Financial Auditors.

(9) The Audit & Supervisory Committee and Representative Director shall regularly meet to enable the committee to directly assess business operations.

(10)The expenses required by the Audit & Supervisory Committee Members to perform its duties shall be properly budgeted for in advance. However, expenses required to perform the duties of the Audit & Supervisory Committee Members in emergency or extraordinary situations shall be promptly paid in advance or refunded on each occasion.

The Company partially revised its basic policy regarding the internal control system by a resolution at the Board of Directors meeting held on February 21, 2025. The major revision is as follows. (Effective date: April 1, 2025)

◆ Revision to maintain and improve response speed without reducing the effectiveness in executing risk management activities

3. Business execution system

(3) Personnel responsible for business operations shall report the matters below to the Board of Directors at least once every three months.
• Current business performance and performance outlook
• Status of key business operations

6.2 Summary of Implementation Status of the Internal Control System

The implementation status for this fiscal year under review based on the basic policy regarding the internal control system is described below.

(1) Compliance

1) The Compliance Committee, a body that supervises the execution of compliance in business affairs, was held twice during the fiscal year to be reported on important matters concerning the Company's compliance programs, the operation of the whistleblowing system and the status of whistleblowing. After discussing those matters, it has reported its findings and offered opinions to the Board of Directors. Important matters concerning the Company's compliance programs are specifically discussed, including monitoring results on compliance, individual compliance issues and global compliance programs.
2) Progress of the Company's compliance programs and risk management programs were regularly reported to and discussed at the Corporate Management Meetings, a deliberative organ that meets for important issues. The deliberation result is also reported to the Board of Directors.
3) As part of the whistleblowing system, the Company has established hotlines and formulated regulations on the whistleblower system to stipulate matters to be observed by the whistleblowing system, such as ensuring anonymity of whistleblowers, management of whistleblowing information, and prohibition of any disadvantageous actions against whistleblowers. The Company has set up a hotline within the Company, its subsidiaries, and external vendors to which officers, employees, and temporary employees of the Company and its domestic and overseas subsidiaries ("Employees, etc."), as well as business partners, can report compliance issues. Specifically, the Company and its domestic subsidiaries have established the Epson Helpline, a hotline for employees of each company (internal hotline and external hotline for contacting external vendors), and a hotline for business partners. In addition, each overseas subsidiary has its own hotline where employees of the subsidiary can report compliance issues, as well as a hotline where business partners can report compliance issues. Moreover, the Company has established the Epson Executive Compliance Hotline (Global Hotline) within the Company to receive reports on compliance issues from the management of overseas subsidiaries. The status of whistleblowing at the Company and its subsidiaries is regularly reported to the Board of Directors, Audit & Supervisory Committee, the Compliance Committee, and the Corporate Management Meetings in a way that whistleblowers cannot be identified. During the fiscal year under review, the Company received and responded to 144 cases of report through the hotlines established by the Company.
4) The Company has established the Principles of Corporate Behavior, a set of principles to realize the Management Philosophy indicating the ideal direction of the Group, which are translated into 16 languages and have been informed to the Group employees. Furthermore, the Company has also informed the Epson Global Code of Conduct which breaks down the actions of the Principles of Corporate Behavior to the Group employees.

5) To raise compliance awareness of Group employees, the Company set October as a Compliance Month to provide an opportunity for the CCO as well as representatives of operations divisions and each Group company to transmit a message and for the Group employees to reaffirm the Principles of Corporate Behavior and the Epson Global Code of Conduct. In addition, the Company established regional CCO (R-CCO) in each region to support CCO. Upon defining a Group-wide target level, assessment-based improvement programs are conducted to raise the level of compliance.
6) With an aim to raise compliance awareness and promote specific operations, managers in charge convey their messages and e-learning is held to raise compliance awareness of Group employees through monthly enhancement programs for CS & Quality, Environmental Awareness, Trading Management, etc.

(2) System for ensuring proper financial reporting
1) Internal control over financial reporting is evaluated in accordance with evaluation standards generally accepted.
2) The Company adopts an autonomous distributed assessment system in which operations divisions and subsidiaries subject to evaluations and reporting required by the Financial Instruments and Exchange Act conduct a self-assessment on the status of arrangement and implementation of internal control over financial reporting, while Group-wide J-SOX supervisory department ensures the validity of the assessment results. Other operations divisions and subsidiaries in the scope deemed necessary by management also make a self-assessment on internal control over financial reporting every year. In this way, operations divisions and subsidiaries are proactively implementing plan-do-check-act (PDCA) cycle for internal control over financial reporting on an ongoing basis, thereby working to ensure proper financial reporting across the Group.

(3) Business execution system
1) Under the Corporate Purpose, which expresses the Epson Group's reason for being and aspirations in society, we are promoting business plans to realize our long-term vision, "Epson 25 Renewed."
2) Meeting of the Board of Directors was held 13 times to report and discuss matters related to business performance, risk management measures and status of key business operations. We have introduced a system that allows free discussions by members of the Board of Directors, including Outside Directors, in the early stages of examining important management themes outside of the meetings of the Board of Directors, thereby enhancing the strategic function of the Board of Directors.
3) To ensure the compliance of laws and the Company's Articles of Incorporation in the execution of businesses, regulations governing organizational management, job authority, division of responsibilities, the management of affiliated companies, and other regulations and standards were prepared for organizational, efficient and sound corporate management. Particularly, important provisions including the basis for Group management are in Group-wide operation at each company.

(4) Risk management
1) Risks that could have a significant impact on Group management have been specified as Company-wide major risks, risks that could have a significant impact on business have been specified as major business risks, and risks that could have a significant impact on management of subsidiaries have been specified as affiliated company major risks, and plans and measures are implemented to control these risks. In addition, the progress status of Company-wide major risks is reported on a quarterly basis and major business risks and affiliated company major risks are reported on a semi-annual basis to the Corporate Management Meetings and the Board of Directors.
2) As an initial response procedure in case of major risks, the Company developed a crisis management program. When major risks occur, the Company forms the Crisis Management Committee chaired by the President and takes a swift initial response in line with the crisis management program. In addition, the actual cases addressed by the Crisis Management Committee are reported to the Corporate Management Meetings and the Board of Directors on a quarterly basis.

(5) Ensuring the appropriateness of operations in the corporate group
1) In line with regulations for the management of affiliated companies, pre-approval from the Company was sought or report was made to the Company regarding certain business executions by the subsidiaries. The investments that meet certain criteria have been resolved after deliberation at the Board of Directors of the Company.

2) At the beginning of the fiscal year, the internal audit departments of the Company had planned audits on the Company's operations divisions, administrative divisions, as well as the Company's domestic and overseas subsidiaries, in accordance with the Basic Regulation for Internal Audit. They introduced prior self-assessment by the subjects of audits in order to promote autonomous distributed internal control and conducted field audits after a risk analysis. As a result of these initiatives, they conducted 17 audits. They have also conducted follow-up audits to confirm the status of improvement progress of issues from previous audits. Its findings were reported to the President and Representative Director and the Audit & Supervisory Committee of the Company and actions deemed necessary for control have been taken. The internal audit departments develop and maintain an audit quality assurance and improvement program and conduct internal audits in accordance with the "International Standards for the Professional Practice of Internal Auditing (IIA Standards)," ensuring its compliance through regular self-assessments and external assessments.

(6) Safeguarding and management of work-related information

Information on business operations is being safeguarded and managed under Document Management Rules and Information Security Rules, with Directors inducing Audit & Supervisory Committee Members reviewing necessary information.

(7) Audit system

1) Full-Time Audit & Supervisory Committee Member and the head of the Audit & Supervisory Committee Office have attended the Corporate Management Meetings, and other important business meetings and confirmed the status of the execution of duties.
   The Member has also examined the important documents related to management decision-making upon receipt.
2) The Company has the Audit & Supervisory Committee Office to support the work of Audit & Supervisory Committee Members.
3) Audit & Supervisory Committee has held regular meetings with representative directors, including Outside Directors who are not Audit & Supervisory Committee Members.
4) Audit & Supervisory Committee has regularly discussed financial auditor's audit plan, audit progress and audit result reporting with the financial auditor. In addition, Full-Time Audit & Supervisory Committee Member and his assistants accompany the audits of the financial auditor as necessary to enhance the effectiveness of audits. The Audit & Supervisory Committee verifies information disclosed by the four major Japanese audit firms every year as reference information on appointment, dismissal or non-reappointment of the financial auditor.
5) Audit & Supervisory Committee confirmed the audit plan of the internal audit departments at the beginning of the fiscal year and received regular reports from the internal audit departments on a quarterly basis. The reporting has been made with the presence of the financial auditor for information sharing. Full-Time Audit & Supervisory Committee Member receives monthly reports on internal audit results from the internal audit departments to confirm the management status of the Epson Group. In addition, Full-Time Audit & Supervisory Committee Member and his assistants accompany the internal audits as necessary to enhance the effectiveness of audits, thereby closely cooperating with the internal audit departments and Audit & Supervisory Committee.
6) Audit & Supervisory Committee has interviewed Directors who are not Audit & Supervisory Committee Members, Executive Officers and others, Directors and Audit & Supervisory Board Members of major subsidiaries in Japan and overseas, as well as the internal audit departments and received an explanation on the state of management within the Epson Group. Furthermore, Full-Time Audit & Supervisory Committee Member has received reports from responsible departments for compliance and risk management, Head Office supervisory departments, Audit & Supervisory Board Members of subsidiaries in Japan, etc. on a regular basis, and confirmed the management status.
7) The expenses required to execute the duties of Audit & Supervisory Committee Members were properly budgeted for in advance. The Company promptly paid such expenses, including necessary expenses incurred urgently or temporarily.
8) At the Company, Full-Time Audit & Supervisory Committee Members, the internal audit departments, responsible departments for compliance and risk management, and the Audit & Supervisory Committee Office regularly exchange opinions, in order to discuss and share risk awareness across the entire group and other matters. These organizations cooperate and make cohesive efforts to follow the maintenance and operation status of our internal control system and make further improvements.

7. Basic Policy regarding Company Control

The Company has established a basic policy as follows regarding persons who control decision on its financial and business policies (hereinafter the "basic policy").

7.1 Basic Policy

Corporate Purpose is at the heart of all of the Company's corporate activities. This Corporate Purpose, "Our philosophy of efficient, compact and precise innovation enriches lives and helps create a better world," was established in September 2022 to define the kind of value that the Company provides to society and to demonstrate both inside and outside the Company its unique reason for being and aspirations. The Company will provide new value to society by realizing the Corporate Purpose through its vision, based on its management philosophy, which is the universal concept of the Epson Way that defines the Group's values and behavior. Through these efforts, we will strive to achieve sustainable growth and enhance corporate value over the medium to long term in the future.

The Company believes that its shareholders should be decided through free trade in the market, and the determination to accept to an acquisition proposal to purchase a portion of shares that would make it possible to control decisions on the Company's financial and business policies (hereinafter "large-scale acquisition") should ultimately be referred to a decision by the shareholders.

However, the Company believes that shareholders should determine whether or not to accept a proposal on a large-scale acquisition of the Company shares in an appropriate manner. To this end, it is vital that shareholders are provided necessary information and opinions from both the potential large-scale acquirer of the Company shares and the Company's Board of Directors, with sufficient time ensured for shareholders to consider them.

The Company believes that it is essential for an entity controlling decisions on the Company's financial and business policies be a party that fully understands the Company's business activity and source of corporate value as well as the importance of having executives and employees work together to create corporate value, continuing to create and take on challenges while embracing its established business culture and preserving and acquiring the customers' trust.

7.2 Summary of Measures in Support of the Basic Policy

(1) Specific actions in support of the basic policy

The Company has established Epson 25 Renewed Corporate Vision, with the aspirational goal of *achieving sustainability and enriching communities*, to pursue into the future.

Under this long-term vision, the Company develops its business by always focusing on social issues as a starting point, considering what we can do to solve them, and how we can use our technologies to solve problems and contribute to society.

(2) Measures to prevent decisions on the Company's financial and business policies from being controlled by persons viewed as inappropriate under the basic policy

The Company will request those who intend to conduct a large-scale acquisition of the Company shares to provide sufficient information necessary to properly judge whether or not to accept such acquisition, for the benefit of maintaining and increasing its corporate value and common interests of shareholders. The Company will also disclose its Board's opinions on such a large-scale acquisition in order to secure time and information necessary for shareholders to judge whether or not to accept such acquisition, while taking appropriate measures pursuant to the Financial Instruments and Exchange Act, the Companies Act, and other applicable laws and regulations.

7.3 Decisions Made by the Board of Directors regarding Specific Actions and the Justification for Those Decisions

The specific actions described above were specifically formulated to enhance both Epson's corporate value and the common interests of its shareholders. These actions do not impair the common interest of its shareholders and are in accordance with the above basic policy. In addition, these actions are deemed to be not intended for keeping Epson Directors in their posts.

Consolidated Financial Statements

Consolidated Statement of Financial Position (as of March 31, 2025)

(Millions of yen)

Item	As of March 31, 2025	(Reference) As of March 31, 2024	Item	As of March 31, 2025	(Reference) As of March 31, 2024
Assets			**Liabilities**		
Current Assets	**880,855**	**933,487**	**Current liabilities**	**444,117**	**372,395**
Cash and cash equivalents	267,000	328,481	Trade and other payables	158,085	159,827
Trade and other receivables	210,091	212,781	Income tax payables	17,345	8,279
Inventories	369,781	358,189	Bonds issued, borrowings and lease liabilities	80,214	29,688
Income tax receivables	11,276	10,116	Other financial liabilities	1,471	2,731
Other financial assets	2,451	1,995	Provisions	13,228	12,703
Other current assets	20,254	21,923	Other current liabilities	173,772	159,163
Non-current assets	**575,605**	**479,606**	**Non-current liabilities**	**207,451**	**229,564**
Property, plant and equipment	379,712	377,333	Bonds issued, borrowings and lease liabilities	144,494	175,095
Goodwill and intangible assets	122,417	27,066	Other financial liabilities	5,362	5,256
Investment property	1,110	1,103	Net defined benefit liabilities	15,765	13,836
Investments accounted for using equity method	2,185	2,244	Provisions	11,356	8,856
Net defined benefit assets	177	4,543	Other non-current liabilities	20,880	17,365
Other financial assets	23,990	29,369	Deferred tax liabilities	9,592	9,154
Other non-current assets	5,522	1,827	**Total liabilities**	**651,569**	**601,960**
Deferred tax assets	40,490	36,117	**Equity**		
			Equity attributable to owners of the parent company	**804,752**	**810,992**
			Share capital	53,204	53,204
			Capital surplus	83,904	84,042
			Treasury shares	(70,260)	(55,455)
			Other components of equity	165,194	172,175
			Retained earnings	572,710	557,025
			Non-controlling interests	**139**	**141**
			Total equity	**804,891**	**811,134**
Total assets	**1,456,461**	**1,413,094**	**Total liabilities and equity**	**1,456,461**	**1,413,094**

Note: Figures less than one million yen are rounded down.

Consolidated Statement of Comprehensive Income (from April 1, 2024 to March 31, 2025)

(Millions of yen)

Item	Amount	(Reference) Amount in previous fiscal year
Revenue	**1,362,944**	**1,313,998**
Cost of sales	**(869,917)**	**(857,331)**
Gross profit	**493,026**	**456,666**
Selling, general and administrative expenses	(403,437)	(391,945)
Other operating income	4,494	2,497
Other operating expense	(18,975)	(9,685)
Profit from operating activities	**75,108**	**57,533**
Finance income	6,180	15,252
Finance costs	(2,900)	(2,714)
Share of profit (loss) of investments accounted for using equity method	7	23
Profit before tax	**78,395**	**70,094**
Income taxes	(23,214)	(17,473)
Profit for the period	**55,181**	**52,620**
Profit for the period attributable to owners of the parent company	55,177	52,616
Profit for the period attributable to non-controlling interests	3	4
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss, net of tax	**(2,986)**	**6,421**
Remeasurement of net defined benefit liabilities (assets)	(2,680)	3,392
Net gain (loss) on revaluation of financial assets measured at FVTOCI	(306)	3,029
Items that may be reclassified subsequently to profit or loss, net of tax	**(4,194)**	**50,283**
Exchange differences on translation of foreign operations	(4,472)	49,580
Net changes in fair value of cash flow hedges	293	637
Share of other comprehensive income of investments accounted for using equity method	(15)	64
Total other comprehensive income, net of tax	**(7,181)**	**56,704**
Total comprehensive income for the period	**47,999**	**109,325**
Total comprehensive income for the period attributable to owners of the parent company	48,000	109,308
Total comprehensive income for the period attributable to non-controlling interests	(1)	16

Note: Figures less than one million yen are rounded down.

Consolidated Statement of Changes in Equity
(from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Equity attributable to owners of the parent company					
				Other components of equity		
	Share capital	Capital surplus	Treasury shares	Remeasurement of net defined benefit liabilities (assets)	Net gain (loss) on revaluation of financial assets measured at FVTOCI	Exchange differences on translation of foreign operations
Balance as of April 1, 2024	53,204	84,042	(55,455)	–	8,159	164,605
Profit for the period	–	–	–	–	–	–
Other comprehensive income	–	–	–	(2,680)	(306)	(4,483)
Total comprehensive income for the period	–	–	–	(2,680)	(306)	(4,483)
Acquisition of treasury shares	–	–	(30,022)	–	–	–
Cancellation of treasury shares	–	(175)	15,100	–	–	–
Dividends	–	–	–	–	–	–
Share-based payment transactions	–	37	116	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	2,680	(2,484)	–
Total transactions with the owners	–	(138)	(14,805)	2,680	(2,484)	–
Balance as of March 31, 2025	53,204	83,904	(70,260)	–	5,368	160,122

	Equity attributable to owners of the parent company				Non-controlling interests	Total equity
	Other components of equity		Retained earnings	Total equity attributable to owners of the parent company		
	Net changes in fair value of cash flow hedges	Total other components of equity				
Balance as of April 1, 2024	(589)	172,175	557,025	810,992	141	811,134
Profit for the period	–	–	55,177	55,177	3	55,181
Other comprehensive income	293	(7,176)	–	(7,176)	(4)	(7,181)
Total comprehensive income for the period	293	(7,176)	55,177	48,000	(1)	47,999
Acquisition of treasury shares	–	–	–	(30,022)	–	(30,022)
Cancellation of treasury shares	–	–	(14,924)	–	–	–
Dividends	–	–	(24,372)	(24,372)	(0)	(24,373)
Share-based payment transactions	–	–	–	153	–	153
Transfer from other components of equity to retained earnings	–	195	(195)	–	–	–
Total transactions with the owners	–	195	(39,493)	(54,241)	(0)	(54,242)
Balance as of March 31, 2025	(296)	165,194	572,710	804,752	139	804,891

Note: Figures less than one million yen are rounded down.

(Reference) Consolidated Statement of Cash Flows (from April 1, 2024 to March 31, 2025)

(Millions of yen)

Item	Amount	Amount in previous fiscal year
Cash flows from operating activities		
Profit for the period	55,181	52,620
Depreciation and amortization	72,142	68,682
Impairment loss (reversal of impairment loss)	1,256	1,339
Finance (income) costs	(3,280)	(12,537)
Share of (profit) loss of investments accounted for using equity method	(7)	(23)
Loss (gain) on sales and disposal of property, plant and equipment, intangible assets and investment property	92	532
Income taxes	23,214	17,473
Decrease (increase) in trade receivables	3,500	4,370
Decrease (increase) in inventories	(15,780)	71,097
Increase (decrease) in trade payables	2,562	(7,921)
Increase (decrease) in net defined benefit liabilities	1,648	663
Other	17,241	(10,957)
Subtotal	**157,773**	**185,340**
Interest and dividends income received	6,187	4,931
Interest expenses paid	(1,543)	(1,821)
Income taxes paid	(24,341)	(22,879)
Net cash from (used in) operating activities	**138,075**	**165,570**
Cash flows from investing activities		
Purchase of investment securities	(1,092)	(1,371)
Proceeds from sale of investment securities	5,708	1,004
Purchase of property, plant and equipment	(59,369)	(49,570)
Proceeds from sale of property, plant and equipment	621	404
Purchase of intangible assets	(10,897)	(7,023)
Proceeds from sale of intangible assets	13	15
Proceeds from sale of investment property	88	–
Payments for acquisition of subsidiaries	(85,483)	–
Other	(375)	(2,440)
Net cash from (used in) investing activities	**(150,787)**	**(58,981)**
Cash flows from financing activities		
Net increase (decrease) in current borrowings	(567)	502
Repayment of non-current borrowings	(9,000)	–
Proceeds from issuance of bonds issued	39,823	–
Redemption of bonds issued	(10,000)	(30,000)
Payments of lease liabilities	(10,989)	(10,033)
Dividends paid	(24,372)	(25,862)
Dividends paid to non-controlling interests	(0)	(0)
Purchase of treasury shares	(30,022)	(1)
Net cash from (used in) financing activities	**(45,129)**	**(65,395)**
Effect of exchange rate changes on cash and cash equivalents	**(3,640)**	**19,907**
Net increase (decrease) in cash and cash equivalents	**(61,481)**	**61,100**
Cash and cash equivalents at beginning of period	**328,481**	**267,380**
Cash and cash equivalents at end of period	**267,000**	**328,481**

Note: Figures less than one million yen are rounded down.

Notes to the Consolidated Financial Statements

Significant Basis of Preparing Consolidated Financial Statements

1. Basis of Preparing Consolidated Financial Statements

   The Company and its affiliates ("Epson") prepare its consolidated financial statements in compliance with International Financial Reporting Standards ("IFRS"), pursuant to the provision of Article 120, Paragraph 1 of the Regulation on Corporate Accounting. In accordance with the provisions of the latter part of the same paragraph, the consolidated financial statements are prepared with the omission of some disclosure items required by IFRS.

2. Scope of Consolidation and Application of Equity Method

   Number of subsidiaries: 85
   Number of affiliates accounted for using equity method: 3
   For details, please refer to "(2) Status of Significant Subsidiaries" in "1.10 Status of significant parent companies and subsidiaries" in the Business Report.

   (Reason for changes in subsidiaries)
   (Increase: 9 subsidiaries)
   One subsidiary has been included in the scope of consolidation due to the new establishment.
   Epson Global Reinsurance, Inc.
   Eight subsidiaries have been included in the scope of consolidation due to the acquisition of shares.
   Fiery, LLC and its 7 subsidiaries
   (Decrease: 2 subsidiaries)
   Two subsidiaries have been excluded from the scope of consolidation due to liquidation.
   Epson Surface Engineering (Zhenjiang) Co., Ltd.
   Orient Watch (Shenzhen) Ltd.

3. Reporting Period of Subsidiaries

   The reporting date of certain overseas subsidiaries is December 31, and the subsidiaries prepare, for consolidation purposes, additional financial information as of the date of the consolidated financial statements.

4. Accounting Policies

(1) Basis and Methods of Valuation of Assets

1) Financial assets other than derivatives

(i) Initial recognition and measurement

Epson measures financial assets at their fair value plus transaction costs that are directly attributable to the acquisition of the financial assets at initial recognition. However, in the measurement after initial recognition (subsequent measurement), the transaction costs of financial assets classified as subsequently measured at fair value through profit or loss are recognized in profit or loss.

Financial assets are initially recognized on the trade date when Epson becomes party to the contractual provisions of the financial instrument.

(ii) Classification and subsequent measurement

At initial recognition, Epson classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss.

(a) Financial assets are classified as financial assets measured at amortized cost if both of the following conditions are met:

1) the financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

2) the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial assets are classified as financial assets measured at fair value through other comprehensive income if both of the following conditions are met:

1) the financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

2) the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(c) Financial assets except for those provided above are classified as financial assets measured at fair value through profit or loss.

However, Epson may designate financial assets as measured at fair value through other comprehensive income, for particular investments in equity instruments that are not held for trading and so forth, and recognizes subsequent changes in fair value in other comprehensive income. The gain or loss accumulated in other comprehensive income is reclassified to retained earnings when the financial assets are derecognized or the decline in their fair values is significant. Dividends received from the financial assets are recognized in profit or loss for each fiscal year.

(iii) Derecognition

Financial assets are derecognized when the contractual rights to the cash flows from them expire or when substantially all the risks and rewards of ownership of them are transferred.

(iv) Impairment

For impairment of financial assets, loss allowance for expected credit losses are recognized.

At each reporting date, Epson assesses whether the credit risk on a financial instrument has increased significantly since initial recognition.

If the credit risk on a financial instrument has not increased significantly since initial recognition, the loss allowance for that financial instrument is measured at an amount equal to 12-month expected credit losses. Meanwhile, if the credit risk on a financial instrument has increased significantly since initial recognition, the loss allowance for that financial asset is measured at an amount equal to the lifetime expected credit losses.

However, the loss allowance for trade receivables, contract assets and lease receivables are measured at an amount equal to the lifetime expected credit losses.

Expected credit losses of a financial instrument are measured in a way that reflects:

(a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

(b) the time value of money; and

(c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

When impairment is recognized, the carrying amount of the financial asset is reduced through an allowance account for credit losses and the amount of expected credit losses is recognized as impairment loss in profit or loss. If the amount of the impairment loss decreases due to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed in profit or loss through an allowance account for credit losses.

2) Derivatives

Epson utilizes derivatives, including forward foreign exchange contracts and non-deliverable forwards, to hedge foreign exchange and interest rate risks. These derivatives are initially measured at fair value when the contract is entered into, and are subsequently remeasured at fair value.

A gain or loss on a derivative is recognized in profit or loss. However, the portion of the gain or loss on the hedging instruments that is determined to be an effective hedge of cash flow hedges and hedges of net investments in foreign operations are recognized in other comprehensive income.

3) Inventories

The cost of inventories includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Inventories are measured at the lower of cost or net realizable value, and the cost of inventories is assigned by using the weighted-average cost formula. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(2) Methods of Depreciation/Amortization of Assets

1) Property, plant, and equipment (excluding right-of-use assets)

Except for asset that is not subject to depreciation such as land, asset is depreciated using the straight-line method over its estimated useful life. The estimated useful life of major asset is as follows:

- Buildings and structures: 10 to 35 years
- Machinery and vehicles: 4 to 17 years

The estimated useful life, depreciation method and residual value are reviewed at each fiscal year end and, if expectations differ from previous estimates, the effect of changes in accounting estimates is recognized prospectively.

2) Intangible assets

An intangible asset with a finite useful life is amortized using the straight-line method over its estimated useful life. The estimated useful life of major intangible asset with a finite useful life is as follows:

- Software: 3 to 8 years
- Customer-related intangible assets: 10 to 16 years
- Technology-based intangible assets: 9 years

The estimated useful life and amortization method of an asset are reviewed at each fiscal year end and, if expectations differ from previous estimates, the effect of changes in accounting estimates is recognized prospectively.

An intangible asset with an indefinite useful life or an intangible asset not yet available for use is not amortized.

3) Right-of-use assets

Right-of-use asset is usually depreciated using the straight-line method over the lease term.

4) Investment property

Except for asset that is not subject to depreciation such as land, investment property is depreciated using the straight-line method over its estimated useful life. The estimated useful life of major investment properties that is subject to depreciation is 35 years.

The estimated useful life, depreciation method and residual value are reviewed at each fiscal year end and, if expectations differ from previous estimates, the effect of changes in accounting estimates is recognized prospectively.

(3) Accounting Basis for Provisions

Epson recognizes a provision when it has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material, the amount of a provision is measured at the present value of the expenditures expected to be required to settle the obligation.

(4) Accounting Method Regarding Post-Employment Benefits

Epson has defined benefit plans and defined contribution plans as post-employment benefits plans. For each defined benefit plan, Epson calculates the present value of defined benefit obligations and the related current service cost and past service cost, using the projected unit credit method. For a discount rate, a discount period is set based on the estimated timing of benefit payments in each period, and the discount rate is determined by reference to market yields as of the end of the fiscal year on high quality corporate bonds for the period corresponding to the discount period. The net defined benefit liability (asset) is measured by deducting the fair value of any plan assets (including adjustments of the net defined benefit asset and the asset ceiling, if necessary) from the present value of the defined benefit obligation. Net interest on the net defined benefit liability (asset) is recognized in profit or loss.

Remeasurements of the net defined benefit liability (asset) are recognized in other comprehensive income and transferred to retained earnings immediately. Past service cost is recognized as an expense at the earlier of when a plan amendment or curtailment occurs and when any related restructuring costs or termination benefits are recognized.

The contribution payable to a defined contribution plan is recognized as an expense.

(5) Accounting Basis for Revenue

Epson recognizes revenue by applying the following five steps approach.

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognize revenue when Epson satisfies a performance obligation

Epson is mainly engaged in the manufacture and sale of products of Printing Solutions, Visual Communications, and Manufacturing-related & Wearables. Revenue is recognized when control of a promised good has been transferred to the customer and Epson satisfied its performance obligation. For sales of the products, this generally occurs when a good is physically delivered to a customer. Revenue is measured at the amount of consideration promised in a contract with a customer taking into consideration the effects of price discount, sales rebate, etc. When two or more performance obligations are included in a contract with a customer, Epson allocates the transaction price to each identified performance obligation based on the stand-alone selling price of each product. When the stand-alone selling prices are not directly observable, Epson estimates the selling price, assuming that the products are sold individually and allocates the transaction price based thereon.

(6) Foreign Currency Translation

Consolidated financial statements of Epson are presented in Japanese yen, which is the functional currency of the Company. Each company in Epson determines its functional currency and measures its results and financial position in that currency.

A foreign currency transaction is translated into the functional currency at a spot exchange rate at the date of the transaction or a rate that approximates the actual rate at the date of the transaction. Foreign currency monetary items are translated using the closing rate. Exchange differences arising on the settlement of monetary items or on translating monetary items are recognized in profit or loss. However, exchange differences arising on financial instruments designated as hedging instruments for net investments in foreign operations, financial assets measured at fair value through other comprehensive income, and cash flow hedges are recognized in other comprehensive income.

Assets and liabilities of foreign operations are translated into Japanese yen at the closing date, while income and expenses of foreign operations are translated into Japanese yen at exchange rates at the dates of the transactions or a rate that approximates the exchange rates at the dates of the transactions. All resulting exchange differences are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is recognized in profit or loss in the period of disposition.

(7) Hedge Accounting

At the inception of a hedge, Epson formally designates and documents the hedging relationship to which hedge accounting is applied and the objectives and strategies of risk management for undertaking the hedge. The documentation includes identification of hedging instruments, the hedged items or transactions, the nature of the risks being hedged and how the hedging instrument's effectiveness is assessed in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risks. Even though these hedges are expected to be highly effective in offsetting changes in fair value or cash flows, they are assessed on an ongoing basis and determined actually to have been highly effective throughout the financial reporting periods for which the hedges were designated.

Epson classifies hedging relationships that meet the qualifying criteria for hedge accounting in the following categories and applies hedge accounting to the hedging relationships.

1) Fair Value Hedge

A gain or loss on a derivative is recognized in profit or loss. The hedging gain or loss on the hedged items attributable to the hedged risks adjusts the carrying amount of the hedged item and is recognized in profit or loss.

2) Cash Flow Hedge

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income, while the ineffective portion is recognized immediately in profit or loss. The amounts of hedging instruments recognized in other comprehensive income are reclassified to profit or loss when the transactions of the hedged items affect profit or loss. In cases where hedged items result in the recognition of non-financial assets or liabilities, the amounts recognized in other comprehensive income are accounted for as adjustments to the initial carrying amount of non-financial assets or liabilities.

When forecast transactions or firm commitments are no longer expected to occur, any related cumulative gains or losses that have been recognized in other comprehensive income are reclassified to profit or loss. When the hedged future cash flows are still expected to occur, amounts that have been recognized in other comprehensive income continue to be recognized in equity until the future cash flows occur.

3) Hedges of a Net Investment in a Foreign Operation

Hedges of a net investment in a foreign operation are accounted for similarly to cash flow hedges. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income, while the ineffective portion is recognized in profit or loss. On the disposal of the foreign operation, the gain or loss accumulated in other comprehensive income is reclassified to profit or loss.

(8) Accounting Method Regarding Goodwill

Goodwill acquired in a business combination is measured at the amount recognized at the acquisition date less any accumulated impairment losses.

Goodwill is not amortized and allocated to a cash-generating unit that is identified according to business. The cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. An impairment loss is recognized in profit or loss and not reversed in a subsequent period.

Accounting Estimates

The preparation of Epson's consolidated financial statements includes management estimates and assumptions for measurements of income, expenses, assets and liabilities, and disclosure of contingencies as of the end of the fiscal year. These estimates and assumptions are based on the best judgment of management in light of historical experience and various factors deemed to be reasonable as of the end of the fiscal year. Given their nature, actual results may differ from those estimates and assumptions.

The estimates and assumptions are continuously reviewed by management. The effects of a change in estimates and assumptions are recognized in the period of the change and subsequent periods.

Among the above estimates and assumptions, the following were items that may have a material effect on the amounts recognized in Epson's consolidated financial statements:

(1) Impairment of Non-financial Assets

Epson performs an impairment test for property, plant and equipment, goodwill, intangible assets, investment property and right-of-use assets ("asset") when there is any indication that the recoverable amount has fallen below the carrying amount of the assets or when it is required annually.

The impairment test is performed by comparing the carrying amount and the recoverable amount of assets or cash-generating units. If the recoverable amount falls below the carrying amount, impairment losses are recognized. Recoverable amount is the higher of fair value less costs of disposal and value in use of assets or cash-generating units with certain assumptions of useful life, future cash flow of an asset, and discount rate. Value in use is calculated as the present value of the estimated future cash flows. In measuring the future cash flows, Epson bases cash flow projections on the most recent business plans approved by management which includes assumptions such as revenue growth rates and gross profit ratios. If an estimate is required for the periods beyond the period covered by the business plans, long-term growth rates are set taking future uncertainties into consideration. The future cash flows include net cash flows from the disposal of the assets or cash-generating units. These assumptions are based on the best estimates and judgments of management, but they could be affected by variable and uncertain future economic conditions. Any changes in these assumptions could have a material impact on Epson's consolidated financial statements in future periods.

The balances of property, plant and equipment (including right-of-use assets), goodwill and intangible assets, and investment property as of March 31, 2025 are 379,712 million yen, 122,417 million yen, and 1,110 million yen, respectively, and the amount of impairment loss for the year ended March 31, 2025 is 1,256 million yen.

(2) Post-employment Benefits

Epson has several types of post-employment benefit plans, including defined benefit plans.

The present value of defined benefit obligations on each of these plans and the related service costs and others are calculated based on actuarial assumptions. These actuarial assumptions require estimates and judgments on variables, such as discount rates.

The actuarial assumptions are determined based on the best estimates and judgments of management, but they could be affected by variable and uncertain future economic conditions. Any changes in these assumptions could have a material impact on Epson's consolidated financial statements in future periods.

The balances of net defined benefit assets and net defined benefit liabilities as of March 31, 2025 are 177 million yen and 15,765 million yen, respectively.

(3) Provisions

Epson recognizes various provisions, including provisions for product warranties and asset retirement obligations.

These provisions are recognized based on the best estimates of the expenditures required to settle the obligations, taking into account risks and uncertainty related to the obligations as of the end of the fiscal year.

Expenditures necessary for settling the obligations are calculated by taking all possible future results into account. However, they may be affected by unexpected events or changes in conditions which may have a material impact on Epson's consolidated financial statements in future periods.

Major provisions including estimates and assumptions which may have a material impact on Epson's consolidated financial statements in future periods are as follows:

1) Provision for Product Warranties

For warranty expenditures, Epson recognizes the provisions for estimated amounts based on the rate of historical service contract expenses to sales as well as estimated amounts for those products where future warranty expenses can be reliably estimated. (Balance as of March 31, 2025: 14,853 million yen)

2) Asset Retirement Obligations

Epson recognizes provisions for asset retirement obligation which derive from the acquisition, construction, development or normal use of property, plant and equipment. Epson is required to bear the amount of asset retirement obligation that it is probable that Epson will pay in light of historical experience. (Balance as of March 31, 2025: 4,036 million yen)

3) Provision for Loss on Litigation

Epson recognizes provisions for loss on litigation in process or possible litigation based on the reasonably estimated compensation for damages and litigation expenses at an amount deemed necessary at the end of the period. (Balance as of March 31, 2025: 580 million yen)

(4) Income Taxes

Epson, which conducts business around the world, makes reasonable estimates of income tax to be paid to local tax authorities in accordance with local laws and regulations, and recognizes income taxes payable and current tax expense based on these estimates.

Calculating income taxes payable and current tax expense requires estimates and judgments on various factors, including, for example, the interpretation of tax regulations by taxable entities and the tax authority in the jurisdiction or experience of prior tax investigation.

Therefore, there may be differences between the amount recognized as income taxes payable and current tax expense and the amount of actual income taxes. These differences may have a material impact on Epson's consolidated financial statements in future periods.

In addition, deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which deductible temporary differences can be utilized.

In recognizing the deferred tax assets, Epson judges the possibility of future taxable income and reasonably estimate the timing and amount of future taxable income based on factors such as the business plan which includes assumptions such as projected growth in revenue.
The timing and amount of taxable income may be affected by variable and uncertain future economic conditions, and changes could have a material impact on Epson's consolidated financial statements in future periods.
The amount of income taxes for the year ended March 31, 2025 is 23,214 million yen, and the balance of deferred tax assets as of March 31, 2025 is 40,490 million yen.

(5) Contingencies

With regard to contingencies, any items that may have a material impact on business in the future are disclosed in light of all the available evidence as of the fiscal year end date and by taking into account the probability of these contingencies and their impact on financial reporting.
The content of contingencies is stated in "Other Notes – 3. Contingencies."

Consolidated Statement of Financial Position

1. Allowance account for credit losses directly subtracted from assets

Trade and other receivables	975 million yen
Other financial assets (non-current)	37 million yen

2. Accumulated depreciation and accumulated impairment losses of property, plant and equipment
   1,200,949 million yen

Consolidated Statement of Changes in Equity

1. Total number of fully paid issued shares as of the end of the consolidated fiscal year under review
   Ordinary shares: 373,573,152 shares

2. Cash dividends

(1) Dividends paid

Resolution	Class of shares	Total dividends	Dividends per share	Basis date	Effective date
Annual Shareholders Meeting held on June 25, 2024	Ordinary shares	(Note) 12,274 million yen	37 yen	March 31, 2024	June 26, 2024
Board of Directors Meeting held on November 1, 2024	Ordinary shares	12,102 million yen	37 yen	September 30, 2024	November 29, 2024

(Note) Total dividends include dividends of 4 million yen for the Company's shares held by BIP trust.

(2) Dividends whose effective dates fall on in the subsequent consolidated fiscal year

The Company presents the following proposal.

Resolution (scheduled)	Class of shares	Total dividends	Source of dividend funds	Dividends per share	Basis date	Effective date
Annual Shareholders Meeting to be held on June 26, 2025	Ordinary shares	11,852 million yen	Retained earnings	37 yen	March 31, 2025	June 27, 2025

Financial Instruments

1. Status of Financial Instruments

(1) Capital Management

Epson selects the most effective fund management method focusing on the preservation of funds in view of safeness and flexibility. In addition, Epson obtains financing from bank loans and bonds issued. Epson has a policy not to transact derivatives for speculation purposes, but for avoiding the risks stated below.

Epson monitors financial indicators in order to maintain a well-balanced capital structure that ensures an appropriate return on equity and a sound and flexible financial condition for future investment. Epson monitors credit ratings for financial soundness and flexibility, and ROE (return on equity) and ROIC (return on invested capital) for profitability, while focusing on changes in the domestic and overseas environment.

(2) Financial Risk Management

Epson is exposed to financial risks (credit risks, liquidity risks, foreign exchange risks, interest rate risks, and market price fluctuation risks) in the process of its business activities; and it manages risks based on a specific policy in order to avoid or reduce said risks. The results of risk management are regularly reported by the finance department to the Executive Committee of the Company.

Epson's policy limits derivatives to transactions for the purpose of mitigating risks from transactions based on actual demand. Therefore, Epson does not transact derivatives for speculation purposes or trading purposes.

(3) Credit Risk

Receivables, such as notes and trade receivables, resulting from the operating activities of Epson are exposed to customer credit risks.

Epson holds equity securities and bonds receivable of customers and suppliers, mainly for the purpose of investing surplus funds and strengthening relationships with them; those securities and bonds are exposed to the issuers' credit risks.

In addition, through derivative transactions that Epson conducts in order to hedge foreign exchange fluctuation risks and interest rate fluctuation risks, Epson is exposed to the credit risks of the financial institutions which are counterparties to these transactions.

In principle, Epson sets credit lines or transaction conditions with respect to trade receivables for counterparties based on Epson's Credit Control Regulation in order to prevent credit risks relating to counterparties. In addition, the receivable balances of counterparties are monitored in order to mitigate the credit risks. The finance department of the Company regularly monitors the status of the occurrence and collection of bad debts, and reports them to the Executive Committee of the Company.

With regard to the investment of cash surpluses and derivatives, Epson invests in bonds receivable and other financial instruments with a certain credit rating and transacts with financial institutions with a high credit rating in principle in order to prevent credit risks based on Epson's Capital Management Regulation. In addition, the finance department of the Company regularly monitors the performances of these transactions and reports the results to the Executive Committee of the Company.

(4) Liquidity Risk

Epson raises funds by borrowings and bonds issued; however, these liabilities are exposed to the liquidity risk that it would not be able to repay liabilities on the due date due to the deterioration of the financing environment.

Epson establishes a financing plan based on the annual business plan and the finance department of the Company regularly monitors and collects information on the balance of liquidity-in-hand and interest-bearing debt and reports it to the Executive Committee of the Company. In addition, Epson manages liquidity risks with the balance of liquidity-in-hand maintained at a proper level by working out the financing plan on a timely basis, and by taking into consideration the financial environment.

(5) Foreign Exchange Risk

Epson operates businesses globally and, therefore, is mainly exposed to the following risks due to foreign exchange fluctuation:

1) The risk that the profit or loss and cash flow in each functional currency of Epson is influenced by foreign exchange fluctuation as a result of external transactions and intergroup transactions, including the payment and receipt of dividends, in currencies that are different from each functional currency of Epson.

2) The risk that the equity of Epson is influenced by foreign exchange fluctuation when equity denominated in each functional currency of Epson is translated into Japanese yen and consolidated.

3) The risk that the profit or loss of Epson is influenced by foreign exchange fluctuation when profit or loss denominated in each functional currency of Epson is translated into Japanese yen and consolidated.

Epson hedges against risk 1) using derivatives and other means when future cash flow is projected or when receivables and payables are fixed. As a rule, the net of foreign currency-denominated operating receivables and payables is hedged mainly using forward foreign exchange contracts. Epson does not hedge against risks 2) and 3), in principle.

In order to mitigate risks mentioned above resulting from the foreign exchange fluctuation, in accordance with Epson's Foreign Exchange Management Regulation, Epson establishes a foreign currency hedge policy based on the current conditions and forecast of the foreign exchange market, implements the aforementioned hedges under the supervision of the Foreign Exchange Management Committee of the Company. The finance department of the Company regularly reports the performances to the Executive Committee of the Company.

(6) Interest Rate Risk

Epson's interest rate risk arises from cash equivalents and interest-bearing debt. Borrowings and bonds issued with floating rates are subject to the effects of changes in future cash flows caused by the fluctuation of market interest rates; while, borrowings and bonds issued with fixed rates are subject to the effects of changes in the fair value caused by the fluctuation of market interest rates.

In response to the fluctuation of market interest rates, Epson reduces the interest rate risk by implementing an interest rate swap and adjusting appropriate proportion of financing between floating rates and fixed rates. In accordance with Epson's Capital Management Regulation, the interest rate swap is approved by the finance officer of the Company.

(7) Market Price Fluctuation Risk

With respect to equity securities, Epson is exposed to share price fluctuation risks arising from equity instruments (shares).

Epson regularly assesses the fair value and financial conditions of the issuers, and reviews the portfolio held by taking into account the relationship with counterparty entities. Epson intends to hold equity instruments not for short-term trading but for long-term investment.

2. Fair Value of Financial Instruments

(1) Fair Value Measurement

The fair values of financial instruments are measured as follows:

(Derivatives)

The fair values are calculated based on prices obtained from financial institutions.

(Equity securities and bonds receivable)

When market values for equity securities and bonds receivable are available, such values are used as the fair values. The fair values of the equity securities and bonds receivable whose market values are unavailable are measured by using the discounted cash flow method, price comparison method based on the prices of similar types of securities and bonds and other valuation methods.

(Borrowings)

Current borrowings are measured at their carrying amounts, because they are settled on a short-term basis and the fair values approximate their carrying amounts. For non-current borrowings with floating rates, it is assumed that the fair value is equal to the carrying amounts, because the rates are affected in the short term by fluctuations in market interest rates, and because Epson's credit status has not greatly changed since they were implemented. The fair values of non-current borrowings with fixed rates are calculated by the total sum of the principal and interest discounted by using the interest rates that would be applied if similar new borrowings were conducted.

(Bonds issued)

The fair values are calculated based on prices obtained from financial institutions.

(2) Fair Value Hierarchy

The fair value hierarchy of financial instruments is categorized from Level 1 to Level 3 as follows:

Level 1: Fair value measured at quoted prices in active markets for identical assets or liabilities

Level 2: Fair value calculated using inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly

Level 3: Fair value calculated using valuation techniques including unobservable inputs for the assets and liabilities

The transfers between levels in the fair value hierarchy are deemed to have occurred at the end of the reporting period.

1) Financial instruments measured at amortized cost

The carrying amounts and the fair value hierarchy of financial instruments measured at amortized cost are as follows. The fair values of financial instruments that are not listed on the table below approximate the carrying amounts.

(Millions of yen)

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Borrowings	39,492	–	39,275	–	39,275
Bonds issued	149,696	–	146,972	–	146,972
Total	189,188	–	186,247	–	186,247

"Borrowings" and "Bonds issued" in the table above include their current portion.

2) Financial instruments measured at fair value

The fair value hierarchy of financial instruments measured at fair value is as follows:

(Millions of yen)

	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Derivative financial assets	–	1,265	–	1,265
Equity securities	7,912	–	7,168	15,080
Total	7,912	1,265	7,168	16,346
Financial liabilities measured at fair value				
Derivative financial liabilities	–	1,321	–	1,321
Total	–	1,321	–	1,321

There are no transfers of financial instruments between Level 1 and Level 2 of the fair value hierarchy during the fiscal year under review.

The movement of financial instruments categorized within Level 3 of the fair value hierarchy is as follows:

(Millions of yen)

	Amount
Balance at beginning of period	7,681
Gains and losses	
Profit or loss (Note)	(16)
Other comprehensive income	(1,589)
Purchase	1,092
Balance at end of period	7,168

(Note) Included in "Other operating income" and "Other operating expenses" in the Consolidated Statements of Comprehensive Income.

Revenue Recognition

1. Disaggregation of Revenue

The revenue of the reportable segments are disaggregated by each business. The relationship between the disaggregated revenue and the reportable segments is as follows:

(Millions of yen)

		Revenue
Printing Solutions Segment		980,148
	Office and Home Printing business	680,478
	Commercial and Industrial Printing business	299,760
	Inter-segment revenue	(89)
Visual Communications Segment		203,782
Manufacturing-related & Wearables Segment		181,463
	Manufacturing solutions business	22,093
	Wearable products business	39,348
	Microdevices business and other	103,701
	PC business	20,722
	Inter-segment revenue	(4,401)
Others (Note 1)		(2,450)
Total		1,362,944
Revenue recognized from contracts with customers		1,357,525
Revenue recognized from other sources (Note 2)		5,418

(Note 1) "Others" includes revenues which are not attributed to reportable segments and inter-segment eliminations.
(Note 2) "Revenue recognized from other sources" includes lease income under IFRS 16.

Epson is mainly engaged in the manufacture and sale of products of Printing Solutions, Visual Communications, and Manufacturing-related & Wearables. Revenue is recognized when control of a promised good has been transferred to the customer and Epson satisfied its performance obligation. For sales of the products, this generally occurs when a good is physically delivered to a customer. Certain products require work such as set up or installation. In such cases, Epson determines that the performance obligation has been satisfied and recognizes revenue at the time of the customer's acceptance after the work is completed. Epson provides the option of maintenance services such as extended warranties at the time of sales of the products. For the maintenance service contracts, since performance obligations are satisfied over time, the amount of consideration promised in the contract with a customer is recognized as revenue evenly over the contract period.

Contract liability is recognized until performance obligations are satisfied, in cases where Epson receives the consideration for the sale of the product as an advanced payment before the good deliveries, or Epson receives the consideration for the maintenance service contracts as a single advanced payment at contract inception, etc.

In certain cases, Epson sells products to customers such as distributors with rebates, etc. on condition that they achieve certain targets, etc. In such cases, Epson determines the transaction price by deducting the estimated rebates, etc. from the consideration promised in the contract with the customer. The estimated rebates, etc. are calculated using a reasonable method based on factors such as historical trends and recent information, and revenue is recognized only to the extent that it is highly probable that a significant revenue reversal will not occur.

Consideration for transactions is received mainly within one year after the performance obligation is satisfied, in accordance with the terms and conditions of a contract with a customer and includes no significant financing components.

2. Contract Balance

The breakdown of the balance of receivables and contract liabilities from contracts with customers is as follows:

(Millions of yen)

	Balance at beginning of period	Balance at end of period
Receivables from contracts with customers	212,781	210,091
Contract liabilities	30,742	35,045
Current liabilities	15,364	16,606
Non-current liabilities	15,377	18,439

For the consolidated fiscal year under review, the amount of revenue recognized from performance obligations satisfied (or partially satisfied) in previous periods is not material.

3. Transaction Price Allocated to the Remaining Performance Obligations

Epson uses the practical expedient of omitting the disclosure of information on the remaining performance obligations because it has no significant transactions with expected contractual terms exceeding one year. Additionally, there are no significant amounts that are not included in the transaction price in the consideration from a contract with a customer.

Per Share Data

1. Equity attributable to owners of the parent company, per share 2,512.15 yen
2. Basic earnings per share 168.75 yen

Note: For the purpose of calculation of basic earnings per share, the shares of the Company held by BIP trust are accounted as treasury shares, and the number of those shares (46,297 shares) is deducted from the number of weighted-average number of ordinary shares outstanding during the period. Since the BIP trust has been terminated following the completion of the delivery, etc. in August 2024 pertaining to the points already granted, there are no treasury shares owned by the trust as of the end of the period.

Other Notes

1. Impairment Loss

Epson's business assets are generally grouped by business segment under the Company's management accounting system, and their cash flows are continuously monitored. Assets to be disposed of (i.e., assets planned to be disposed or sold etc.) and idle assets are separately assessed for impairment on the individual asset level.

Impairment loss recognized in the consolidated fiscal year under review is mainly for business assets that belong to the manufacturing solutions business which is a part of the Manufacturing-related & Wearables Segment. The carrying amount is reduced to its recoverable amount due to the continued decline in profitability mailnly caused by the slow recovery of markets in China and other major sales regions. An impairment loss of 777 million yen is recognized. The recoverable amount of 4,070 million yen is measured at fair value less costs of disposal. The fair value less costs of disposal is based on the real estate appraisals, etc. and is classified as Level 3 in the fair value hierarchy.

2. Business Combinations

The Company acquired all equity interests of Fiery, LLC ("Fiery") from its shareholders, an affiliate of Siris Capital Group, LLC and Electronics for Imaging, Inc. on December 2, 2024. As a result, Fiery became a wholly-owned subsidiary of the Company.

(1) Overview of the Business Combination

a. Name and business description of the acquiree

Name of the acquiree	Fiery, LLC
Business description	Digital printing software solutions

b. Acquisition date

December 2, 2024

c. Percentage of voting equity interests acquired

100％

d. Primary reasons for the business combination

Fiery, headquartered in the US, is a leading independent provider of comprehensive printing business-to-business software solutions and services including DFE (Note) servers for industrial and digital printing.

Epson and Fiery each have a long history of supporting customers to maximize their productivity with the use of digital printing technology which meets needs arising from office-use to commercial or industrial-use. Fiery's software, servers, and workflow solutions will complement Epson's strategic vision and hardware leadership, and Epson will work with Fiery to accelerate growth in the digital printing field and enhance corporate value.

(Note) Digital Front End: A general term for software and hardware used to process print data and manage the printing process

e. Method used to obtain control of the acquiree

Cash consideration for the acquisition of equity interests

(2) Fair Values of Consideration for the Acquisition, Assets Acquired, Liabilities Assumed and Goodwill as of the Acquisition Date

(Millions of yen)

	Amount
Fair value of the consideration for the acquisition (cash)	86,170
Fair values of the assets acquired and the liabilities assumed	
Current assets	
Cash and cash equivalents	687
Other current assets	5,664
Non-current assets	
Property, plant and equipment	1,816
Intangible assets (Note 1)	56,004
Other non-current assets	8,808
Current liabilities	(7,016)
Non-current liabilities	(16,206)
Fair values of the assets acquired and the liabilities assumed (net)	49,758
Goodwill (Note 2)	36,412

(Note 1) Intangible assets mainly include in customer-related intangible assets and technology-based intangible assets. These intangible assets are measured based on assumptions such as revenue growth rates, gross profit ratios, attrition rates of existing customers and discount rate.
(Note 2) Goodwill is primarily generated in relation to expected future profitability. None of the recognized goodwill is expected to be deductible for tax purposes.

(3) Acquisition-related Costs

The acquisition-related costs of 1,404 million yen are included in selling, general and administrative expenses in the consolidated statement of comprehensive income.

(4) Cash Flows Associated with the Acquisition

(Millions of yen)

	Amount
Acquisition consideration in cash	86,170
Cash and cash equivalents received on acquisition date	(687)
Expenditures for acquisition of a subsidiary	85,483

(5) Impact on Business Performance

Profit or loss information relating to the business combination after the acquisition date and profit or loss information assuming that the business combination had taken place at the beginning of the period are omitted because the impact on Epson's consolidated profit or loss is insignificant. This pro-forma information has not been audited by the independent auditor.

3. Contingencies

Material Litigation

In general, litigation has uncertainties and it is difficult to make a reliable estimate of financial effect of the possibility of an outflow of resources embodying economic benefits. Epson does not recognize provisions when either an outflow of resources embodying economic benefits is not probable or an estimate of financial effect is not practicable.

Epson has the following material action.

The civil action on copyright fee of ink-jet printers

In June 2010, Epson Europe B.V. (“EEB”), a consolidated subsidiary of the Company, brought a civil suit against La SCRL Reprobel (“Reprobel”), a Belgium-based group that collects copyright royalties, seeking restitution for copyright royalties for multifunction printers. After that, Reprobel also brought a civil suit against EEB. As a result, these two lawsuits were adjoined. EEB’s claims were rejected at the first trial, but EEB, dissatisfied with the decision, intends to appeal.

Non-Consolidated Financial Statements

Balance Sheet (as of March 31, 2025)

(Millions of yen)

Item	As of March 31, 2025	(Reference) As of March 31, 2024	Item	As of March 31, 2025	(Reference) As of March 31, 2024
Assets			**Liabilities**		
Current assets	**393,556**	**465,596**	**Current liabilities**	**236,137**	**198,683**
Cash and deposits	53,369	70,053	Notes payable - trade	3,679	5,692
Notes receivable - trade	110	206	Accounts payable - trade	85,343	90,692
Accounts receivable - trade	183,190	167,162	Current portion of bonds issued	40,000	10,000
Securities	10,000	71,000	Current portion of long-term borrowings	30,000	9,000
Merchandise and finished goods	7,098	6,780	Lease liabilities	94	91
Work in process	18,240	18,102	Accounts payable - other	40,656	55,224
Raw materials and supplies	29,715	25,239	Accrued expenses	8,315	7,481
Short-term loans receivable	52,523	69,294	Income taxes payable	8,479	843
Accounts receivable - other	29,736	25,749	Deposits received	1,774	4,189
Other	9,945	12,164	Provision for bonuses	14,623	11,801
Allowance account for credit losses	(372)	(154)	Provision for directors' bonuses	24	73
Non-current assets	**458,215**	**362,052**	Provision for product warranties	966	615
(Property, plant and equipment)	**(172,465)**	**(168,117)**	Asset retirement obligations	445	–
Buildings	83,188	81,012	Other	1,732	2,977
Structures	3,224	3,293	**Non-current liabilities**	**136,385**	**175,187**
Machinery and equipment	47,388	45,810	Bonds issued	110,000	110,000
Vehicles	101	25	Non-current borrowings	9,500	39,500
Tools, furniture and fixtures	6,596	6,714	Lease liabilities	832	923
Land	26,970	27,176	Provision for retirement benefits	10,661	21,023
Construction in progress	4,995	4,084	Provision for product warranties	328	186
(Intangible assets)	**(17,045)**	**(14,599)**	Asset retirement obligations	2,464	2,750
Software	15,712	12,739	Other	2,598	803
Other	1,332	1,859	**Total liabilities**	**372,523**	**373,871**
(Investments and other assets)	**(268,704)**	**(179,335)**	**Net assets**		
Investment securities	6,972	12,388	**Shareholders' equity**	**476,041**	**448,086**
Shares of subsidiaries and affiliates	220,528	124,852	**Share capital**	**53,204**	**53,204**
Long-term prepaid expenses	3,841	3,039	**Capital surplus**	**84,321**	**84,409**
Deferred tax assets	35,847	37,347	Legal capital surplus	84,321	84,321
Other	1,532	1,725	Other capital surplus	–	88
Allowance account for credit losses	(16)	(19)	**Retained earnings**	**408,694**	**365,847**
			Legal retained earnings	3,132	3,132
			Other retained earnings	405,561	362,714
			Retained earnings brought forward	405,561	362,714
			Treasury shares	**(70,178)**	**(55,375)**
			Valuation and translation adjustments	**3,207**	**5,690**
			Valuation difference on available-for-sale securities	**3,490**	**6,267**
			Deferred gains or losses on hedges	**(283)**	**(576)**
			Total net assets	**479,248**	**453,777**
Total assets	**851,772**	**827,648**	**Total liabilities and net assets**	**851,772**	**827,648**

Note: Figures less than one million yen are rounded down.

Statement of Income (from April 1, 2024 to March 31, 2025)

(Millions of yen)

Item	Amount	(Reference) Amount in previous fiscal year
Net sales	**981,016**	**857,780**
Cost of sales	**850,107**	**784,031**
Gross profit	**130,908**	**73,749**
Selling, general and administrative expenses	**81,990**	**82,155**
Operating income (loss)	**48,917**	**(8,406)**
Non-operating income	**56,095**	**72,119**
Interest and dividend income	52,893	57,040
Foreign exchange gain	–	12,760
Other	3,201	2,318
Non-operating expenses	**11,937**	**4,022**
Interest expenses	991	585
Foreign exchange loss	6,953	–
Other	3,992	3,437
Ordinary income	**93,075**	**59,690**
Extraordinary income	**4,030**	**927**
Gain on sales of property, plant and equipment and intangible assets	144	77
Gain on sale of investment securities	3,885	850
Extraordinary losses	**2,114**	**1,032**
Loss on sales of property, plant and equipment and intangible assets	13	4
Loss on disposal of property, plant and equipment and intangible assets	270	122
Impairment loss	784	808
Loss on sale of investment securities	1,045	–
Loss on valuation of shares of subsidiaries	–	96
Income before income taxes	**94,991**	**59,585**
Income taxes - current	11,129	5,064
Income taxes - deferred	1,731	198
Total income taxes	**12,860**	**5,263**
Net income	**82,130**	**54,322**

Note: Figures less than one million yen are rounded down.

Statement of Changes in Net Assets
(from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity						
		Capital surplus			Retained earnings		
	Share capital	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance as of April 1, 2024	53,204	84,321	88	84,409	3,132	362,714	365,847
Changes of items during the period							
Dividends	–	–	–	–	–	(24,376)	(24,376)
Net income	–	–	–	–	–	82,130	82,130
Acquisition of treasury shares	–	–	–	–	–	–	–
Disposal of treasury shares	–	–	86	86	–	–	–
Cancellation of treasury shares	–	–	(175)	(175)	–	(14,907)	(14,907)
Net changes of items other than shareholders' equity	–	–	–	–	–	–	–
Total changes of items during the period	–	–	(88)	(88)	–	42,846	42,846
Balance as of March 31, 2025	53,204	84,321	–	84,321	3,132	405,561	408,694

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance as of April 1, 2024	(55,375)	448,086	6,267	(576)	5,690	453,777
Changes of items during the period						
Dividends	–	(24,376)	–	–	–	(24,376)
Net income	–	82,130	–	–	–	82,130
Acquisition of treasury shares	(30,001)	(30,001)	–	–	–	(30,001)
Disposal of treasury shares	116	202	–	–	–	202
Cancellation of treasury shares	15,082	–	–	–	–	–
Net changes of items other than shareholders' equity	–	–	(2,776)	293	(2,483)	(2,483)
Total changes of items during the period	(14,802)	27,955	(2,776)	293	(2,483)	25,471
Balance as of March 31, 2025	(70,178)	476,041	3,490	(283)	3,207	479,248

Note: Figures less than one million yen are rounded down.

Notes to the Non-consolidated Financial Statements

Significant Accounting Policies

1. Basis and Methods of Valuation of Assets

(1) Securities

Held-to-maturity debt securities

- Stated at amortized cost (straight-line method).

Shares of affiliates

- Stated at cost using the moving-average method.

Available-for-sale securities

Securities other than shares that do not have a market value

- Stated at market value. (Valuation gains or losses are directly included in a component of net assets. The cost of securities sold is calculated using the moving-average method.)

Shares that do not have a market value

- Stated at cost using the moving-average method.

(2) Derivatives

Stated at market value.

(3) Inventories

Mainly stated at cost based on the weighted-average method (balance sheet values are adjusted by writing down the book value where the profitability declines).

2. Depreciation Method for Non-current Assets

(1) Property, plant and equipment (excluding leased assets)

Property, plant and equipment are depreciated using the straight-line method.

The estimated useful lives of major assets are as follows:

• Buildings: 15 to 35 years

• Machinery and equipment: 7 to 17 years

(2) Intangible assets (excluding leased assets)

Intangible assets are amortized using the straight-line method.

The estimated useful life of major intangible assets is as follows:

• Software: 3 to 5 years

(3) Leased assets

Leased assets relating to finance lease transactions without transfer of ownership are depreciated over the lease terms by the straight-line method, assuming the residual value is zero.

3. Accounting Basis for Provisions

(1) Allowance account for credit losses

To provide a reserve for possible losses on receivables or loans, the Company records the allowance account for credit losses based on the historical default rates for ordinary receivables and on an estimate of collectability of specific doubtful receivables.

(2) Provision for bonuses

The provision for bonuses is recorded to accrue the bonuses to employees of the Company at an amount estimated to be incurred by the Company for the fiscal year under review.

(3) Provision for directors' bonuses

The provision for directors' bonuses is recorded to accrue the bonuses to Directors (excluding those who are not Audit & Supervisory Committee Members) of the Company at an estimated amount to be paid.

(4) Provision for product warranties

To provide for possible expenditures associated with product warranties, the Company records the provision for product warranties based on the rate of historical after-sales service contract expenses to sales in past fiscal years, as well as for other specific warranty provisions for specific businesses where future warranty expenses can be specifically estimated.

(5) Provision for loss on litigation

The provide for loss on litigation in process or possible litigation based on the reasonably estimated compensation for damages and litigation expenses at an amount deemed necessary at the end of the fiscal year under review.

(6) Provision for retirement benefits

To provide retirement benefits to employees of the Company, the provision for retirement benefits is recorded at an amount calculated based on the projected benefit obligations and plan assets at the end of the fiscal year under review.

Past service cost is amortized for the pro-rata amount computed by the straight-line method over a certain period (five years), which is within the average remaining service period of employees at the time of the occurrence in each fiscal year.

Actuarial gains or losses are amortized for the pro-rata amount computed by the straight-line method over a certain period (five years), which is within the average remaining service period of employees at the time of the occurrence in each fiscal year, commencing from the fiscal year following the fiscal year of occurrence.

4. Accounting Basis for Revenue

The Company recognizes revenue by applying the following five steps approach.

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognize revenue when the Company satisfies a performance obligation

The Company is mainly engaged in the manufacture and sale of products of Printing Solutions, Visual Communications, and Manufacturing-related & Wearables. Revenue is recognized when control of a promised good has been transferred to the customer and the Company satisfied its performance obligation. For sales of the products, this generally occurs when a good is physically delivered to a customer. When two or more performance obligations are included in a contract with a customer, the Company allocates the transaction price to each identified performance obligation based on the stand-alone selling price of each product. When the stand-alone selling prices are not directly observable, the Company estimates the selling price, assuming that the products are sold individually and allocates the transaction price based thereon.

5. Basis for Translating of Foreign Currency Denominated Assets and Liabilities into Japanese Yen

Monetary receivables and payables denominated in foreign currency are translated into Japanese yen at the spot exchange rate on the closing date of the fiscal year under review. Translation differences are recognized as profit or loss in the fiscal year under review.

6. Hedge Accounting

(1) Hedge accounting method

Gains or losses on hedging instruments measured at market value are deferred, in principle, as deferred gains or losses on hedges under net assets until such gains or losses on hedged items are recognized.

(2) Hedging instruments and hedged items

Forward foreign exchange contracts and non-deliverable forwards, etc.: Amounts of foreign currencies deposited or withdrawn

(3) Hedge policy

The Company enters into derivative contracts for hedging purposes to restrict foreign exchange fluctuation risks, which are mainly associated with sales denominated in foreign currencies while minimizing the amounts not covered by hedging through the use of netting and other measures.

(4) Assessment of hedge effectiveness

The assessment of hedge effectiveness is omitted because the market fluctuation of hedging instruments and hedged items is offset at the start of hedging and it continues to remain offset subsequently since the fluctuation rates of hedging instruments and hedged items are identical.

Accounting Estimates

The preparation of the Company's non-consolidated financial statements includes management estimates and assumptions for measurements of income, expenses, assets and liabilities, and disclosure of contingencies as of the end of the fiscal year. These estimates and assumptions are based on the best judgment of management in light of historical experience and various factors deemed to be reasonable as of the end of the fiscal year. Given their nature, actual results may differ from those estimates and assumptions.

The estimates and assumptions are continuously reviewed by management. The effects of a change in estimates and assumptions are recognized in the period of the change and subsequent periods.

Among the above estimates and assumptions, the following were items that may have a material effect on the amounts recognized in the Company's non-consolidated financial statements:

(1) Valuation of Shares of Subsidiaries and Affiliates

The amount of shares of subsidiaries and affiliates recorded in the current fiscal year is 220,528 million yen.

For shares of subsidiaries and affiliates without market prices, we compare the intrinsic value of the shares with their acquisition cost. If the intrinsic value of the shares has significantly declined, we assess the recoverability based on the performance of the company in question, taking into account its business plan. Some shares of subsidiaries and affiliates are valued based on the intrinsic value, taking into account factors such as the excess earning capacity calculated during the acquisition of the company. The presence or absence of impairment of such factors is influenced by the feasibility of achieving future business plans. We estimate business plans based on factors such as revenue growth rates and gross profit ratios, but they may be affected by changes in future uncertain economic conditions. If revisions are necessary, the amounts to be recognized in financial statements for the following fiscal year or later may be impacted significantly.

(2) Impairment of Non-current Assets

The balances of property, plant and equipment, and intangible assets as of March 31, 2025 are 172,465 million yen and 17,045 million yen, respectively, and the amount of impairment loss for the year ended March 31, 2025 is 784 million yen.

The content regarding estimates and assumptions is as described in "Notes to the Consolidated Financial Statements - Accounting Estimates - (1) Impairment of Non-financial Assets."

(3) Post-Employment Benefits

The balance of provision for retirement benefits as of March 31, 2025 is 10,661 million yen.

The content regarding estimates and assumptions is as described in "Notes to the Consolidated Financial Statements - Accounting Estimates - (2) Post-Employment Benefits."

(4) Provisions

Provision for product warranties of 1,295 million yen is recognized as of March 31, 2025.

The content regarding estimates and assumptions is as described in "Notes to the Consolidated Financial Statements - Accounting Estimates - (3) Provisions."

(5) Income Taxes

The amount of income taxes for the year ended March 31, 2025 is 12,860 million yen, and the balance of deferred tax assets as of March 31, 2025 is 35,847 million yen.

The content regarding estimates and assumptions is as described in "Notes to the Consolidated Financial Statements - Accounting Estimates - (4) Income Taxes."

(6) Contingencies

Contingencies are as described in "Notes to the Consolidated Financial Statements - Accounting Estimates - (5) Contingencies."

Balance Sheet

1. Accumulated depreciation of property, plant and equipment	666,768 million yen

2. Debt guarantees

The Company provides guarantees for the debt obligations of its affiliate as follows.

PT. Epson Batam	895 million yen

3. Monetary receivables from and payables to affiliates

Short-term monetary receivables:	246,455 million yen
Long-term monetary receivables:	0 million yen
Short-term monetary payables:	76,535 million yen
Long-term monetary payables:	732 million yen

Statement of Income

Transactions with affiliates

Sales to affiliates:	922,227 million yen
Purchases from affiliates:	557,080 million yen
Other operating transactions with affiliates:	36,158 million yen
Transactions with affiliates other than operating transactions:	54,110 million yen

Statement of Changes in Net Assets

Number of treasury shares as of the end of the fiscal year under review

Treasury shares	53,229,249 shares

Tax-Effect Accounting

1. Significant components of deferred tax assets and deferred tax liabilities:

	(Millions of yen)
Deferred tax assets	
Excess of depreciation of non-current assets	15,443
Loss on valuation of inventories	5,849
Loss on valuation of shares	4,832
Provision for bonuses	4,460
Provision for retirement benefits	3,302
Other	9,640
Subtotal	43,528
Valuation allowance for deductible temporary differences	(6,455)
Valuation allowance subtotal	(6,455)
Total deferred tax assets	37,072
Deferred tax liabilities	
Valuation difference on available-for-sale securities	(724)
Property, plant and equipment (asset retirement obligations)	(364)
Other	(136)
Total deferred tax liabilities	(1,225)
Net deferred tax assets	35,847

2. Accounting for corporate and local income taxes or tax effect accounting related to such taxes

The Company adopts a group tax sharing system. Accordingly, the accounting treatment and disclosure of corporate and local income taxes and tax effect accounting are in accordance with the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (Accounting Standards Board of Japan (ASBJ) Practical Issues Task Force (PITF) No. 42, August 12, 2021).

3. Correction of deferred tax assets and deferred tax liabilities due to changes in corporate tax rates

In accordance with amendments to tax laws, we have revised the statutory effective tax rate used in the calculation of deferred tax assets and deferred tax liabilities for temporary differences expected to be resolved in the fiscal year beginning on April 1, 2026, from 30.46% to 31.36%. The impact of this change in the statutory effective tax rate on the financial statements is minimal.

Revenue Recognition

Basic information for understanding revenue

Basic information for understanding revenue is included in "Significant Accounting Policies - 4. Accounting Basis for Revenue."

Transactions with Related Parties

Subsidiaries

(Millions of yen)

Company name	Ownership percentage of voting rights	Relationship with the Company	Description of transactions	Transaction amount	Account item	Fiscal year-end balance
Epson Sales Japan Corporation	Direct holding 100%	Sales of the Company's products; Interlocking directors	Sales of products (Note 1)	100,296	Accounts receivable - trade	15,864
			Loans of necessary funds (Note 2)	(Note 3)	Short-term loans receivable	9,177
Akita Epson Corporation	Direct holding 100%	Entrusted manufacturing of the Company's products	Loans of necessary funds (Note 2)	(Note 3)	Short-term loans receivable	11,100
Epson America, Inc.	Indirect holding 100%	Regional headquarters of the Americas; Sales of the Company's products	Sales of products (Note 1)	285,279	Accounts receivable - trade	64,591
Epson Europe B.V.	Direct holding 100%	Regional headquarters of Europe; Sales of the Company's products; Interlocking directors	Sales of products (Note 1)	181,045	Accounts receivable - trade	27,392
Epson Middle East FZCO	Direct holding 100%	Sales of the Company's products	Loans of necessary funds (Note 2)	(Note 3)	Short-term loans receivable	20,605
Epson Precision (Philippines), Inc.	Direct holding 100%	Entrusted manufacturing of the Company's products	Purchases of products (Note 4)	191,543	Accounts payable - trade	14,363
					Accounts receivable - other	3,588
PT. Indonesia Epson Industry	Direct holding 100%	Entrusted manufacturing of the Company's products	Purchases of products (Note 4)	177,403	Accounts payable - trade	15,884
					Accounts receivable - other	3,382
Epson (China) Co., Ltd.	Direct holding 100%	Regional headquarters of China; Sales of the Company's products Interlocking directors	Sales of products (Note 1)	111,992	Accounts receivable - trade	21,753
Epson Singapore Pte. Ltd.	Direct holding 100%	Regional headquarters of Southeast Asia; Sales of the Company's products Interlocking directors	Sales of products (Note 1)	69,691	Accounts receivable - trade	10,586

Terms and conditions of transactions and their policies
(Note 1) Selling prices are determined by subtracting an appropriate margin for the respective sales companies from market prices.
(Note 2) Lending of necessary funds and depositing of excess funds are made in accordance with the relevant rules under the system of borrowing and lending funds established by Epson.
(Note 3) Lending of necessary funds and depositing of excess funds are not stated in the "Transaction amount" as funds are transferred each time under the system of borrowing and lending funds within Epson.
(Note 4) Purchase prices are determined by adding an appropriate profit for the manufacturing companies on the manufacturing costs.

Per Share Data

1. Net assets per share	1,496.05 yen
2. Earnings per share	251.18 yen

Note: For the purpose of calculation of per share data, the shares of the Company held by BIP trust are accounted as treasury shares, and the number of those shares, 46,297 shares, is deducted from the number of weighted-average number of ordinary shares outstanding during the period. Since the BIP trust has been terminated following the completion of the delivery, etc. in August 2024 pertaining to the points already granted, there are no treasury shares owned by the trust as of the end of the period.

Other Notes

Impairment Loss

The Company's business assets are generally grouped by business segment under the Company's management accounting system, and their cash flows are continuously monitored. Assets to be disposed of (i.e., assets planned to be disposed or sold etc.) and idle assets are separately assessed for impairment on the individual asset level.

Impairment loss recognized in the fiscal year under review is mainly for business assets that belong to the manufacturing solutions business. The carrying amount is reduced to its recoverable amount due to the continued decline in profitability mainly caused by the slow recovery of markets in China and other major sales regions. An impairment loss of 337 million yen is recognized, with the recoverable amount calculated using net realizable value.

Audit Reports

Transcript of financial auditor's audit report on consolidated financial statements

Independent Auditor's Report

May 8, 2025

To the Board of Directors of
Seiko Epson Corporation

Ernst & Young ShinNihon LLC
Tokyo Office

Designated and Engagement Partner,	Certified Public Accountant	Takuya Tanaka
Designated and Engagement Partner,	Certified Public Accountant	Ryuichi Minami
Designated and Engagement Partner,	Certified Public Accountant	Takehiro Kaneko

Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the notes to the consolidated financial statements of Seiko Epson Corporation (the "Company") for the fiscal year from April 1, 2024 through March 31, 2025.

In our opinion, the above consolidated financial statements present fairly, in all material respects, the financial position and results of operations of the corporate group, which consists of the Company and its consolidated subsidiaries, for the period covered by the consolidated financial statements, in conformity with accounting principles that omit some disclosure items required under the Designated International Financial Reporting Standards pursuant to the provisions of the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other Information

The other information consists of the business report and the supplementary schedules. Management is responsible for preparing and disclosing the other information. The Audit & Supervisory Committee is responsible for monitoring the execution of the duties of the Directors related to designing and operating the reporting process of the other information.

The subject of our audit opinion on the consolidated financial statements does not include the other information. Therefore, we do not express an opinion on the other information.

In auditing the consolidated financial statements, we are responsible for reading through the other information, and in the process of reading it through, reviewing whether there are any material discrepancies between the other information and the consolidated financial statements or the knowledge that we gained during our auditing process, and paying attention to any signs of material misstatement in other information in addition to such material discrepancies.

When we determine that there is any material misstatement in other information based on the tasks that we performed, we are required to report such fact.

We have found no matters to report with regard to the other information.

Responsibilities of Management and the Audit & Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting principles that omit some disclosure items required under Designated International Financial Reporting Standards pursuant to the provisions of the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with the accounting principles that omit some disclosure items required under Designated International Financial Reporting Standards pursuant to the provisions of the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting.

The Audit & Supervisory Committee is responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

・ Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.

・ In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.

・ Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.

・ Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.

・ Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with the accounting principles that omit some disclosure items required under Designated International Financial Reporting Standards pursuant to the provisions of the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.

・ Plan and conduct the audit of the consolidated financial statements to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries that forms the basis for our opinion on the consolidated financial statements. The auditor is responsible for directing, supervising, and reviewing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to the Audit & Supervisory Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to the Audit & Supervisory Committee regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any measures to eliminate obstacles as well as any safeguards used to reduce obstacles to an acceptable level.

Interest

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

Transcript of financial auditor's audit report

Independent Auditor's Report

May 8, 2025

To the Board of Directors of
Seiko Epson Corporation

Ernst & Young ShinNihon LLC
Tokyo Office

Designated and Engagement Partner,	Certified Public Accountant	Takuya Tanaka
Designated and Engagement Partner,	Certified Public Accountant	Ryuichi Minami
Designated and Engagement Partner,	Certified Public Accountant	Takehiro Kaneko

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the accompanying supplementary schedules of Seiko Epson Corporation (the "Company") for the 83rd fiscal year from April 1, 2024 through March 31, 2025.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2023, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules." We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other Information

The other information consists of the business report and the supplementary schedules. Management is responsible for preparing and disclosing the other information. The Audit & Supervisory Committee is responsible for monitoring the execution of the duties of the Directors related to designing and operating the reporting process of the other information.

The subject of our audit opinion on the financial statements and the accompanying supplementary schedules does not include the other information. Therefore, we do not express an opinion on the other information.

In auditing the financial statements and the accompanying supplementary schedules, we are responsible for reading through the other information, and in the process of reading it through, reviewing whether there are any material discrepancies between the other information and the financial statements and the accompanying supplementary schedules or the knowledge that we gained during our auditing process, and paying attention to any signs of material misstatement in other information in addition to such material discrepancies.

When we determine that there is any material misstatement in other information based on the tasks that we performed, we are required to report such fact.
We have found no matters to report with regard to the other information.

Responsibilities of Management and the Audit & Supervisory Committee for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.
The Audit & Supervisory Committee is responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our responsibility is to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.
We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

・ Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.

・ In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.

・ Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.

・ Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the notes to the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.

・ Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.

・Plan and conduct the audit of the financial statements and other documents to obtain sufficient and appropriate audit evidence relating to the financial information on components, which is included in the financial statements and the accompanying supplementary schedules, which forms the basis for the opinion on the financial statements and other documents. The auditor is responsible for directing, supervising, and reviewing audits relating to the financial information on components. The auditor is solely responsible for audit opinions.

The auditor reports to the Audit & Supervisory Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to the Audit & Supervisory Committee regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence, and any measures to eliminate obstacles or any safeguards used to reduce obstacles to an acceptable level.

Interest

Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

Transcript of the Audit & Supervisory Committee's audit report

Audit Report

The Audit & Supervisory Committee audited the Directors' execution of their duties during the 83rd fiscal year, from April 1, 2024 to March 31, 2025, and hereby reports on its method and results as follows.

1. Auditing Method and Contents Thereof

With respect to the resolution of the Board of Directors concerning the matters stipulated in Article 399-13, Paragraph 1, Item 1 (ii) and (iii) of the Companies Act, as well as the system (internal control system) developed based on such resolution of the Board of Directors, we received regular reports regarding the status of formulation and operation of such system from Directors and other employees, etc., sought explanations as necessary, expressed opinion thereon, and executed audits through the following methods.

In addition, with regard to the internal control concerning financial reporting under the Financial Instruments and Exchange Act, we received reports regarding the evaluation of such internal control and audit status thereof from Directors, etc. and Ernst & Young ShinNihon LLC, and sought explanations as necessary.

(1) In conformity with the principles of audits by the Audit & Supervisory Committee stipulated by the Audit & Supervisory Committee and in accordance with audit policies and the division of duties, etc., we, in coordination with the Internal Audit Department and other departments related to internal control, attended important meetings, received reports from Directors and other employees, etc., regarding the execution of their duties, sought explanations as necessary, inspected documents, etc., related to important decisions, and examined the operations and assets at the Company's Head Office and primary Business Offices. Furthermore, with regard to the Company's subsidiaries, the Audit & Supervisory Committee worked to communicate and exchange information with Directors, Audit & Supervisory Board Members, etc., of subsidiaries, and received reports from them as necessary.

(2) With respect to the basic policy provided in Article 118, Item 3 (a) of the Ordinance for Enforcement of the Companies Act, and judgment and reasons for the initiatives provided in (b) of the same Item, in light of the status, etc., of deliberations in the Board of Directors and other meetings, further consideration of its content was given.

(3) We monitored and verified whether the Financial Auditor had maintained its independence and conducted audits appropriately, received reports regarding the execution of their duties, and sought explanations as necessary. We received notification from the Financial Auditor that "Systems for Ensuring Appropriate Execution of Duties" (matters provided in each item of Article 131 of the Ordinance on Accounting of Companies) have been established in accordance with "Quality Control Standard for Auditing," (Business Accounting Council), etc., and sought explanations as necessary.

Based on the above, we examined the Business report and the supplementary schedules, the Consolidated Financial Statements (the Consolidated Statements of Financial Position, the Consolidated Statements of Comprehensive Income, the Consolidated Statements of Changes in Equity, and the Notes for the Consolidated Financial Statements, as well as the Non-Consolidated Financial Statements (the Non-Consolidated Balance Sheets, the Non-Consolidated Statements of Income, the Non-Consolidated Statements of Changes in Net Assets, and the Notes for the Non-consolidated Financial Statements) and the supplementary schedules prepared in conformity with the latter part of paragraph 1 Article 120 of the Regulation on Corporate Accounting that allows companies to prepare consolidated financial statements with the omission of a part of the disclosure items required under Designated International Accounting Standards) for the fiscal year under review.

2. Audit Results

(1) Results of Audit of Business Report, etc.

1) In our opinion, the business report and the supplementary schedules are in accordance with the related laws and regulations and the Articles of Incorporation, and fairly represent the Company's condition.

2) No inappropriate conduct concerning the execution of duties by Directors or material facts in violation of laws, regulations or the Articles of Incorporation were found.
3) We found that the Board of Directors' resolutions concerning the internal control system are appropriate in content. We also found no matters requiring note on our part with respect to the execution of duties by Directors concerning the internal control system or the content of the Business Report concerning the internal control system, including the internal control concerning financial reporting.
4) We found no matters requiring note on our part with respect to the basic policy regarding persons who control decision on the Company's financial and business policy decisions, stated in the Business Report. The initiatives taken pursuant to Article 118, Item 3 (b) of the Ordinance for Enforcement of the Companies Act, stated in the Business Report, are in line with the said basic policy, and in our opinion, said basic policy is deemed not to harm the common interest of the Company's shareholders, nor is it for the purpose of maintaining the position of the Company's officers.

(2) Results of Audit of Consolidated Financial Statements

We found that the methods and the results of the audit conducted by Financial Auditor, Ernst & Young ShinNihon LLC, are appropriate.

(3) Results of Audit of Non-Consolidated Financial Statements and Supplementary Schedules

We found that the methods and the results of the audit conducted by Financial Auditor, Ernst & Young ShinNihon LLC, are appropriate.

May 14, 2025

Audit & Supervisory Committee, Seiko Epson Corporation

Full-Time Audit & Supervisory Committee Member:	Masayuki Kawana
Outside Audit & Supervisory Committee Member:	Susumu Murakoshi
Outside Audit & Supervisory Committee Member:	Michiko Ohtsuka
Outside Audit & Supervisory Committee Member:	Akira Marumoto

(Note) Audit & Supervisory Committee Members, namely, Mr. Susumu Murakoshi, Ms. Michiko Ohtsuka and Mr. Akira Marumoto are outside directors as prescribed in Article 2, Item (15) and Article 331, Paragraph 6 of the Companies Act.