

Sustainability Management at Epson

October 13, 2022

Seiko Epson Corporation



80th Anniversary

**We at Epson appreciate and would like to
thank our countless stakeholders.**

The company was founded near the shores of Lake Suwa, in the green, mountainous terrain of Nagano, in 1942.

We have always sought to benefit our community and to preserve the natural environment.

From the beginning, company founder Hisao Yamazaki pledged that our factory would never pollute Lake Suwa and that the company would be a valued member of the community.

1992

Global pioneer in environmental action
Eliminated CFCs from our operations in Japan



One of the posters used to build internal awareness of our CFC-elimination campaign



Epson, winner of the Stratospheric Ozone Layer Protection Award from the U.S. Environmental Protection Agency (1992)

The Course of Epson Group Progress

Epson has always used its original technology to create new value and change the way we live and work



1942

It all began with timepiece manufacturing



World's first quartz watch

1969

Brought accurate time to everyday life

At the time,

mechanical watches would normally gain or lose many seconds per day.



Inkjet printers

1994

Enabled people to print photos at home

At the time,

photos were printed at photo shops.



3LCD data projectors

Transformed presentations

At the time,

presentations used handouts and OHPs.



A dry-process office papermaking system that recycles paper right on site

2010 to the present

Creating new value that exceeds customer expectations



A SCARA robot that helps to accelerate automation



A digital inkjet textile printer that accelerates the digitization of the textile printing market

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

Epson was founded in Japan, a nation blessed with outstanding natural beauty and a rich cultural heritage.

Our commitment to protecting such abundant gifts for future generations has never wavered. We constantly pay close attention to social issues and dedicate ourselves to addressing them, as our timely elimination of chlorofluorocarbons makes clear.

Underpinning everything we do is the philosophy of efficient, compact, precise innovation.

After all, bigger is not always better.

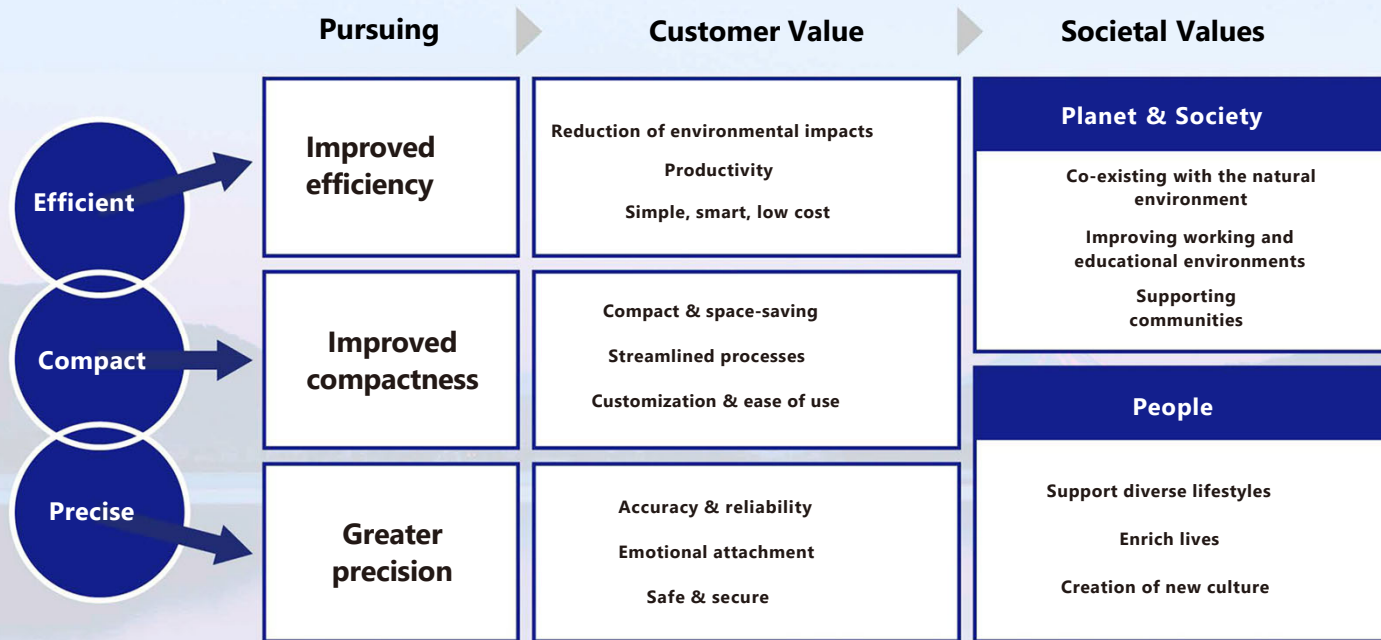
We firmly believe that energy saving solutions, space saving innovation and ultra-high precision help to protect the natural environment and enrich communities.

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

We will continue to strive towards realizing this purpose.

Value created by the corporate purpose

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





Strategy for fulfilling our purpose

Epson 25 Renewed Vision
Co-creating sustainability and enriching communities to connect people, things, and information by leveraging our efficient, compact, and precision technologies and digital technologies

Environmental Vision 2050
Epson will become carbon negative and underground resource-free by 2050 to achieve sustainability and enrich communities

Goals

- 2025: Reduce total emissions, in line with the S.C.P. commitment
- 2050: Carbon negative and underground resource-free

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

Our aim or reason for being

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

Our Values and behavior

Management Philosophy

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

EXCEED YOUR VISION

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

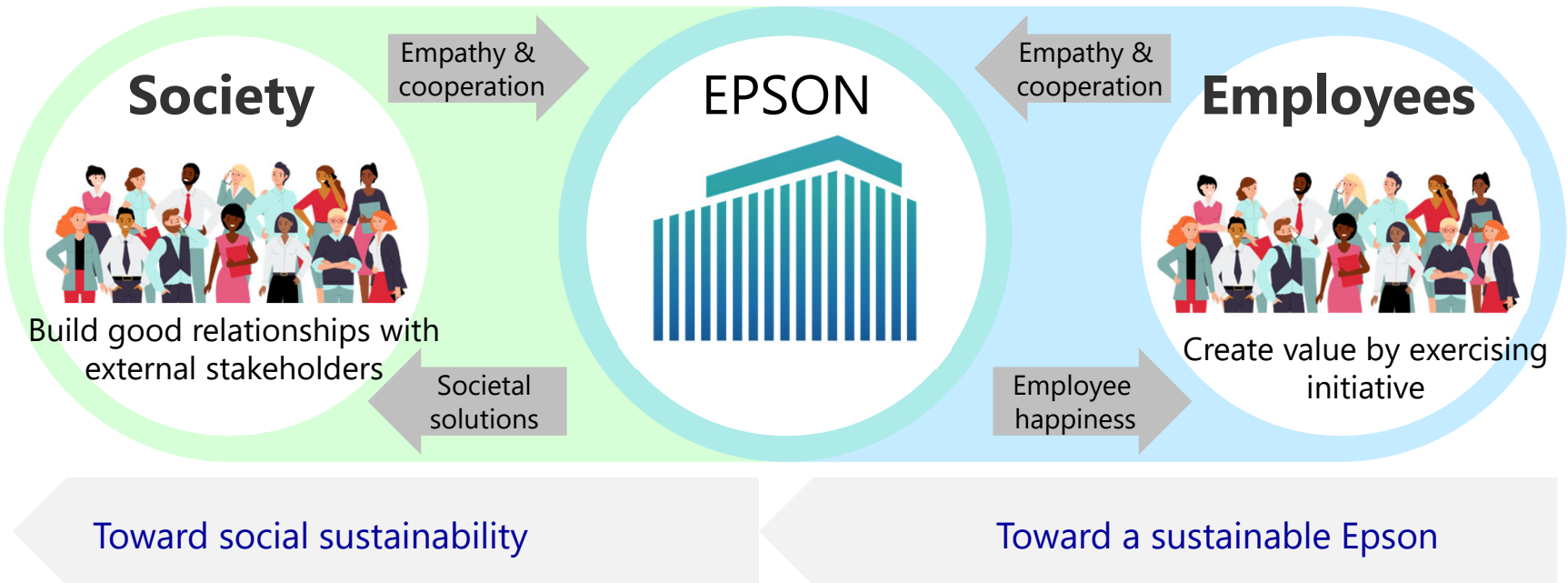
Principles of Corporate Behavior

Epson Global Code of Conduct

Communities and employees connected by purpose

Our Purpose

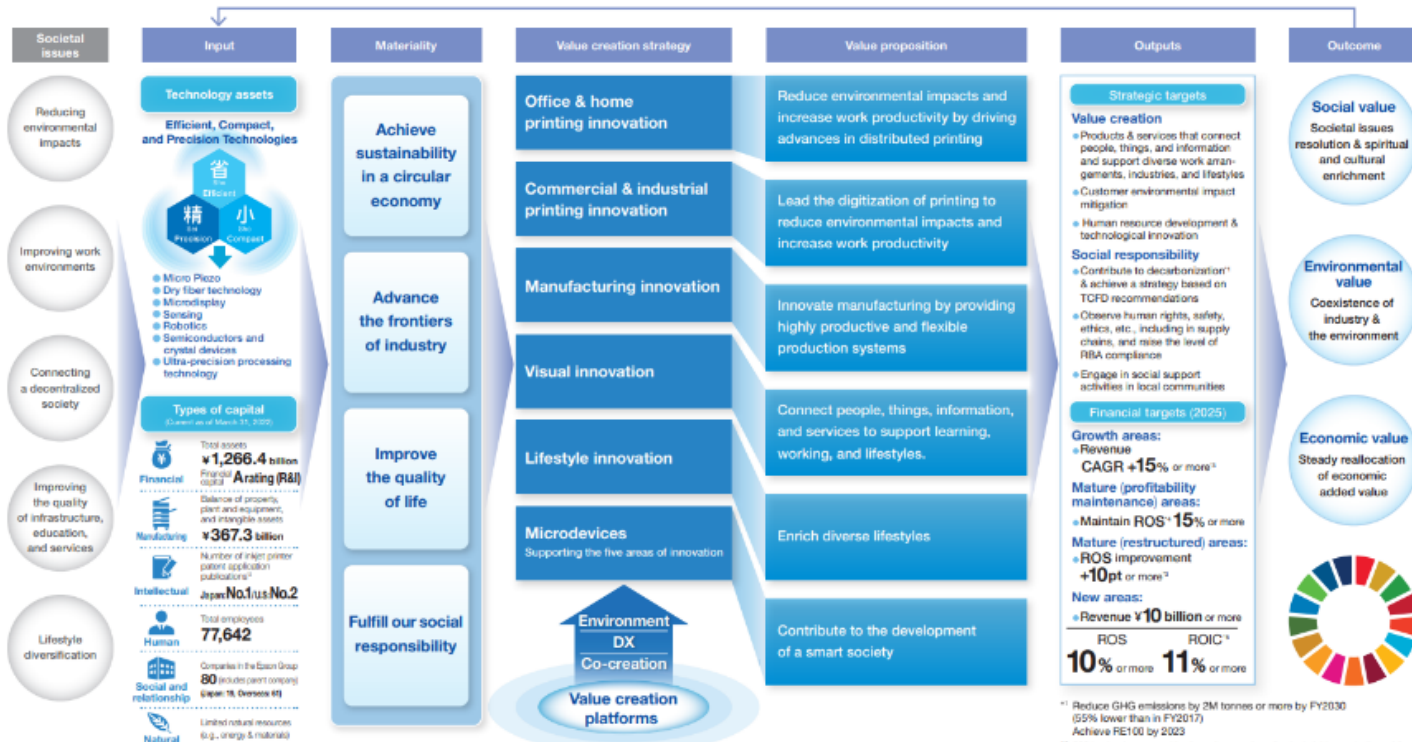
Our philosophy of efficient, compact and precise innovation enriches lives and helps create a better world.



Value Creation Story for Realizing our Aspirational Goal

how to realize the thoughts contained in the purpose

Sustainability and enriched communities



¹⁾ Reduce GHG emissions by 2M tonnes or more by FY2030 (55% lower than in FY2017)
Achieve NET00 by 2033

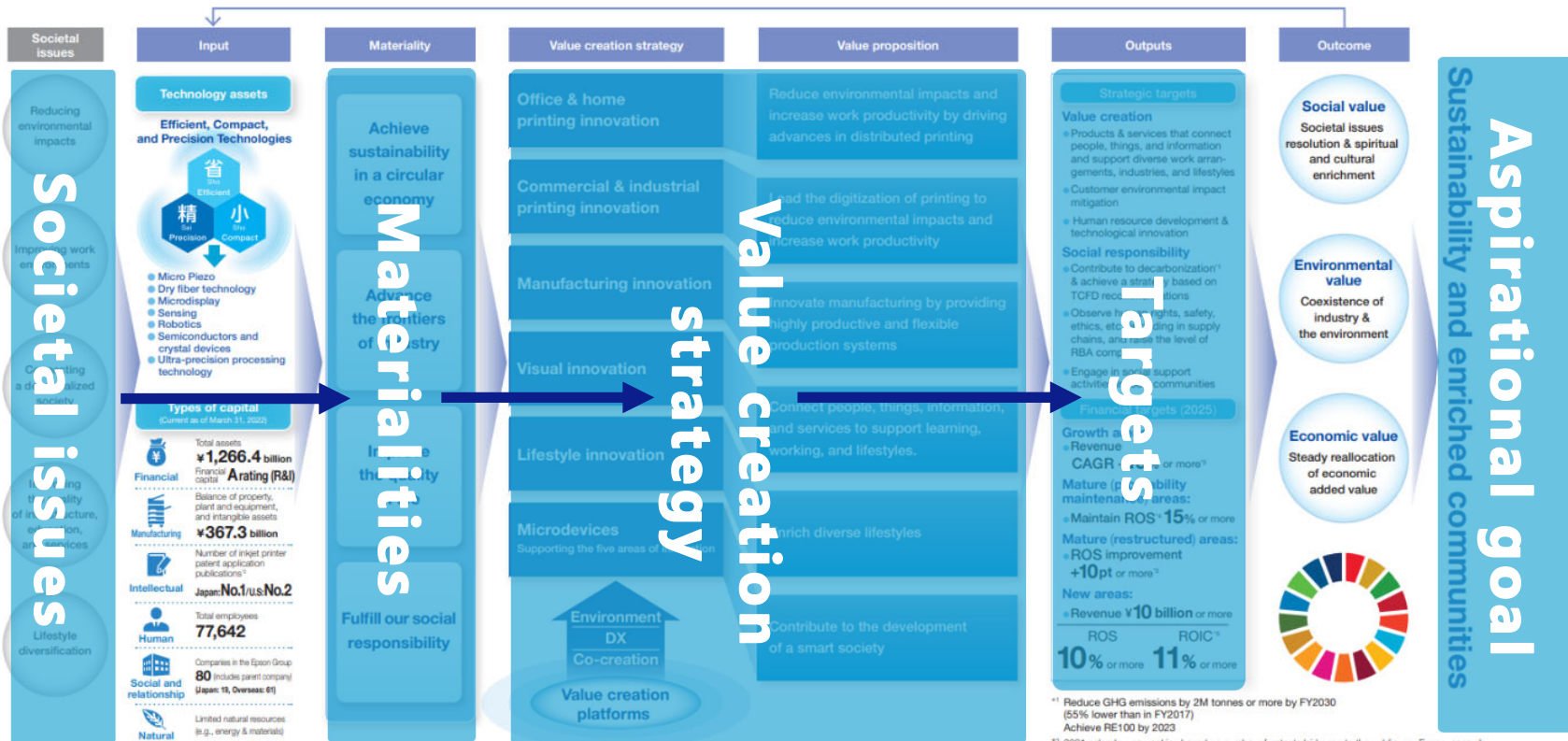
²⁾ 2021 calendar year ranking based on number of patents laid open to the public, per Epson research

³⁾ YoY comparison

⁴⁾ Business profit / revenue

⁵⁾ Return on invested capital

Value Creation Story for Realizing our Aspirational Goal



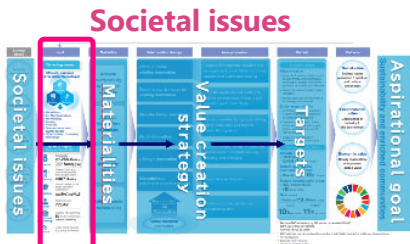
¹⁾ Reduce GHG emissions by 2M tonnes or more by FY2030 (55% lower than in FY2017) Achieve RE100 by 2031

²⁾ 2021 calendar year ranking based on number of patents laid open to the public, per Epson research

³⁾ YoY comparison

⁴⁾ Business profit / revenue

⁵⁾ Return on invested capital



These are the five societal issues that Epson will help to address



**Reducing
environmental
impacts**



**Improving
work
environments**



**Connecting a
decentralized
society**

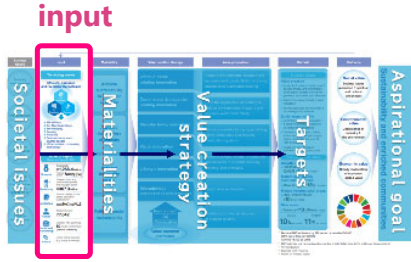


**Improving
the quality of
infrastructure,
education, and
services**



**Lifestyle
diversification**

The strengths & passion that fuel innovation

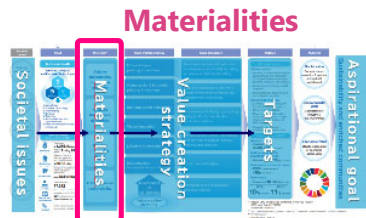


The efficient, compact, and precision technologies we have developed over eight decades underpin innovation at Epson

**Efficient, compact,
and precision technologies**



- Micro Piezo inkjet technology
- Dry Fiber Technology
- Precision mechatronic technology
- Microdisplay technology
- High-precision sensing technology
- Semiconductors & crystal devices
- Ultra-precision & micromachining technology



Determining the materiality of social issues for Epson



Achieve sustainability in a circular economy



Advance the frontiers of industry



Improve the quality of life



Fulfill our social responsibility



Epson will become carbon negative and underground resource¹ free by 2050 to achieve sustainability and enrich communities

¹ Non-renewable resources such as oil and metals



Goals

- 2030: Reduce total emissions in line with the 1.5°C scenario²
- 2050: Carbon negative and underground resource¹ free

Actions

- Reduce the environmental impacts of products and services and in supply chains
- Achieve sustainability in a circular economy and advance the frontiers of industry through creative, open innovation
- Contribute to international environmental initiatives

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

1

Decarbonization

- Renewable energy use
- Energy-saving facilities
- Greenhouse gas removal
- Supplier engagement
- Carbon-free logistics

2

Closed resource loop

- Effective use of resources
 - Reduce size and weight, use recycled materials
- Minimize production losses
- Extend product service lives
 - Refurbish and reuse

3

Customer environmental impact mitigation

- Lower power consumption
- Longer product life
- Fewer consumables and limited lifetime parts
- Digitalization of printing
- Miniaturization of production machines

4

Environmental technology development

- Dry fiber technology applications
- Naturally derived (plastic-free) materials
- Material recycling (metal, paper)
- CO₂ absorption technology

Environmental investment and spending

● Spend ¥100 billion over the 10 years to 2030

1 2 4

- Reduce GHG emissions¹ in the supply chain by more than 2 million tonnes
- Use renewable energy to meet 100% of the electricity needs of the entire Epson Group by 2023²

Switched to 100% renewable electricity at all sites in Japan by November 1, 2021, five months ahead of schedule

● Concentrate management resources on the development of products and services that reduce environmental impacts

3

¹ GHG scope1, 2, 3 emissions

² Excludes leased properties for sales offices, etc. where the amount of electricity consumed cannot be determined

80th Anniversary

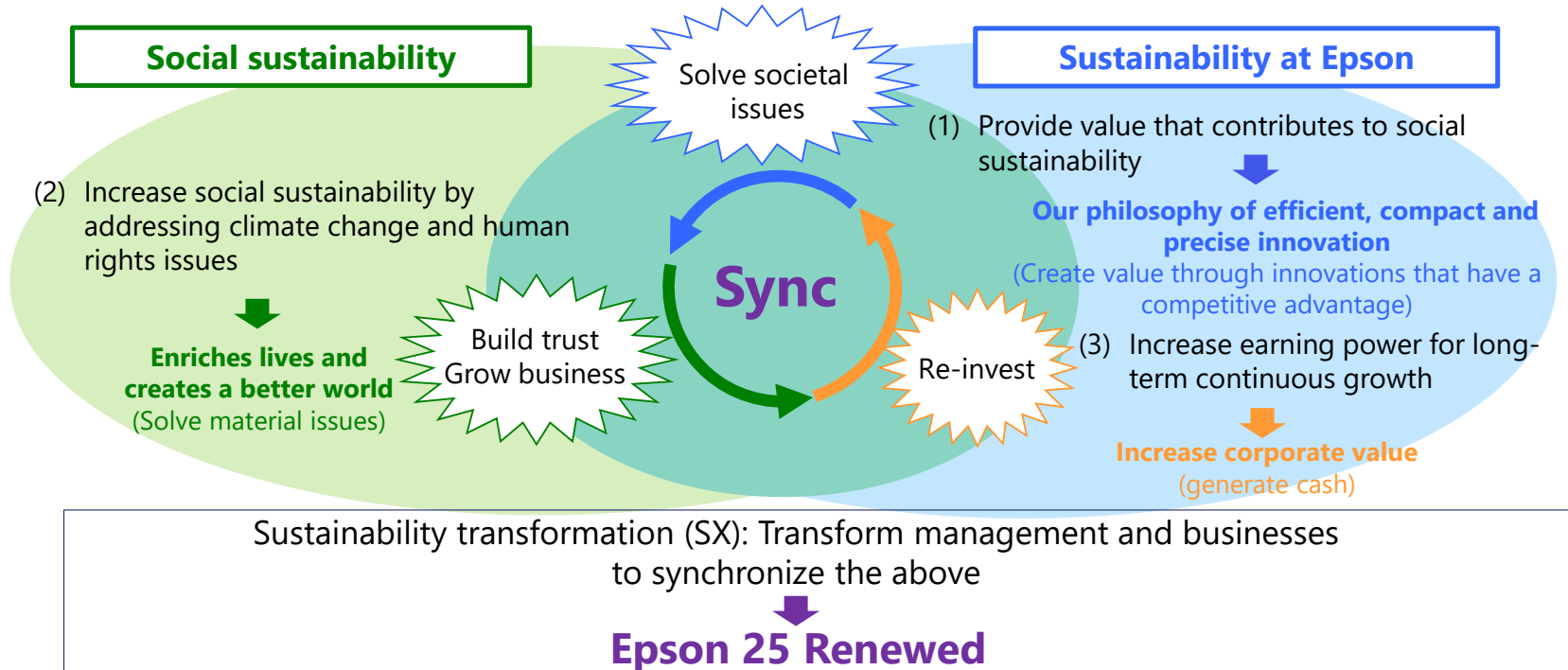
**We at Epson appreciate and would like to
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Sustainability Management



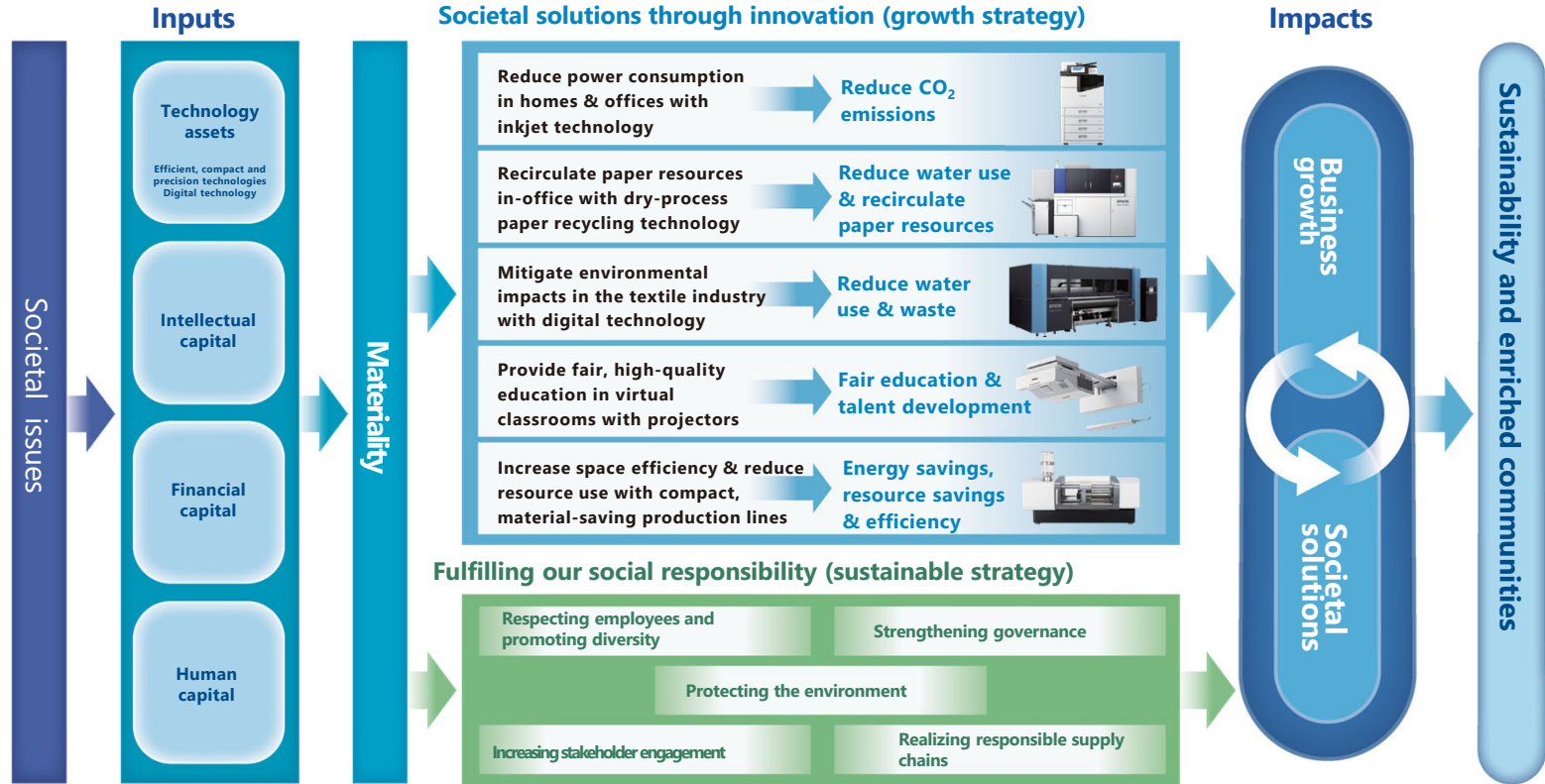
Epson's business operations lead to societal solutions

We are growing our businesses by solving societal issues and using that growth to solve more issues

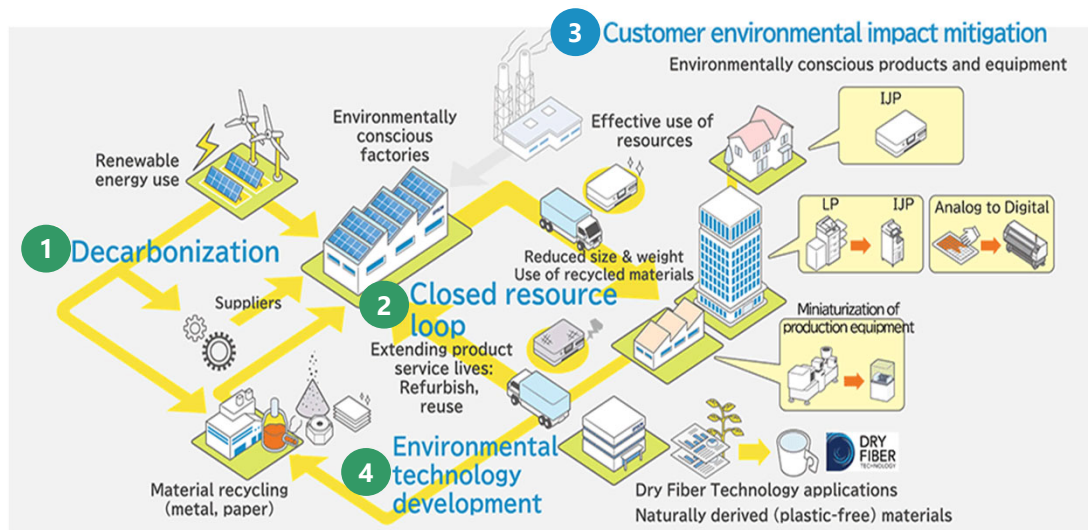


Source: Epson, based on an illustration in Ito Report 3.0

Sustainability management strategy: Achieving business growth while solving societal issues



Increase corporate value by solving societal issues



3

Solve societal issues through business innovation (growth strategy)

- Business growth by providing eco-friendly products and equipment which mitigate customer environmental impact
- R&D, capex 100 Billion JPY/Year, approx. 1000 Billion in 10 years

1 2 4

Fulfill social responsibility (sustainability strategy)

- Build a base for carbon minus by developing and installing environmental technology, and creating systems for saving energy and recycling
- Cost 1000 Billion JPY in 10 years until 2030

Task Force on Climate-related Financial Disclosures (TCFD)

- The financial impact of transition risks was estimated to be ¥100 billion based on a TCFD scenario analysis. This is for investment in decarbonization, closed resource loop, and environmental technology development initiatives to fulfill our social responsibility.
- Customer environmental impact mitigation is an opportunity for an estimated 15% CAGR in growth areas by 2025.

Climate-Related Risks and Opportunities in a 1.5°C Scenario

Category		What Was Evaluated	Financial Impact ¹
Transition risks	Market changes, policies, laws and regulations	<ul style="list-style-type: none"> • Paper demand 	Small
		(Initiatives in Environmental Vision 2050) <ul style="list-style-type: none"> • Decarbonization • Closed resource loops • Environmental technology development 	Invest a total of approximately ¥100 billion by 2030
Physical risks	Acute	<ul style="list-style-type: none"> • Damage to business sites due to floods 	Small
	Chronic	<ul style="list-style-type: none"> • Damage to business sites due to rising sea levels • Impact on operations due to drought 	
Opportunities	Products and Services	(Initiatives in "Environment Vision 2050") <ul style="list-style-type: none"> • Customer environmental impact mitigation 	Large
		<ul style="list-style-type: none"> • Environmental business 	Medium

¹ Financial impact Small: ≤ 1 billion yen Medium: 1-10 billion yen Large: >10 billion yen

FY2021 initiatives & results

Category		Evaluated risks & opportunities	Initiatives implemented in FY2021	FY2021 quantitative results
Transition risks	Market changes, policies, laws & regulations	• Paper demand	• In office & home printing, sales of printers increased in terms of both units and revenue. Sales of ink were stabilized and flat year on year. The financial impact of fluctuations in demand for paper in the markets targeted by Epson was limited.	—
		• Decarbonization	• Switched to 100% renewable electricity at all domestic sites ¹	¥3.32B
		• Closed resource loops	• Decided to invest in the construction of a new plant to recycle metal waste as materials for metal powder products (Epson Atmix).	Breakdown:
		• Environmental technology development	• Invested in a prototyping line for packaging materials using Dry fiber Technology. Increased manpower for environmental areas and development of materials.	• Investment: ¥1.06B • Personnel expenses: ¥1.26B • Expenses: ¥1.00B
Physical risks	Acute	• Damage to business sites due to floods	• Assessed the latest risks based on the IPCC Sixth Assessment Report for 36 sites (17 in Japan, 19 overseas). • Confirmed that changes in Epson's future operation risk caused by floods (river flooding), high tides, and drought is limited. Implemented BCP measures against the risk of inundation of facilities on lower floors of the Toyoshina Office ² .	—
	Chronic	• Damage to business sites due to rising sea levels		
		• Impact on operations due to drought		
Opportunities	Products and services	• Customer environmental impact mitigation	• Pursued initiatives in the growth areas (office printing, commercial & industrial printing, printhead sales, production systems) under Epson 25 Renewed.	FY2020 → FY2021 Revenue CAGR +22%
		• Environmental business	• Established environmental business subcommittees and began examining specific steps toward expanding business through environmental technology development.	—

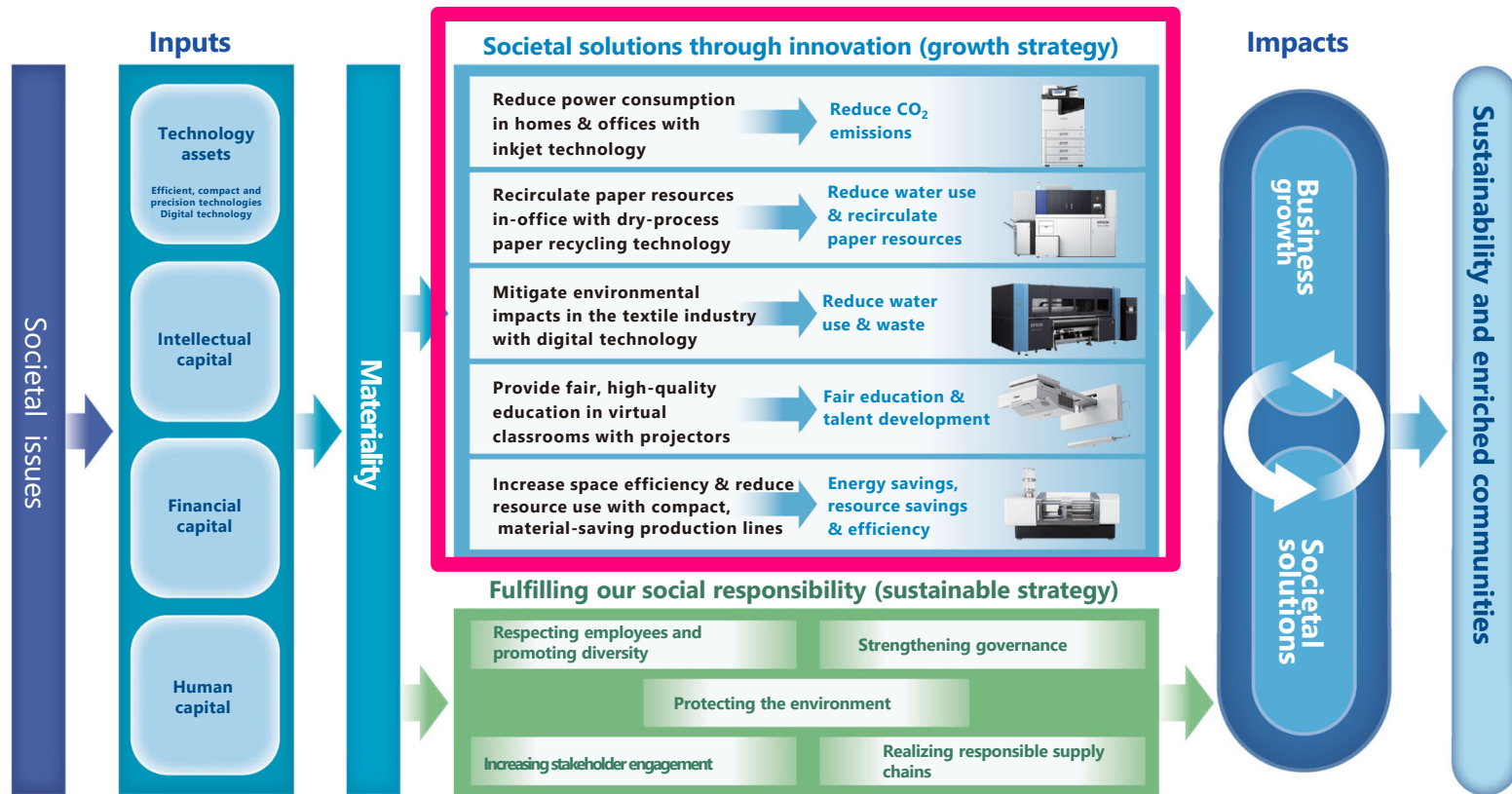
¹ Excluding some rental properties housing sales sites.


² A major domestic site with a long-term flooding risk (end of 21st century).

Societal Solutions Through Innovation (Growth Strategy)

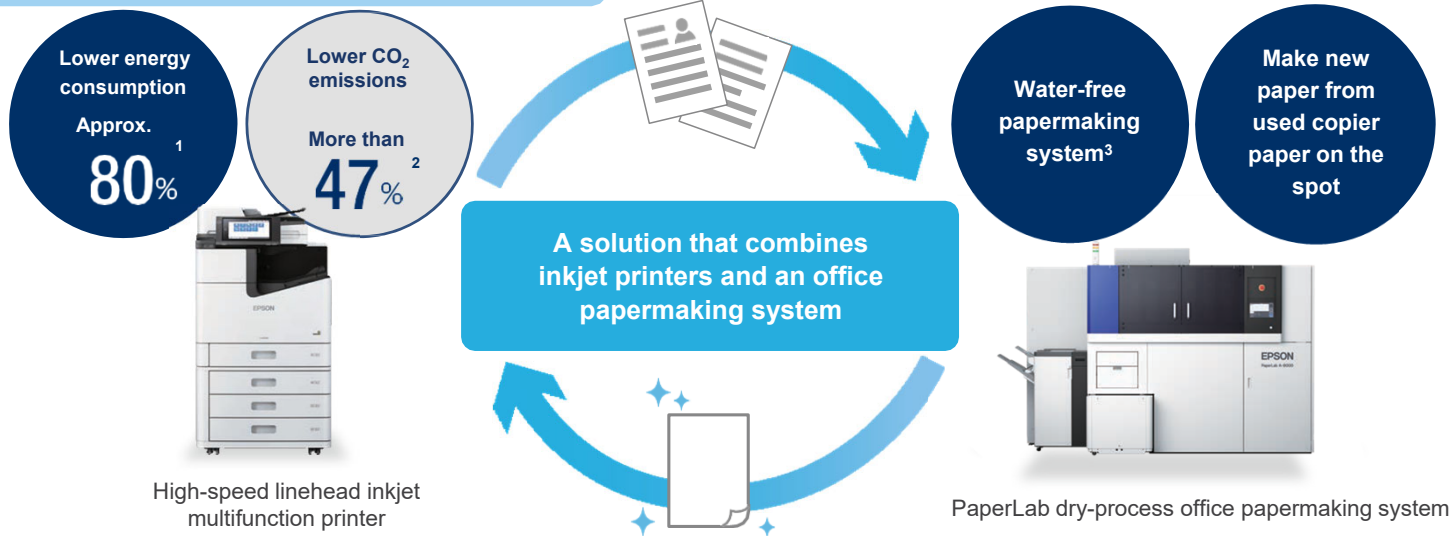


Sustainability management strategy: Achieving business growth while solving societal issues



 Achieve Sustainability in a Circular Economy

Societal Issues: Decarbonization, Resource Depletion, Water Resource Conservation



- Customer Value:**
- Reduce power consumption in offices.
 - Recycle paper in the office without using water.

Note: see page 48

Eco-conscious printing ecosystem that saves money & raises productivity

EPSON
EXCEED YOUR VISION



Achieve Sustainability in a Circular Economy



Advance the Frontiers of Industry

Societal Issues: Decarbonization & Resource Depletion

Comparison of CO₂ emissions from consumables

Ink cartridge printers



EW-452A
(2019)



Replacement
cartridges

Total 381 bottles

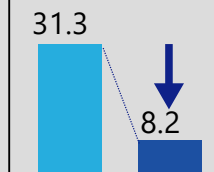
Customer value

- Reduced energy consumption
- Low resource consumption

Consumables' CO₂ emissions

73%
lower¹

kg-CO₂e



High-capacity ink tank printers



EP-M553T

*Only available in Japan



Higher volume
ink bottles

Total 38 bottles

¹ Comparison between an EP-M553T and EW-452A. CO₂ emissions from consumables used to print 30,000 pages.

Achieving Low-Resource, High-Efficiency Production and Sales Processes

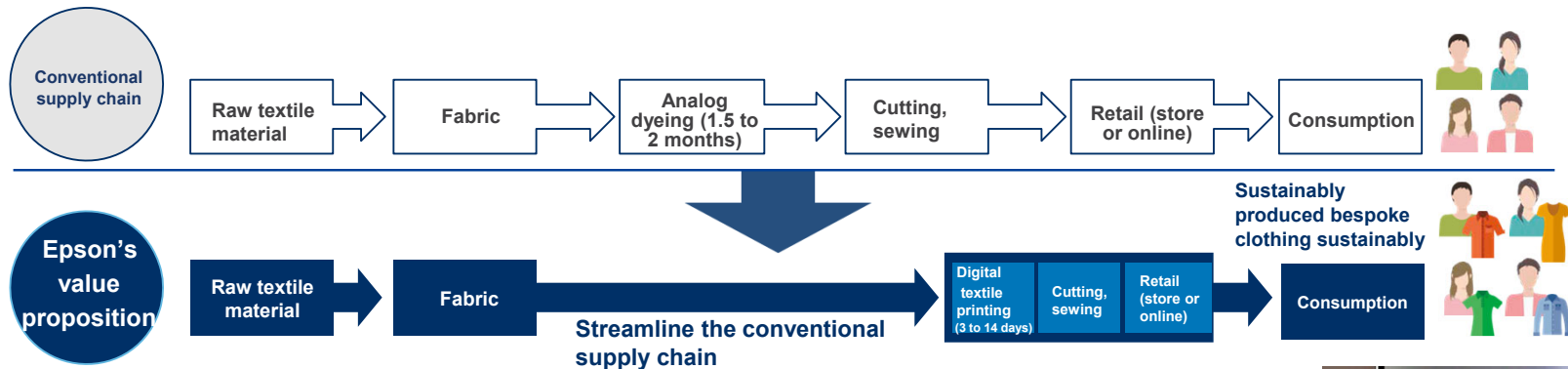


Achieve Sustainability in a Circular Economy



Advance the Frontiers of Industry

Societal Issues: Resource Depletion, Diversification of Consumers' Needs, Decentralization



Customer Value

- Digital textile printing enables a much shorter production process. Short runs can be completed efficiently with short turnaround times.
- Reduce in-store inventory & decor by using projected images.



Monna Lisa digital textile printer



Signage projector



Product display

Left: Projection-mapped design

Right: Design textile printing

Providing fair, high-quality education in virtual classrooms with projectors



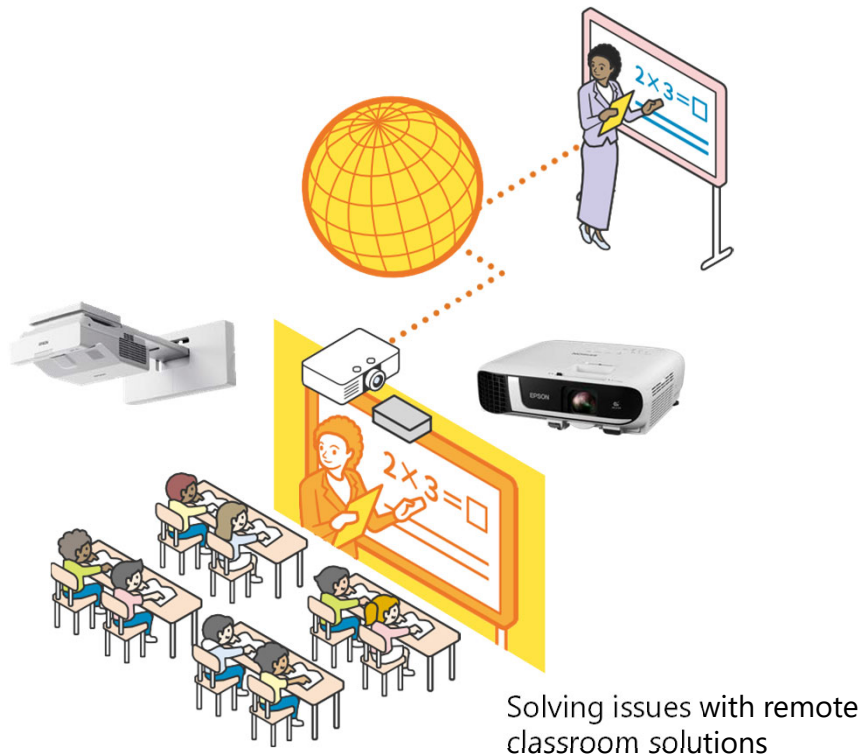
Advance the Frontiers of Industry

Societal Issue: Improving the Education Environment



Customer Value

- Distance learning using a projector



Solving issues with remote classroom solutions

“Make more with Less”

Micro injection molding machines that make financial and ecological sense



Achieving Sustainability in a Circular Economy

Societal Issue: Resource Depletion

Reduction effect compared to the average 30-ton injection molding machine on the market



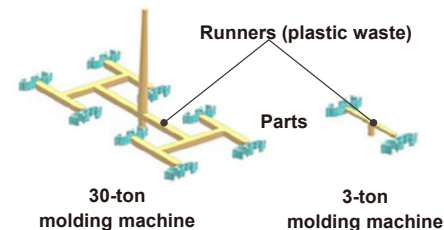
Approximate annual CO₂ Reduction

13 t + 26 t + 2 t = 41 tonnes total



Machine width 784 mm
(AE-M3, 3t machine)

Plastic printer parts used in evaluation



Note: See page 48

Customer Value

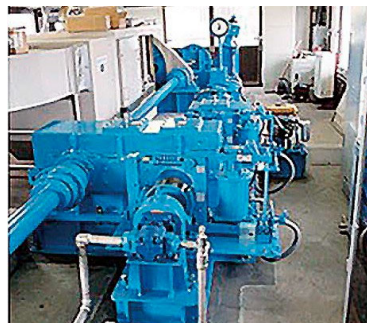
- Far smaller machines and high energy efficiency
- Minimal waste and more efficient use of input resources

Supporting infrastructure that protects people from increasingly prevalent floods



Improving the Quality of Life

Societal Issue: Safety Management, Provision of Infrastructure



Customer Value

- Monitor the state of equipment by using sensors to measure the vibration of motors that open and close dam and sluice gates



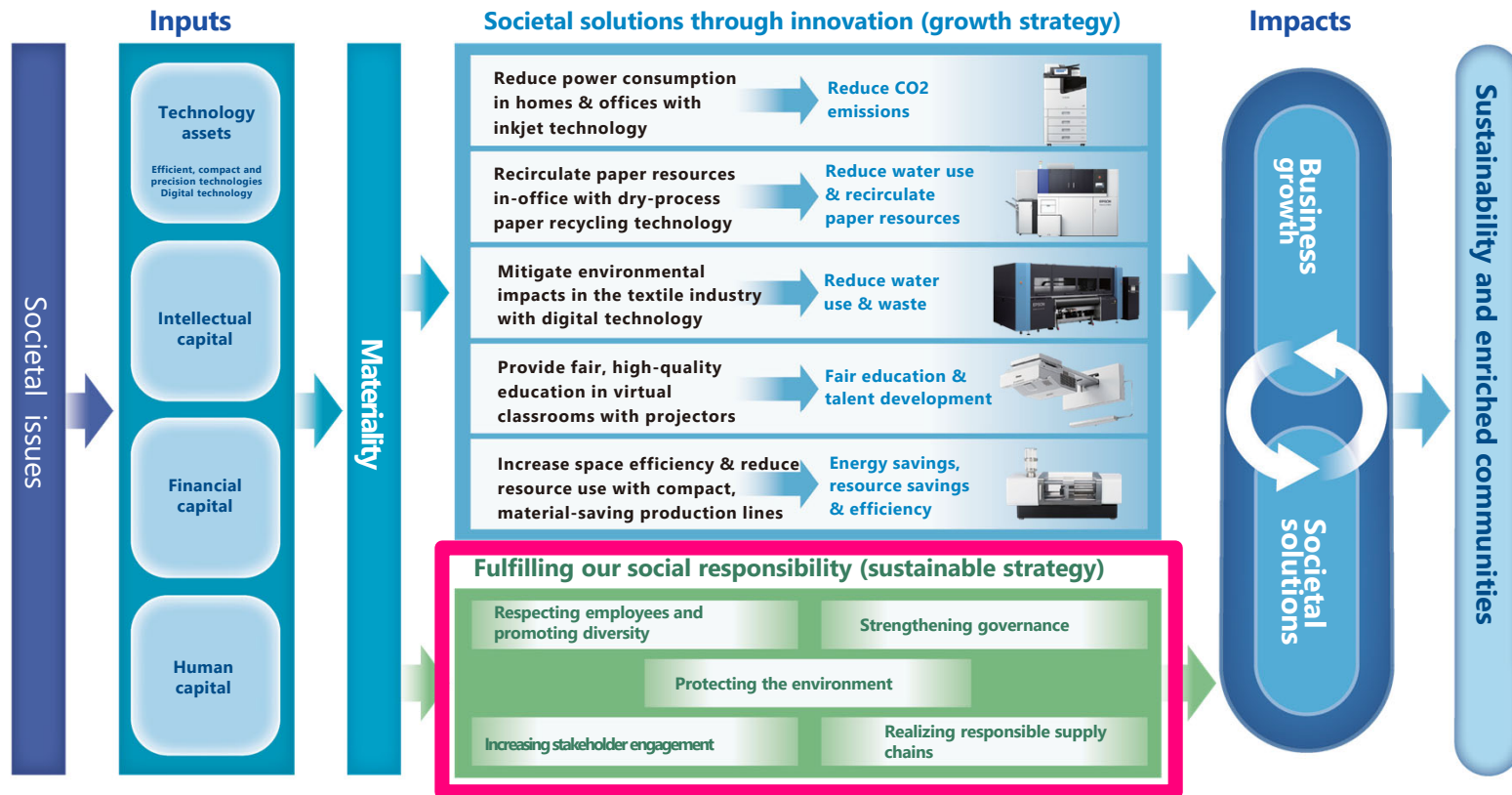
M-A342 VD10 vibration sensor

M-A542 VR10 dust and water-resistant vibration sensor

Fulfilling Our Social Responsibility (Sustainable Strategy)



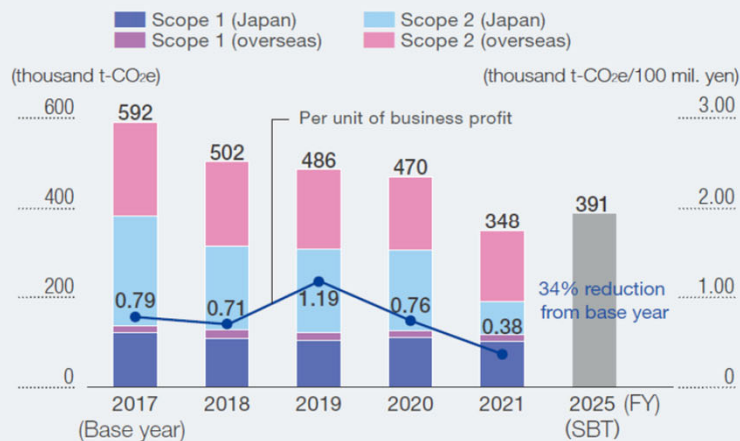
Sustainability management strategy: Achieving business growth while solving societal issues



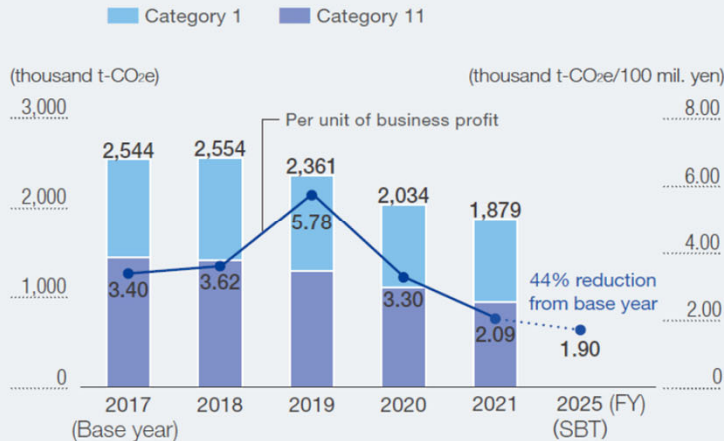
Global environmental preservation—Achieving decarbonization

Initiative Topic	Performance Indicators	FY2021 Targets	FY2021 Results
Using energy-saving equipment and facilities, removing GHGs, engaging suppliers, and pursuing carbon-free logistics to become carbon negative by 2050	Reduction ratio of scope 1 and 2 GHG emissions	Reduce by 17% compared to FY2017	Reduced by 41% compared to FY2017
	Reduction ratio of scope 3 GHG emissions (per unit of business profit)	Reduce by 22% compared to FY2017	Reduced by 38% compared to FY2017

Greenhouse Gas Emissions (Scopes 1 & 2)*



Greenhouse Gas Emissions (Scope 3: Categories 1 & 11)



* Coverage of science-based target,
Category 1: Purchased goods and services, Category 11: Use of sold products

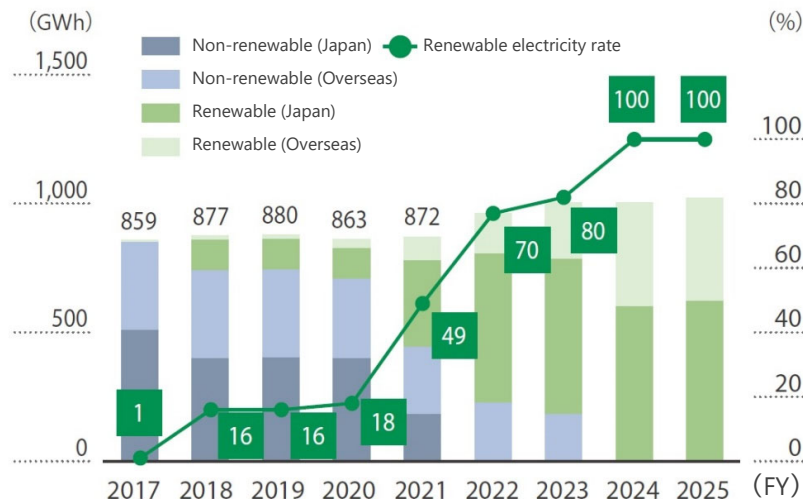
Note: See page 48

Global environmental preservation—Achieving decarbonization

Initiative Topic	Performance Indicator	FY2021 Target	FY2021 Result
Using renewable electricity to achieve RE100	Renewable electricity adoption ratio	Japan: 100%	Achieved 100% renewable electricity in Japan (Nov. 2021)

Promoting 100% renewable energy use

Renewable Electricity Use and Plan



Steps taken to meet the Epson Group's total electricity needs with 100% renewable electricity (As of July 2022)

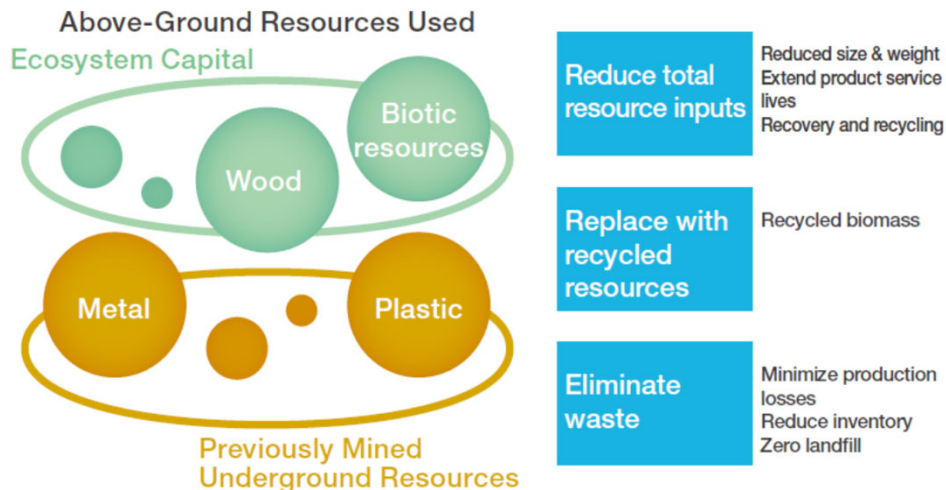
Fully powered by 100% renewables	Overseas manufacturing plants	Italy, UK, US (Portland), Indonesia (Bekasi), Thailand, the Philippines
	Overseas sales sites	<ul style="list-style-type: none"> Office buildings owned by Epson's European sales companies in France, Germany, Italy, the Netherlands, Spain, and the UK Office buildings not owned by Epson's European sales companies (some use 100% renewable electricity) <p>* For more details about our European sales companies, please see the Green Choice Report.</p>
	Japan	All sites in Japan ¹ (originally planned for March 2022)
Plan	2023	All Epson sites globally ¹

¹ Excludes leased properties of some sales sites, etc.

Global environmental preservation—Resource recycling

Initiative Topic	Indicator	FY2021 Targets	FY2021 Results
Becoming underground resource ² free by 2050: Using resources efficiently by reducing size and weight, using recycled materials, etc. • Establishing closed-loop production systems that minimize production losses	Closed-loop material usage ratio	20%	20% Began using recycled plastics in high-capacity ink tank printers
	Final landfilled ratio ²	≤1%	0.90% Increased metal recycling within the Group

Conceptual Image of Resource Use for Becoming Underground Resource Free



The product contains about 30% recycled plastic



EP-M553T printer with high-capacity ink tanks

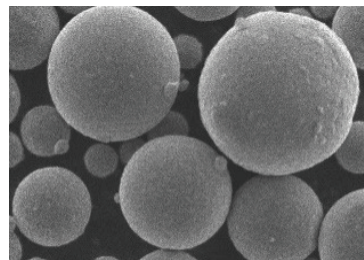
¹ Non-renewable resources such as oil and metals ² The percentage of production waste that goes to landfill versus the total resources input

Global environmental preservation

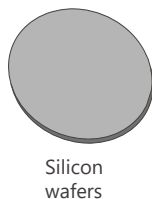
-Environmental technology development

Initiative Topics	Performance Indicator	FY2021 Targets	FY2021 Results
Eliminating virgin plastics and closing resource loops by using Dry Fiber Technology to produce recycled materials and natural materials. <ul style="list-style-type: none"> • Packaging materials • Housing materials 	Progress of development process	Develop materials & test Prototypes	Selected material candidates for prototyping
Establishing high-added-value recycling technology for used metal	Progress of development process	Begin reusing waste wafers	Began recycling waste wafers

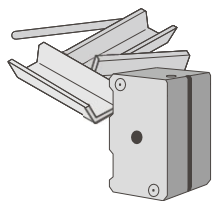
Recycling metal resources in the Epson Group with original metal powder manufacturing technology



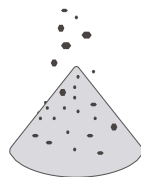
Super-fine powder with
Grain diameters of 10 microns or less



Silicon wafers



Unwanted molds,
stainless steel
materials, and silicon
steel materials



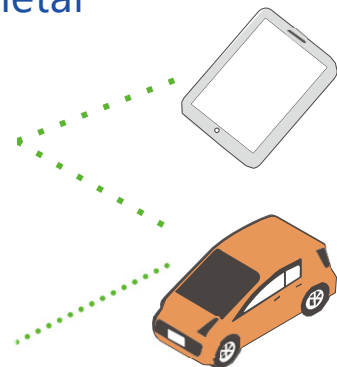
Magnetic alloy
powders & stainless
steel alloy powders



Inductors



Powdered metal
parts, metal injection
molded parts



Initiative Topics	Performance Indicator	FY2021 Targets	FY2021 Results
Realizing responsible supply chains	CSR risk level in the supply chain	CSR risk rank of main suppliers (direct materials): 0% high risk	CSR risk rank of main suppliers (direct materials): 0% high risk

Epson evaluates supplier compliance with the Epson Supplier Code of Conduct (RBA Code of Conduct) based on a detailed self-assessment questionnaire (SAQ).

Evaluation results (Direct material suppliers)

	2019	2020	2021	2025 Target
Number of evaluated suppliers	312	222	293	—
Low risk (>85 pts.)	58%	84%	91%	100%
Medium risk (66-85 pts.)	37%	16%	9%	0%
High-risk (= <65 pts.)	5%	0%	0%	0%

Utilizing human resources in a way that respects diversity

Initiative Topics	Performance Indicator	FY2021 Targets	FY2021 Results
Utilizing human resources in a way that respects diversity	Ratio of women in management positions (in Seiko Epson)	Female manager ratio: 3.6%	Female manager ratio: 4.1% (as of April 1, 2022)
	One or more female executive officers by FY2025 (in Japan)	Enhance internal development	Diversity management training became compulsory. Promoted women's participation in training for executive screening

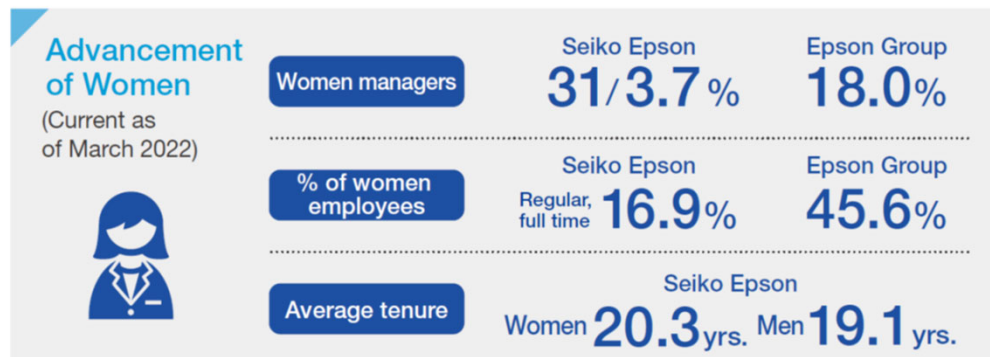
To alleviate the gender gap, Seiko Epson established a project to promote the advancement of women in the workplace in 2016. Then, in 2020, we created a Diversity and Inclusion Project that reports directly to the president to further expand activities.

Goals and Initiatives

1) Women in management (Japan)

- Raise the ratio of women in management so that it is the same as the ratio of women in our workforce by 2035.
- Improve career training for women, change mindsets, and introduce more flexible working arrangements.

2) 100% of eligible male employees take childcare leave.

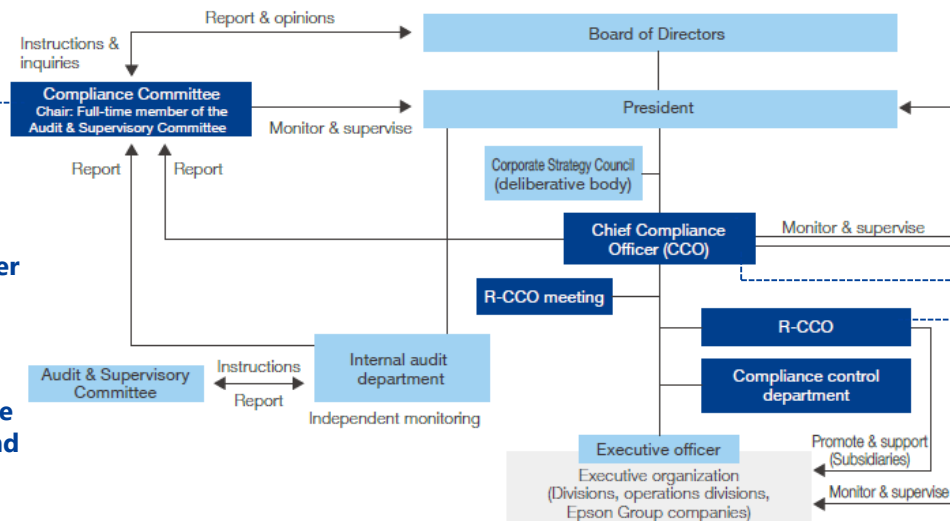


Reinforcement of compliance management platform

Initiative Topics	Performance Indicator	FY2021 Targets	FY2021 Results
Reinforcement of compliance management platform	Number of serious compliance violations	No serious compliance violations	No serious compliance violations

Compliance Organization

Compliance Organization Chart



Compliance Committee

- Comprised of five outside directors and a full-time member of the Audit & Supervisory Committee
- Supervises business affairs by discussing important compliance activities and making reports and suggestions to the board of directors

Chief Compliance Officer


- Supervises and monitors the execution of all compliance operations, including that of the president
- Periodically reports the state of compliance affairs to the Compliance Committee

Regional-CCOs promote and enforce compliance in their respective subsidiaries

Efforts to Improve the Effectiveness of Sustainability Management



KPIs set to define responsibility for sustainability management

Materiality	Key Sustainability Topics	Initiative Topics	LTI ¹	Key Performance Indicators (KPI)	FY2022 Targets
Achieve sustainability in a circular economy(E)	Decarbonization initiatives	Using energy-saving equipment and facilities, removing greenhouse gases, engaging suppliers, and pursuing carbon-free logistics to become carbon negative by 2050		•Scopes 1 and 2 GHG emissions reduction ratio	• Reduced by 21% compared to FY2017
		Using renewable electricity to achieve RE100		•Scope 3 GHG emissions (per unit of business profit) reduction ratio	• Reduced by 28% compared to FY2017
	Closed resource-loop initiatives	Becoming underground resource ² free by 2050: • Using resources efficiently by reducing size and weight, using recycled materials, etc. • Establishing closed-loop production systems that minimize production losses		•Closed-loop materials usage ratio	≥ 20%
				•Final landfilled ratio ³	≤ 1%
	Customer environmental impact mitigation	Maximizing avoided emissions with products and services that have a lower environmental impact ⁴		Emissions avoided through products & services	≥ The previous year
	Environmental technology development	Eliminating virgin plastics and closing resource loops by using Dry Fiber Technology to produce recycled materials and natural materials. •Packaging materials •Housing materials		Progress of development process	• Packaging: Verify practical use for Epson products • Housings: Begin technology verification for practical use
				Establishing high-added-value recycling technology for used metal	Progress of development process

¹ Long-Term Incentive Indicators

³ Ratio of landfilled amount of production resources against the volume of resources injected

² Non-renewable resources such as oil and metals

⁴ Quantified the contribution of products and services toward GHG emissions reductions

KPIs set to define responsibility for sustainability management

Materiality	Key Sustainability Topics	Initiative Topics	LTI ¹	Key Performance Indicators (KPI)	FY2022 Targets
Fulfill our social Responsibility (S+G)	Realizing responsible supply chains	Realizing responsible supply chains	●	CSR risk levels of suppliers	CSR risk rank of main suppliers (direct materials): 0% high risk, ≤ 6% middle risk
	Respecting human rights and promoting diversity	Utilizing human resources in a way that respects diversity	●	• Female management position ratio (the Company)	• Female manager ratio: 5%
				• 1 or more female executive officers by FY2025 (in Japan)	• Promote the participation of women in training
Strengthening governance	Reinforcement of compliance management platform	●	Number of serious compliance violations ⁵	• No serious compliance violations	

Please go to the Epson web site for the details of KPIs for key sustainability themes (<https://corporate.epson/en/sustainability/initiatives/materiality.html>).

* There are 12 key sustainability topics. The table below summarizes the initiative topics, key performance indicators (KPI), and FY2021 results for two of the ESG-related materialities that emphasize corporate sustainability (achieve sustainability in a circular economy and fulfill our social responsibility). The KPIs for the other materialities (advance the frontiers of industry and improve the quality of life) will be announced after FY2023.

¹ Long-Term Incentive Indicators

⁵ Cases of violation that correspond to timely disclosure matters

Officer Compensation System

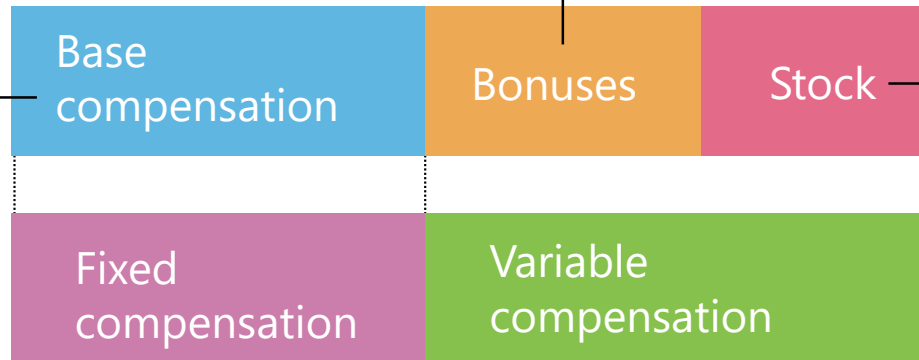
Revised the officer compensation system from FY2022

- fixed base compensation
- restricted stock compensation
- uses different evaluation indicators for officer bonuses

Composition of Compensation

The percentage of bonuses and stock compensation increases commensurate with position. (The following is for the president and representative director.)

Base compensation is fixed monetary compensation that is determined in accordance with the individual's position and the size of his or her role and assigned duties.



Indicators used: Level of achievement with respect to the corporate ROE target and personal objectives

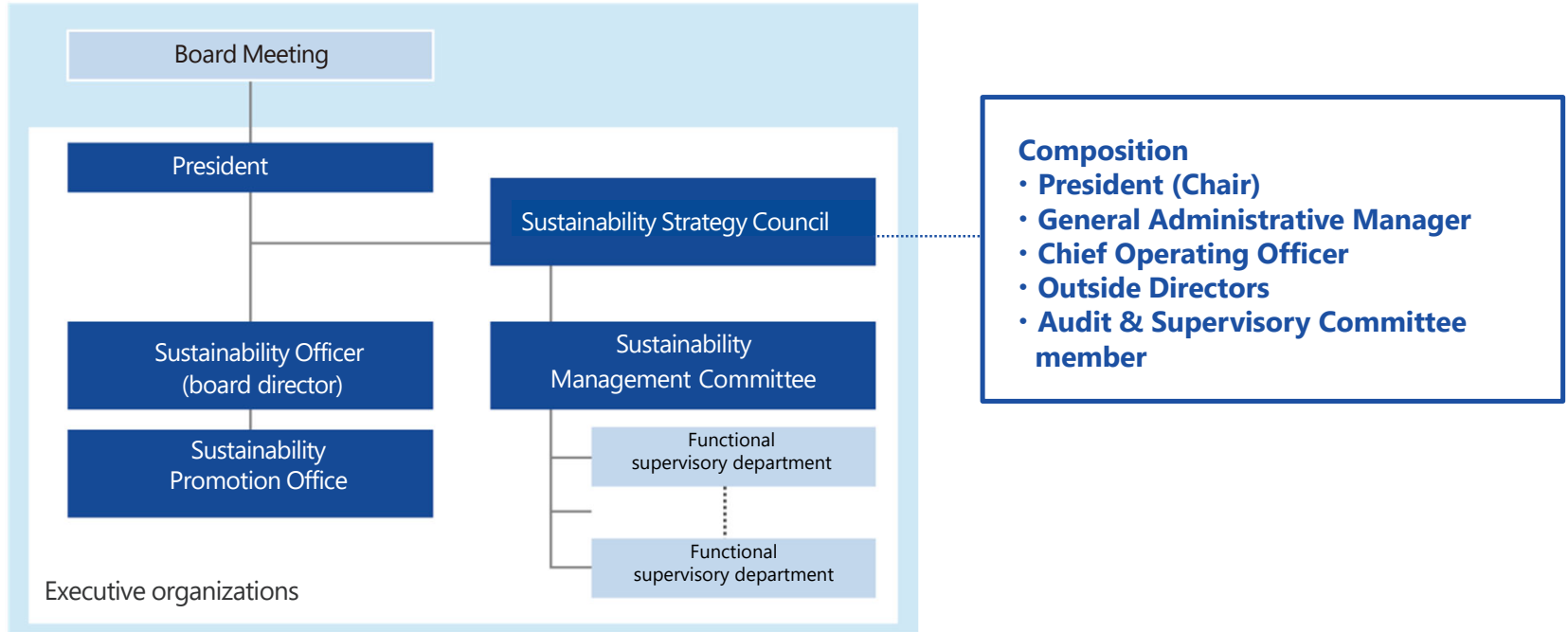
Indicators used: Level of achievement with respect to the corporate ROIC target and sustainability objectives

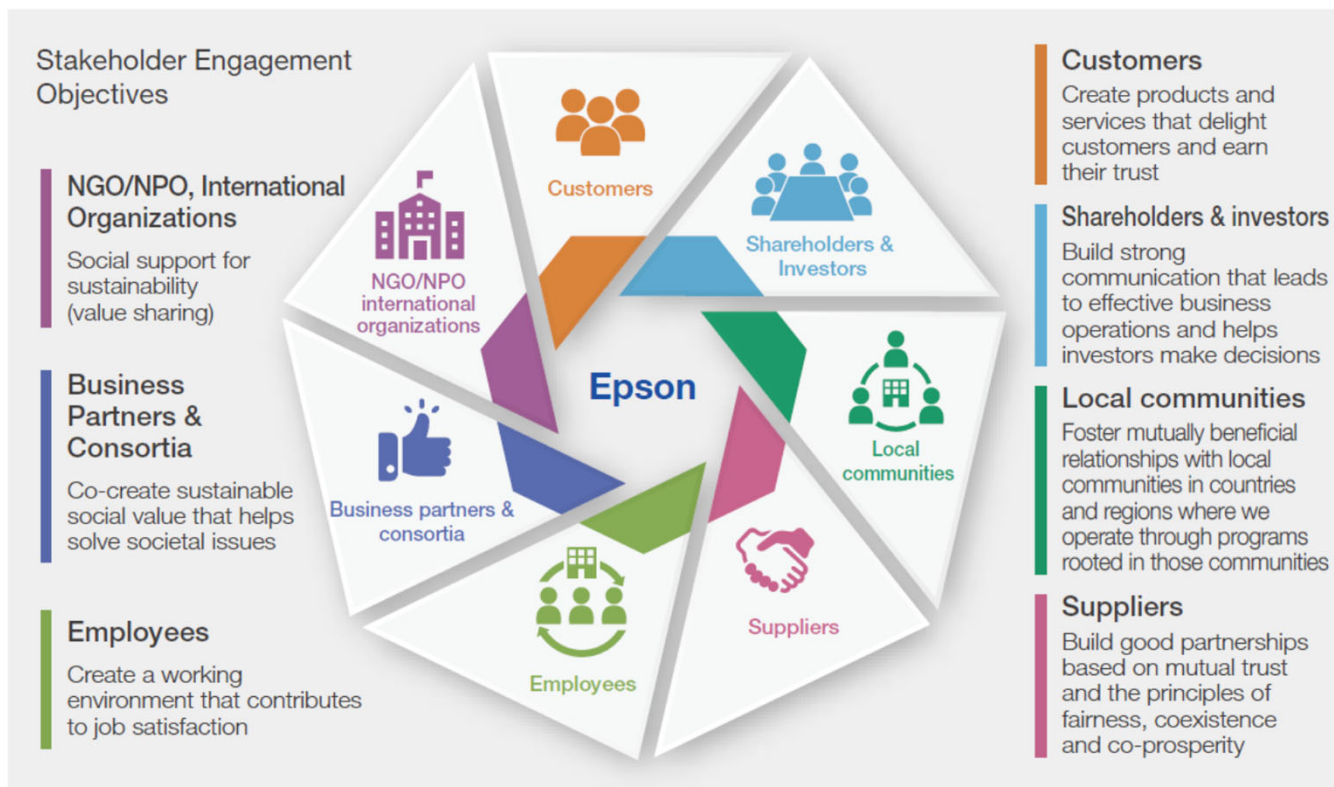
Sustainability Promotion Organization

Established the Sustainability Strategy Council as an advisory body to the president.

Considers and decides on the strategy and direction of the Epson Group's sustainability activities and regularly reports to the board of directors.

Promotion Organization



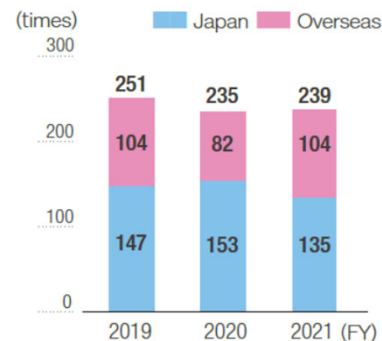


¹ Companies-stakeholder discussions Engagement enables companies to understand the interests of stakeholders and influences the company operations and decisions.

Stakeholder Engagement

- » We continuously and proactively engage capital markets throughout the year to build good communication and facilitate investment decisions.
- » Feedback from investors is shared with senior management and used to improve the quality of Management.
- » Use bulletins, websites, and other media to convey our ideas to as many people as possible.

Analyst and investor meetings¹



¹ In addition to face-to-face interviews and meetings, this includes telephone and online interviews and conferences.

Annual IR Cycle



² We ceased issuing the year-end shareholder bulletin in 2022.



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

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*1 Testing was commissioned by Epson and conducted by Keypoint Intelligence. Epson selected four competitor's models from worldwide top four best-selling vendor** in the 45-69 ppm color laser multi-function printer class. Epson WorkForce Enterprise WF-C20600 D4TW with 60 ppm. Devices were tested in default mode as per Keypoint Intelligence's proprietary standard energy consumption test methods. Calculations were based on a weekday workload of 2 x 4 hours printing + 16 hours in sleep/standby mode, and weekend energy use of 48 hours in sleep/standby mode. A total of 69 pages of workload test pattern using DOC, XLS, PPT, HTML, PDF files and Outlook email messages were printed six times in each four-hour printing period.

** Source: IDC's Worldwide Quarterly Hardcopy Peripherals Tracker 2020Q2, Units Share by Company

The reduction ratio when comparing the TEC of the LX series of high-speed linehead inkjet multifunction printers with the standard TEC for 60-ppm machines given in the Energy

*2 Star® Imaging Equipment Specification Version 3.0.

Some water is used to maintain humidity inside the system.

*3

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*1 This evaluation compares the impacts of a 30-ton machine and a 3-ton machine when producing 500,000 Epson printer parts per month. Calculations were checked using a method of Mizuho Research & Technologies Institute. Epson's AE-M3 (3-ton molding machine) produces two parts at a time and has a molding time of 694 hours, whereas the average 30-ton molding machine of other companies produces eight parts at a time and has an average molding time of 382 hours. The manufacturing, transportation, and disposal stages of products and accessories are not taken into account when calculating CO2 emissions. These are the estimated results of a hypothetical model based on Epson's actual results, and the calculation results may differ depending on the conditions of the customer's equipment and materials. Calculation conditions: Cubic volume of part was 0.5 cm³, plastic material was POM, the 30-ton machine was a composite imagined using the mean value of three representative models from other manufacturers, and the installation area was the molding machine installation space + incidental equipment + work space.

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*1 CO2 conversion factor of greenhouse gas emissions.

- Electric power: In Japan, we use the adjusted emissions factors for the load serving entities (i.e., utilities) from which our sites purchase electricity, pursuant to Load Serving Entity Emission Factors announced by the Ministry of Environment and the Ministry of Economy, Trade and Industry.

Overseas, we use the country emission factors listed in IEA (International Energy Agency) or from the load serving entities from which our sites purchase electricity.

- Fuel: The factors announced by the IPCC in 2006 were used for both domestic and overseas data.

- GHGs other than CO2: Equivalent were calculated based on 100-year GWP values in the Fifth Assessment Report of the IPCC.

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