

Commercial & Industrial IJP (Finished Product Business) Small Meeting

October 7, 2021

Seiko Epson Corporation

■ Disclaimer regarding forward-looking statements

The foregoing statements regarding future results reflect the Company's expectations based on information available at the time of announcement. The information contains certain forward-looking statements that are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Such risks and uncertainties include, but are not limited to, the competitive environment, market trends, general economic conditions, technological changes, exchange rate fluctuations and our ability to continue to timely introduce new products and services.

■ Note regarding business profit

Business profit is calculated by deducting cost of sales and SGA expenses from revenue. Although not defined in the statement of consolidated comprehensive income, this indicator is very similar to the concept of operating income under J-GAAP. Epson will present this information as a reference, as the Company believes users of financial statements will find it useful when evaluating Epson's financial performance.

■ Numerical values presented herein

Numbers are rounded down to the unit indicated. Percentages are rounded off to one decimal place. Years mentioned in these materials are fiscal years unless otherwise indicated.

- Product portfolio, applications, usage
- Market update
- Strategy progression

Commercial & Industrial Printing

Commercial & Industrial IJP

Finished product business (printers, ink, service)

Photos. Graphics/ Proof

Fine art, photos, proofs, etc.



Corporate

CAD drawings, GIS (maps), etc.



Signage

Indoor/outdoor signs, posters



Textile DTG

Direct to Garment
Direct printing on ready-made articles like t-shirts



Textile dye-sublimation transfer

Heat is applied to dye-sublimation ink printed on transfer paper to transfer on to textiles



Textile DTF

Direct to Fabric
Print directly on to fabric



Labels

Identifying labels for products such as food and beverages



Label presses



Label printers

Printhead sales business (printheads & ink)



Small printers, other



Small printers (POS printers)



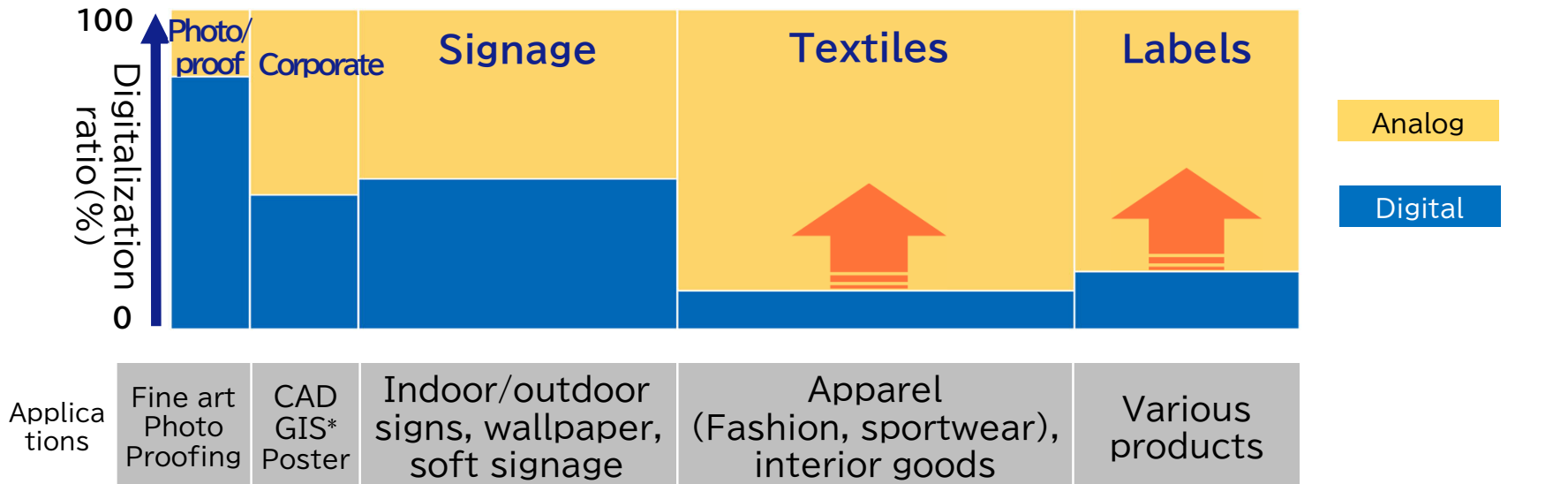
Label printers (Desktop/handheld)

C&I Market Opportunities

- Commercial and industrial markets are expanding in step with economic development and population growth
- Digitalization of textile and label printing presents a huge opportunity

Rate of digitalization in different printing market categories

(printer + ink: approx. ¥3.4 trillion)



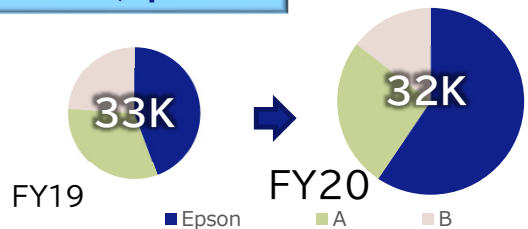
* Geographic Information System

Epson's Market Share for Finished Products

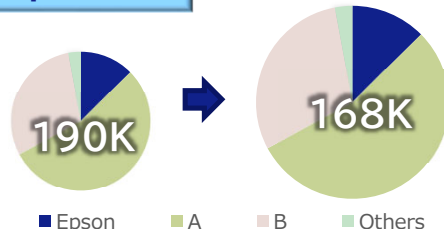
- Increased share in North America and Australia mainly due to large order wins
- Corporate and Signage maintained share although market shrunk due to COVID-19
- Market growth especially in entry models for DTG and Dye-sub, Epson competed with new products

FY19/FY20
Global unit share
Epson research

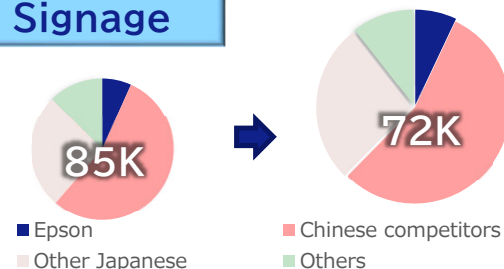
Photo/ proof



Corporate

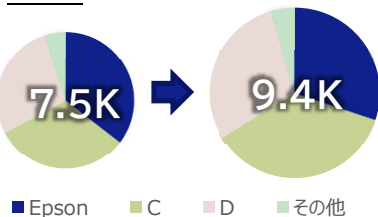


Signage



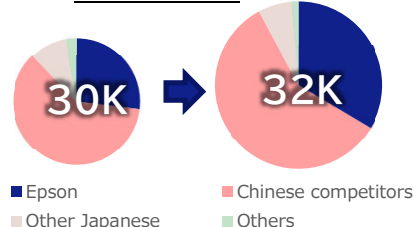
Textiles

DTG

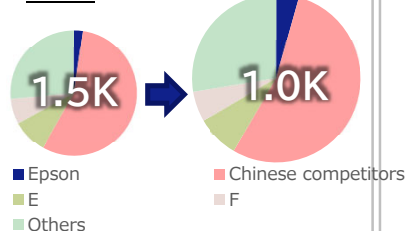


Dye-sub transfer

(Over 24")



DTF



Labels

Label Press



Epson's Strategy for Accelerating Growth

Key strategic points

- Capitalize on Epson's strengths in addition to high image quality to further differentiate.
- Use platforming to rapidly expand our lineup of high-productivity products for multiple applications.
- Develop software applications that meet the demand for distributed printing and additional installations.
- Accelerate the transition to digital by strengthening customer touch points and supporting system.

Customer issues

- Want to raise productivity
- High TCO for digital printing
- Color matching is difficult
- Different machines/models produce different colors
- Production management is inefficient

Epson's issues

- Rapid market launch of products
 - Thin lineup of high-productivity products
 - Textile and signage ink types limited
- Achieving lower TCO
- Lack of color matching and production management solutions

Commercial & Industrial IJP Platforming

EPSON
EXCEED YOUR VISION

- Rapidly expand the lineup by engineering platforms.
 - Enable us to expand the lineup without slowing down new product development.
 - ✓ Create diverse products by combining different printheads, print mechanisms, ink supply systems, and control systems.
 - Share technologies and assets developed for office and home products, and take advantage of economies of scale.



High-productivity/ High end



Compact/ Entry



Standard



Lineup Expansion

- ◆ Efficiently expand lineup through platforming
- ◆ Current growth generated from new releases after FY18. with more products to be launched

Total lineup (New products released)

Category	FY18	FY19	FY20	FY21
Photos, Graphics	17 (0)	17 (3)	13 (2)	Launch Planned
Corporate	14 (4)	19 (5)	22 (3)	Launch Planned
Signage	5 (0)	7 (2)	10 (3)	
Dye-sub	3 (0)	7 (5)	9 (2)	Launch Planned
DTG	1 (0)	1 (0)	2 (1)	
DTF	2 (2)	4 (2)	4 (3)	Launch Planned
Labels	4 (0)	6 (3)	6 (0)	Launch Planned
合計	46 (6)	61 (20)	66 (14)	

Total Support for Printing Operations with Software Solutions



- **Epson Cloud Solution platform**

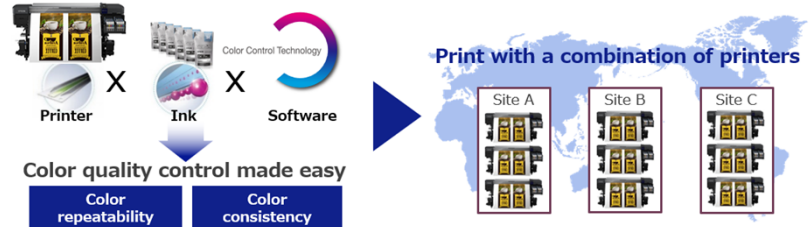
- Supports production management and maintenance management in addition to color quality control
- Entered service in 2020. Functions to be expanded.



Total Support for Printing Operations with Software Solutions



- **Color quality control made easy with Color Control Technology**
 - Match colors quickly and accurately.
 - Get repeatable, consistent color matching on the same and different models.
- **Achieve scalability with distributed printing.**
 - Avoid stock and supply risk by printing locally.
 - Easily expand production capacity as business expands.



Strengthen Customer Touch Points and Support

● Communicate value of digital printing

- Strengthen customer touch points while mainly using direct sales approach for large machines and dealer sales for medium- and small-sized large format printers

Expand and upgrade showrooms

- Sharply expand in Japan and at global sales sites

Pre-sales activities using online tools

- Step up private demos and seminars for dealers and customers
- Early contact and feedback into products

Approaching brand owners

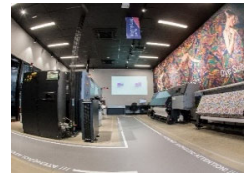
- Directly emphasize the value of digital printing
- Promote joint development



Show
rooms



Brazil



SC



TSC Asia



Solution Center



Online pre-sales

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