EPSON

Annual Report 2025

SEIKO EPSON CORPORATION

April 2024 - March 2025

Note: This document has been extracted and translated for reference purposes only from the Japanese original report (Yukashoken-Hokokusho) issued on June 25, 2025, which was created in accordance with the Financial Instruments and Exchange Act. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Cautionary Statement

This report includes forward-looking statements that are based on management's view from the information available at the time of the announcement. These statements are subject to various risks and uncertainties. Actual results may be materially different from those discussed in the forward-looking statements. The factors that may affect Epson include, but are not limited to, general economic conditions, the ability of Epson to continue to quickly introduce new products and services, consumption trends, competition, technology trends, and exchange rate fluctuations.

In this annual report, "Epson" or the "Group" refers to the Epson Group, while "the Company" may refer to the Group or the parent company, Seiko Epson Corporation.

Annual Securities Report

(83rd term)

FY2024
From April 1, 2024
to March 31, 2025

SEIKO EPSON CORPORATION

(E01873)

Table of Contents

Corporate Data and Investor Information

(1) Company name	Seiko Epson Corporation
(2) Founded	May 1942
(3) Head office	3-5, Owa 3-chome, Suwa, Nagano 392-8502, Japan Tel: +81-266-52-3131 (main)
(4) Tokyo office	JR Shinjuku Miraina Tower, 4-1-6 Shinjuku, Tokyo 160-8801, Japan Tel: +81 3-5368-0700 (main)
(5) Investor information	
Closing of accounts	March 31
Regular general shareholders' meeting	June
Date for confirmation to shareholders of the cash dividend payment date	March 31
Date for confirmation to shareholders of the interim cash dividend payment date	September 30
Transfer agent	Mitsubishi UFJ Trust and Banking Corporation 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Agent's business address	Stock Transfer Agency Department Mitsubishi UFJ Trust and Banking Corporation 1-1, Nikkocho, Fuchu, Tokyo, Japan Tel: +81-42-204-0303 https://www.tr.mufg.jp/english/
Intermediary offices	Head Office and Branches of Mitsubishi UFJ Trust and Banking Corporation
Posting of public notices	Public notices will be posted electronically. In the event of accidents or other circumstances preventing the electronic posting of information, such information will be made available through the *Nihon Keizai Shimbun* newspaper (Japanese).

Public notice website address https://kmasterplus.pronexus.co.jp/main/corp/6/7/6724/index.html (Japanese)

Part 1. Company Information

I. Overview of Company

1. Key financial data

Consolidated financial highlights

	Millions of yen					Thousands of U.S. dollars
For the years ended March 31	2021	2022	2023	2024	**2025**	**2025**
Revenue	995,940	1,128,914	1,330,331	1,313,998	**1,362,944**	**9,129,812**
Profit before tax	44,933	97,162	103,755	70,094	**78,395**	**525,136**
Profit for the period attributable to owners of the parent company	30,922	92,288	75,043	52,616	**55,177**	**369,608**
Total comprehensive income for the period	68,818	136,226	112,913	109,325	**47,999**	**321,525**
Equity attributable to owners of the parent company	550,924	665,628	727,352	810,992	**804,752**	**5,390,709**
Total assets	1,161,314	1,266,420	1,341,575	1,413,094	**1,456,461**	**9,756,244**
Equity attributable to owners of the parent company, per share	Yen 1,592.36	Yen 1,923.68	Yen 2,194.02	Yen 2,445.52	**Yen 2,512.15**	**$ 16.83**
Basic earnings per share	Yen 89.38	Yen 266.73	Yen 220.75	Yen 158.68	**Yen 168.75**	**$ 1.13**
Diluted earnings per share	Yen 89.35	Yen 266.64	Yen 220.70	Yen 158.66	**Yen 168.75**	**$ 1.13**
Equity attributable to owners of the parent company ratio	% 47.44	% 52.56	% 54.22	% 57.39	**% 55.25**	-
Return on equity	% 5.86	% 15.17	% 10.77	% 6.84	**% 6.83**	-
Price earnings ratio	Times 20.14	Times 6.90	Times 8.52	Times 16.67	**Times 14.14**	-
Dividend payout ratio	% 69.4	% 23.2	% 32.6	% 46.6	**% 43.9**	-
Total shareholder return (Comparison index: TOPIX (Dividend included))	% 159.1 (142.1)	% 167.9 (145.0)	% 177.5 (153.4)	% 249.2 (216.8)	**% 233.4 (213.4)**	-
Net cash from (used in) operating activities	133,222	110,801	61,311	165,570	**138,075**	**924,908**
Net cash from (used in) investing activities	(57,448)	(44,083)	(61,602)	(58,981)	**(150,787)**	**(1,010,061)**
Net cash from (used in) financing activities	23,150	(51,771)	(79,349)	(65,395)	**(45,129)**	**(302,300)**
Cash and cash equivalents at end of period	304,007	335,239	267,380	328,481	**267,000**	**1,788,525**
Number of employees	Persons 79,944	Persons 77,642	Persons 79,906	Persons 74,464	**Persons 75,352**	-

(Note) The Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS).

U.S. dollar amounts are presented for the convenience of the readers. This translation should not be construed to imply that the yen amounts actually represent, or have been or could be converted into, equivalent amounts in U.S. dollars. The exchange rate of ¥149.285 = U.S.$1 at the end of the reporting period has been used for the purpose of presentation.

2. Company milestones

Date	Event
5/1942	Daiwa Kogyo, Ltd. established to manufacture watch parts, launching the watch business
5/1959	Sales & marketing taken over from the Suwa factory of Daini Seikosha Co., Ltd. (now Seiko Instruments Inc.) and the business name was changed to Suwa Seikosha, Ltd.
9/1959	Reorganized to form Suwa Seikosha Co., Ltd.
12/1961	Domestic manufacturing company Shinshu Seiki Co., Ltd. (later Epson Corporation) established
8/1968	Manufacturing company Tenryu Singapore Pte. Ltd. (now Singapore Epson Industrial Pte. Ltd.) established
9/1968	Mini-printer business launched
11/1973	Semiconductor business launched
2/1974	Manufacturing company Suwa Overseas Ltd. [now Epson Precision (Hong Kong) Ltd.] established
4/1975	Sales company Epson America, Inc. established Corrective lenses business launched (the business was transferred in 2/2013)
6/1975	EPSON established as a company brand in non-watch businesses Liquid crystal display business launched
7/1976	Quartz crystal device business launched
12/1978	Computer printer business launched
11/1979	Sales company Epson Deutschland GmbH established in Germany
10/1980	Sales company Epson Electronics Trading Ltd. (now Epson Hong Kong Ltd.) established
11/1982	Sales company Epson Electronics (Singapore) Pte. Ltd. (now Epson Singapore Pte. Ltd.) established
5/1983	Domestic sales company Epson Sales Japan Corporation established
1/1985	Domestic manufacturing company Shonai Electronics Industry Corporation (now Tohoku Epson Corporation) established
2/1985	Manufacturing company Epson Portland Inc. established in the U.S.
11/1985	Suwa Seikosha Co., Ltd. and Epson Corporation merged to form Seiko Epson Corporation
1/1987	Manufacturing company Epson Telford Ltd. established in the U.K.
1/1989	LCD projector business launched
9/1989	Sales company Epson Semiconductor GmbH (now Epson Europe Electronics GmbH) established in Germany
1/1990	Regional head office Epson Europe B.V. established in the Netherlands
1/1993	U.S. Epson, Inc. established
11/1993	Domestic sales company Epson Direct Corporation established
7/1994	Manufacturing company P.T. Indonesia Epson Industry established
2/1996	Manufacturing company Suzhou Epson Quartz Devices Co., Ltd. (later Suzhou Epson Co., Ltd.) established in China (all rights and obligations transferred in 7/2011)
11/1996	Sales company Epson Electronics America, Inc. established (absorbed by Epson America, Inc. in 4/2018)
4/1998	Regional head office Epson (China) Co., Ltd. established
3/2001	Orient Watch Co., Ltd. made a wholly owned subsidiary
6/2003	Seiko Epson shares listed on Section 1 of the Tokyo Stock Exchange
10/2004	Liquid crystal display business split off to form Sanyo Epson Imaging Devices Corporation
10/2005	Quartz device business split off to form Epson Toyocom Corporation (now Miyazaki Epson Corporation)
12/2006	Sanyo Epson Imaging Devices Corporation made a wholly owned subsidiary through the acquisition of additional shares. Business name changed to Epson Imaging Devices Corporation (certain assets of the small- and medium-sized LCDs business were transferred in 4/2010). Epson Imaging Devices was absorbed by Seiko Epson in 2/2017, with the latter the surviving company.

Date	Event
11/2008	Additional shares of Orient Watch Co., Ltd. acquired in a takeover bid
3/2009	Orient Watch Co., Ltd. made a wholly owned subsidiary via an exchange of shares (the watch sales business was split off and absorbed in 4/2017, with Seiko Epson and Epson Sales Japan the succeeding companies)
4/2009	Additional shares of Epson Toyocom Corporation (now Miyazaki Epson Corporation) acquired in a takeover bid
6/2009	Epson Toyocom Corporation (now Miyazaki Epson Corporation) made a wholly owned subsidiary via an exchange of shares (sales, marketing and certain other functions related to the quartz device business were split off and absorbed in 4/2012, with Seiko Epson the succeeding company)
4/2015	Executed a 2-for-1 stock split of common shares
6/2016	Transitioned from a company with an audit & supervisory board to a company with an audit & supervisory committee
7/2017	Construction completed on a new factory at manufacturing subsidiary Epson Precision (Philippines), Inc. to expand production capacity for inkjet printers and projectors
6/2018	Construction completed on a new factory at the Hirooka Office in Nagano Prefecture to expand inkjet printhead production capacity
3/2020	Construction completed on a new building at the Hirooka Office in Nagano Prefecture to reinforce commercial and industrial printing R&D and production capacity
4/2022	Company stock transferred from the 1st Section of the Tokyo Stock Exchange to the Prime Market in conjunction with a reorganization of the Tokyo Stock Exchange's market segments
9/2024	Self-insurance company Epson Global Reinsurance, Inc. established in U.S.
12/2024	Fiery, LLC made a wholly owned subsidiary by acquisition of all equity interests

3. Description of business

Epson is primarily engaged in developing, manufacturing, selling, and providing services for products in the printing solutions, visual communications, manufacturing-related and wearables, and the other business.
Epson is organized into operations divisions that come 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.
A brief description of Epson's various businesses is provided below along with a list of the main Epson Group companies involved in each segment.
Based on the Epson 25 Renewed corporate vision, the three reporting segments of Epson are printing solutions, visual communications, and manufacturing-related and wearables. Each reporting segment is the same as the segments used in "V. Financial Information, Consolidated financial statements, etc., (1) Consolidated financial statements, Notes to Consolidated Financial Statements, 6. Segment Information."

Printing Solutions Business Segment
This segment comprises the office and home printing business, commercial and industrial printing business, and others. The businesses in this segment leverage Epson's original Micro Piezo as well as dry fiber technology and other technologies to develop, manufacture, and sell products and provide services related thereto.
The main activities of these businesses are described below.

Office and home printing business
This business is primarily responsible for office and home inkjet printers, serial impact dot matrix (SIDM) printers, page printers, color image scanners, dry process office papermaking systems, and related consumables.

Commercial and industrial printing business
This business is primarily responsible for inkjet printers for commercial and industrial applications, inkjet printheads, printers for use in POS systems, label printers, related consumables, and digital printing software solutions.

The major Epson Group companies involved in this segment are listed in the table below.

<table>
<tr><th rowspan="2">Business area</th><th rowspan="2">Main products</th><th colspan="2">Main Epson Group companies</th></tr>
<tr><th>Manufacturing companies</th><th>Sales companies</th></tr>
<tr><td>Office and home printing business</td><td>Inkjet printers for office and home, serial impact dot matrix printers, page printers, color image scanners, dry process office papermaking systems, and related consumables, and others</td><td rowspan="2">Tohoku Epson Corporation
Akita Epson Corporation
Epson Portland Inc.
Epson do Brasil Industria e Comercio Ltda.
Epson Telford Ltd.
Epson Como Printing Technologies S.r.l.
Epson Engineering (Shenzhen) Ltd.
Tianjin Epson Co., Ltd.
PT. Epson Batam
PT. Indonesia Epson Industry
Epson Precision (Philippines), Inc.</td><td rowspan="2">Epson Sales Japan Corporation
Epson America, Inc.
Epson do Brasil Industria e Comercio Ltda.
Epson Europe B.V.
Epson (U.K.) Ltd.
Epson Deutschland GmbH
Epson France S.A.S.
Epson Italia S.p.A.
Epson Como Printing Technologies S.r.l.
Epson Iberica, S.A.U.
Epson Middle East FZCO
Epson (China) Co., Ltd.
Epson Singapore Pte. Ltd.
Epson Korea Co., Ltd.
Epson Hong Kong Ltd.
Epson Taiwan Technology & Trading Ltd.
PT. Epson Indonesia
Epson (Thailand) Co., Ltd.
Epson Philippines Corporation
Epson Australia Pty. Ltd.
Epson India Pvt. Ltd.</td></tr>
<tr><td rowspan="2">Commercial and industrial printing business</td><td rowspan="2">Commercial and industrial inkjet printers, inkjet printheads, printers for use in POS systems, label printers, related consumables, and digital printing software solutions, and others</td></tr>
<tr><td colspan="2">Fiery, LLC*</td></tr>
</table>

* Fiery, LLC was made a wholly owned subsidiary by acquisition of all equity interests in December 2024.

Visual Communications Business Segment

The businesses in this segment leverage Epson's original microdisplay and projection technologies to develop, manufacture, and sell 3LCD projectors mainly for business, education, the home, and event as well as smart glasses and provide services related thereto.

The major Epson Group companies involved in this segment are listed in the table below.

<table>
<tr><th rowspan="2">Business area</th><th rowspan="2">Main products</th><th colspan="2">Main Epson Group companies</th></tr>
<tr><th>Manufacturing companies</th><th>Sales companies</th></tr>
<tr><td>Visual communications</td><td>3LCD projectors, smart glasses, and others</td><td>Epson Engineering (Shenzhen) Ltd.
Epson Precision (Philippines), Inc.</td><td>Epson Sales Japan Corporation
Epson America, Inc.
Epson do Brasil Industria e Comercio Ltda.
Epson Europe B.V.
Epson (U.K.) Ltd.
Epson Deutschland GmbH
Epson France S.A.S.
Epson Italia S.p.A.
Epson Iberica, S.A.U.
Epson Middle East FZCO
Epson (China) Co., Ltd.
Epson Singapore Pte. Ltd.
Epson Korea Co., Ltd.
Epson Hong Kong Ltd.
Epson Taiwan Technology & Trading Ltd.
PT. Epson Indonesia
Epson (Thailand) Co., Ltd.
Epson Philippines Corporation
Epson Australia Pty. Ltd.
Epson India Pvt. Ltd.</td></tr>
</table>

Manufacturing-related and wearables Business Segment

This segment comprises the manufacturing solutions business, wearable products business, microdevices business, and the PC business and develops, manufactures and sells the products below, and provides services related thereto. The main activities of these businesses are described below.

Manufacturing solutions business

This business leverages advanced precision mechatronics, high-accuracy sensing technology, software technology and other technologies to develop, manufacture, and sell industrial robots and other production systems that dramatically increase productivity.

Wearable products business

This business leverages its ultrafine and ultraprecision machining and processing technologies, its high-density mounting and assembly technologies and high-accuracy sensing technology to develop, manufacture and sell wristwatches, watch movements and others.

Microdevices and others business

This business deals with small, accurate, energy-efficient devices for external customers, and also develops and manufactures devices tailored to needs of other businesses in the Epson Group. It also operates metal powders business and surface finishing services business.

Quartz device business

This business provides crystal units, crystal oscillators, and quartz sensors for consumer, automotive, and industrial equipment applications.

Semiconductor business

This business provides CMOS LSIs and other chips mainly for consumer electronics and automotive applications.

Others

This business develops, manufacturers, and sells a variety of high-performance metal powders for use as raw materials in the production of electronic components, etc. This business also provides high-value-added surface finishing in a wide variety of industrial fields.

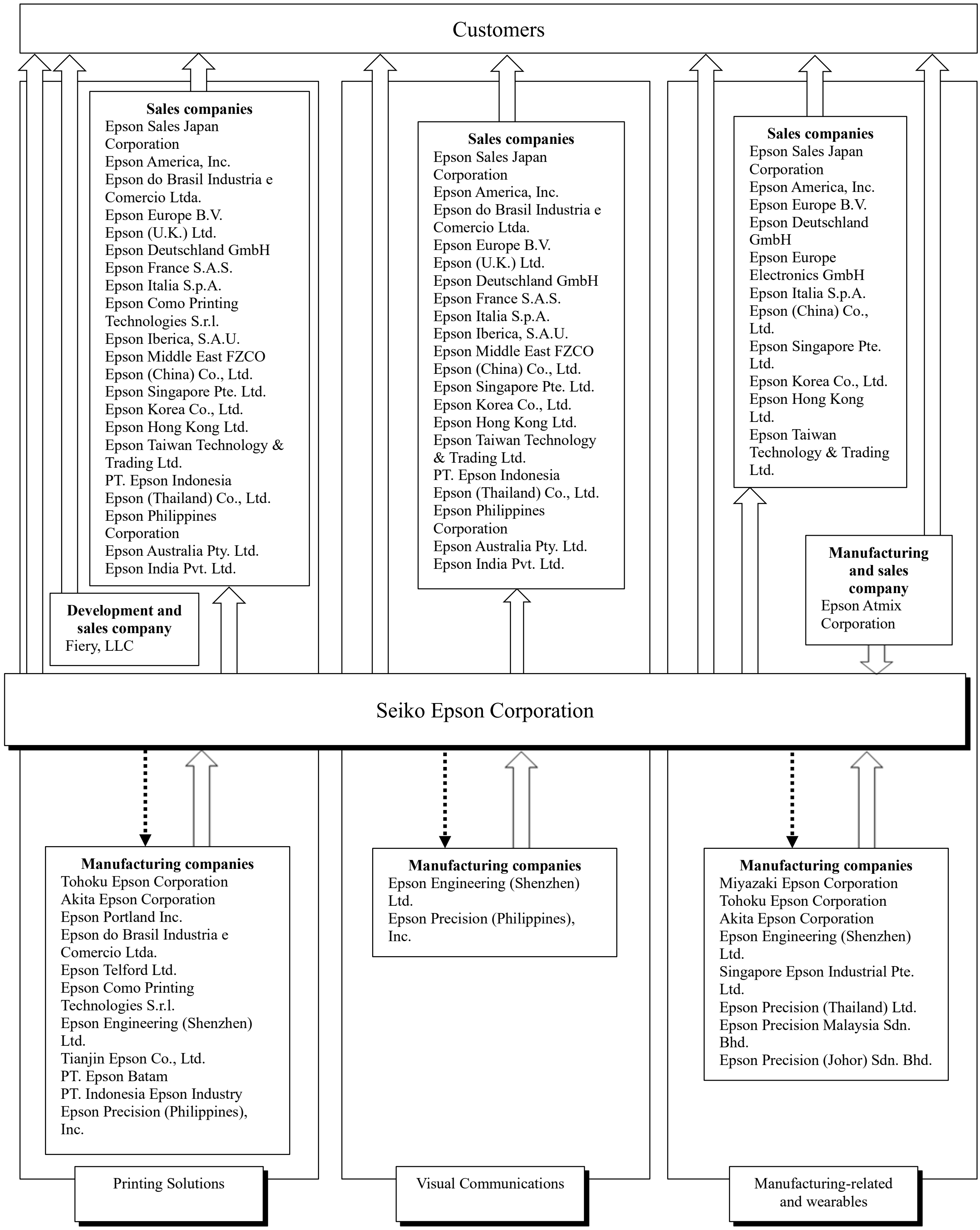
PC business

This business sells PCs in the Japanese market through a domestic subsidiary.

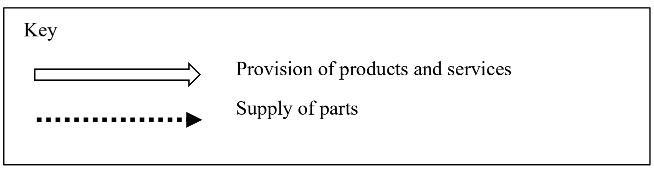
The major Epson Group companies involved in this segment are listed in the table below.

<table>
<tr><th rowspan="2">Business area</th><th rowspan="2">Main products</th><th colspan="2">Main Epson Group companies</th></tr>
<tr><th>Manufacturing companies</th><th>Sales companies</th></tr>
<tr><td>Manufacturing solutions</td><td>Industrial robots, and others</td><td>Epson Engineering (Shenzhen) Ltd.</td><td>Epson Sales Japan Corporation
Epson America, Inc.
Epson Deutschland GmbH
Epson Italia S.p.A.
Epson (China) Co., Ltd.
Epson Korea Co., Ltd.
Epson Hong Kong Ltd.
Epson Taiwan Technology & Trading Ltd.</td></tr>
<tr><td>Wearable products</td><td>Wristwatches, watch movements, and others</td><td>Akita Epson Corporation
Epson Precision (Thailand) Ltd.
Epson Precision (Johor) Sdn. Bhd.</td><td>Epson Sales Japan Corporation
Epson Europe B.V.
Epson (China) Co., Ltd.
Epson Hong Kong Ltd.</td></tr>
<tr><td rowspan="3">Microdevices and others</td><td>Quartz devices
Crystal units, crystal oscillators, quartz sensors, and others</td><td>Miyazaki Epson Corporation
Epson Precision (Thailand) Ltd.
Epson Precision Malaysia Sdn. Bhd.</td><td rowspan="2">Epson America, Inc.
Epson Europe Electronics GmbH
Epson Singapore Pte. Ltd.
Epson Korea Co., Ltd.
Epson Hong Kong Ltd.
Epson Taiwan Technology & Trading Ltd.</td></tr>
<tr><td>Semiconductors
CMOS LSIs, and others</td><td>Tohoku Epson Corporation
Singapore Epson Industrial Pte. Ltd.</td></tr>
<tr><td>Others
Metal powders,
surface finishing</td><td colspan="2">Epson Atmix Corporation
Singapore Epson Industrial Pte. Ltd.</td></tr>
<tr><td rowspan="2">PC business</td><td rowspan="2">PC, and others</td><td>-</td><td>Epson Sales Japan Corporation</td></tr>
<tr><td colspan="2">Epson Direct Corporation</td></tr>
</table>

The business activities diagram below shows the abovementioned points.



(Note) All companies shown above are consolidated subsidiaries.



4. Subsidiaries and other affiliated entities

Company name	Location	Paid-in capital or amount invested	Main business	Ownership percentage of voting rights (%)	Relationship between parent company and subsidiary
(Consolidated subsidiaries)					
Epson Sales Japan Corporation	Shinjuku-ku, Tokyo	4,000 (million JPY)	Printing solutions, Visual communications, Manufacturing-related and wearables	100.0	Sales of the Company's products, Interlocking directors, Rental and borrowing of assets Financial assistance
Miyazaki Epson Corporation	Miyazaki-shi, Miyazaki	100 (million JPY)	Manufacturing-related and wearables	100.0	Manufacture of crystal devices
Tohoku Epson Corporation	Sakata-shi, Yamagata	100 (million JPY)	Printing solutions, Manufacturing-related and wearables	100.0	Manufacture of printer components and semiconductors Financial assistance
Akita Epson Corporation	Yuzawa-shi, Akita	80 (million JPY)	Printing solutions, Manufacturing-related and wearables	100.0	Manufacture of printer components and watch movements, Financial assistance
Epson Atmix Corporation	Hachinohe-shi, Aomori	450 (million JPY)	Manufacturing-related and wearables	100.0	Manufacture and sales of metal powders, synthetic quartz crystal, etc., Rental and borrowing of assets
Epson Direct Corporation	Shiojiri-shi, Nagano	150 (million JPY)	Manufacturing-related and wearables	100.0 (100.0)	Manufacture and sales of PCs, etc., Rental of assets
Epson X Investment Corporation	Chiyoda-ku, Tokyo	100 (million JPY)	Other (Venture investment & development)	100.0	Venture investment company, Interlocking directors, Financial assistance
U.S. Epson, Inc. *	Los Alamitos, U.S.A.	126,941 (thousand USD)	Holding company	100.0	Holding company in Americas
Epson America, Inc. *	Los Alamitos, U.S.A.	40,000 (thousand USD)	Regional headquarters, Printing solutions, Visual communications, Manufacturing-related and wearables	100.0 (100.0)	Regional headquarters in Americas, Sales of printers, 3LCD projectors, industrial robots, and electronic devices, etc.
Fiery, LLC *	Fremont, U.S.A.	301,400 (thousand USD)	Printing solutions	100.0	Development and sales of digital printing software solutions
Epson do Brasil Industria e Comercio Ltda.	Sao Paulo, Brazil	25,773 (thousand USD)	Printing solutions, Visual communications	100.0 (100.0)	Manufacture and sales of printers, etc. and sales of 3LCD projectors, etc.
Epson Portland Inc.	Hillsboro, U.S.A.	31,150 (thousand USD)	Printing solutions	100.0 (100.0)	Manufacture of printer consumables, etc.
Epson Global Reinsurance, Inc. *	Honolulu, U.S.A.	8,100 (million JPY)	Others (Reinsurance)	100.0	Epson Group's reinsurance business

Company name	Location	Paid-in capital or amount invested	Main business	Ownership percentage of voting rights (%)	Relationship between parent company and subsidiary
Epson Europe B.V. *	Amsterdam, the Netherlands	95,000 (thousand EUR)	Regional headquarters, Printing solutions, Visual communications, Manufacturing-related and wearables	100.0	Regional headquarters in Europe, Sales of printers, 3LCD projectors and watches, etc., Interlocking directors
Epson (U.K.) Ltd.	Watford, UK	25,000 (thousand GBP)	Printing solutions, Visual communications	100.0 (100.0)	Sales of printers and 3LCD projectors, etc.
Epson Deutschland GmbH	Düsseldorf, Germany	5,200 (thousand EUR)	Printing solutions, Visual communications, Manufacturing-related and wearables	100.0 (100.0)	Sales of printers, 3LCD projectors and industrial robots, etc.
Epson Europe Electronics GmbH	Munich, Germany	2,000 (thousand EUR)	Manufacturing-related and wearables	100.0 (100.0)	Sales of electronic devices
Epson France S.A.S.	Saint Ouen sur Seine, France	4,000 (thousand EUR)	Printing solutions, Visual communications	100.0 (100.0)	Sales of printers and 3LCD projectors, etc.
Epson Italia S.p.A.	Milan, Italy	3,000 (thousand EUR)	Printing solutions, Visual communications Manufacturing-related and wearables	100.0 (100.0)	Sales of printers and 3LCD projectors, industrial robots, etc.
Epson Como Printing Technologies S.r.l.	Como, Italy	170 (thousand EUR)	Printing solutions	100.0 (100.0)	Development, manufacture and sales of printers, etc.
Epson Iberica, S.A.U.	Barcelona, Spain	1,900 (thousand EUR)	Printing solutions, Visual communications	100.0 (100.0)	Sales of printers and 3LCD projectors, etc.
Epson Middle East FZCO	Dubai, United Arab Emirates	4,000 (thousand USD)	Printing solutions, Visual communications	100.0	Sales of printers and 3LCD projectors, etc., Financial assistance
Epson Telford Ltd.	Telford, UK	22,000 (thousand GBP)	Printing solutions	100.0 (100.0)	Manufacture of printer consumables, Interlocking directors
Epson (China) Co., Ltd. *	Beijing, China	1,211 (million CNY)	Regional headquarters, Printing solutions, Visual communications, Manufacturing-related and wearables	100.0	Regional headquarters in China, Sales of printers, 3LCD projectors, industrial robots and electronic devices, etc., Interlocking directors
Epson Singapore Pte. Ltd.	Singapore	200 (thousand SGD)	Regional headquarters, Printing solutions, Visual communications, Manufacturing-related and wearables	100.0	Regional headquarters in Southeast Asia, Sales of printers, 3LCD projectors and electronic devices, etc., Interlocking directors

Company name	Location	Paid-in capital or amount invested	Main business	Ownership percentage of voting rights (%)	Relationship between parent company and subsidiary
Epson Korea Co., Ltd.	Seoul, Korea	1,466 (million KRW)	Printing solutions, Visual communications, Manufacturing-related and wearables	100.0	Sales of printers, 3LCD projectors and industrial robots and electronic devices, etc.
Epson Hong Kong Ltd.	Hong Kong, China	2,000 (thousand HKD)	Printing solutions, Visual communications, Manufacturing-related and wearables	100.0	Sales of printers, 3LCD projectors, watch movements, industrial robots and electronic devices, etc.
Epson Taiwan Technology & Trading Ltd.	Taipei, Taiwan	25,000 (thousand TWD)	Printing solutions, Visual communications, Manufacturing-related and wearables	100.0	Sales of printers, 3LCD projectors, industrial robots and electronic devices, etc., Financial assistance, Interlocking directors
PT. Epson Indonesia	Jakarta, Indonesia	918,000 (thousand IDR)	Printing solutions, Visual communications	100.0 (100.0)	Sales of printers and 3LCD projectors, etc.
Epson (Thailand) Co., Ltd.	Bangkok, Thailand	215,308 (thousand THB)	Printing solutions, Visual communications	100.0 (100.0)	Sales of printers and 3LCD projectors, etc.
Epson Philippines Corporation	Pasig, Philippines	50,000 (thousand PHP)	Printing solutions, Visual communications	100.0 (100.0)	Sales of printers and 3LCD projectors, etc.
Epson Australia Pty. Ltd.	North Sydney, Australia	1,000 (thousand AUD)	Printing solutions, Visual communications	100.0	Sales of printers and 3LCD projectors, etc., Interlocking directors
Epson India Pvt. Ltd.	Bangalore, India	108,628 (thousand INR)	Printing solutions, Visual communications	100.0 (100.0)	Sales of printers and 3LCD projectors, etc., Interlocking directors
Epson Precision (Hong Kong) Ltd.	Hong Kong, China	32,641 (thousand USD)	Printing solutions, Visual communications	100.0	Management of components of printers and 3LCD projectors, etc. used for contract services
Epson Engineering (Shenzhen) Ltd.	Shenzhen, China	56,641 (thousand USD)	Printing solutions, Visual communications, Manufacturing-related and wearables	100.0 (100.0)	Manufacture of printers, 3LCD projectors and industrial robots, etc.
Tianjin Epson Co., Ltd.	Tianjin, China	172,083 (thousand CNY)	Printing solutions	100.0 (100.0)	Manufacture of printer consumables, etc.
Singapore Epson Industrial Pte. Ltd.	Singapore	71,700 (thousand SGD)	Manufacturing-related and wearables	100.0	Manufacture of semiconductors, and surface finishing, etc.
PT. Epson Batam	Batam, Indonesia	7,000 (thousand USD)	Printing solutions	100.0 (100.0)	Manufacture of printer consumables, etc., Guaranty of liabilities
PT. Indonesia Epson Industry *	Bekasi, Indonesia	23,000 (thousand USD)	Printing solutions	100.0	Manufacture of printers

Company name	Location	Paid-in capital or amount invested	Main business	Ownership percentage of voting rights (%)	Relationship between parent company and subsidiary
Epson Precision (Thailand) Ltd. *	Chachoengsao, Thailand	3,250,000 (thousand THB)	Manufacturing-related and wearables	100.0	Manufacture of watches and crystal devices, Financial assistance, Interlocking directors
Epson Precision (Philippines), Inc. *	Lipa, Philippines	157,533 (thousand USD)	Printing solutions, Visual communications	100.0	Manufacture of printers and 3LCD projectors
Epson Precision Malaysia Sdn. Bhd.	Kuala Lumpur, Malaysia	16,800 (thousand MYR)	Manufacturing-related and wearables	100.0	Manufacture of crystal devices, Interlocking directors
Epson Precision (Johor) Sdn. Bhd.	Johor, Malaysia	52,800 (thousand MYR)	Manufacturing-related and wearables	100.0 (100.0)	Manufacture of watch components
42 other companies	–	–	–	–	–
(Equity method affiliates) Three companies					

(Notes) 1. Ownership percentage of voting rights indicated inside parentheses refers to indirect ownership percentage.
2. * indicates a specified subsidiary (*tokutei-kogaisha*).
3. The revenue (excluding revenues among consolidated subsidiaries) of Epson Sales Japan Corporation, Epson America, Inc. and Epson (China) Co., Ltd. each amounts to more than 10% of the consolidated revenue. Key information on the operations of these subsidiaries is as follows.

(Millions of yen)

Company name	Revenue	Profit before tax	Profit for the period	Total equity	Total assets
Epson Sales Japan Corporation	165,813	3,281	2,418	22,581	76,910
Epson America, Inc.	430,975	6,836	5,290	81,767	231,890
Epson (China) Co., Ltd.	147,020	7,786	6,134	42,863	83,628

Figures for Epson America, Inc. are included in consolidated business results.

5. Employees

(1) Information about group

As of March 31, 2025

Segment name	Number of employees (Persons)
Printing Solutions	53,085
Visual Communications	7,791
Manufacturing-related and wearables	10,325
Reportable segment total	71,201
Others	461
Corporate (company-wide)	3,690
Total	75,352

(Notes) 1. The number of employees indicates the number of full-time employees.
2. The number of employees represented as corporate (company-wide) refers to administrative staff not assigned to any particular business segment.
3. The number of employees in the visual communications segment decreased by 1,534 persons as compared with the prior period. This is mainly due to production adjustments at our overseas sites.

(2) Information about reporting company

As of March 31, 2025

Number of employees (Persons)	Average age (Years)	Average length of service (Years)	Average annual salary (Thousands of yen)
12,792	43.2	18.3	7,941

Segment name	Number of employees (Persons)
Printing Solutions	6,201
Visual Communications	1,463
Manufacturing-related and wearables	2,061
Reportable segment total	9,725
Others	–
Corporate (company-wide)	3,067
Total	12,792

(Notes) 1. The number of employees indicates the number of full-time employees.
2. Average age, average length of service, and average annual salary have been calculated based on data for regular salaried employees at reporting companies.
3. Average annual salary includes bonuses and extra wages.
4. The number of employees represented as corporate (company-wide) refers to administrative staff not assigned to any particular business segment.
5. The number of employees in the manufacturing-related and wearables segment decreased by 360 persons as compared with the prior period. This is mainly due to revisions to the staffing in conjunction with reforms of the earnings structure and those of the operations.

(3) Status of labor union

A labor union has been organized at the Company and some of its consolidated subsidiaries.

As relations between management and labor of the Company and these consolidated subsidiaries are good, there are no particular matters to be reported here.

(4) Percentage of female workers in management positions, percentage of male workers taking childcare leave, and wage difference between male and female workers

① Seiko Epson Corporation

Fiscal year under review (FY2024)					Supplementary explanation
Percentage of female workers in management positions (%)	Percentage of male workers taking childcare leave (%)	Wage difference between male and female workers (%)			
		All workers	Regular workers	Non-regular workers	
5.3	91.6	77.2	77.5	75.8	There are no differences in our wage system between wages for males and females of the same grade, but the low percentage of upper level positions and grades occupied by women are the primary reason for the differences.

(Notes) 1. The percentage of female workers in management positions and the wage differences between male and female workers are calculated based on the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).

2. The percentage of female workers in management positions is the female management position ratio for the organization of Seiko Epson Corporation.
3. The percentage of male workers taking childcare leave is based on the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991), and is calculated based on Article 71-6, item (i) of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991).
4. The wage differences between male and female workers represent the ratio of women's wages to men's wages.
5. The percentage of male workers taking childcare leave and the wage differences between male and female workers are calculated from the aggregate figures for employees hired by Seiko Epson Corporation (not including those seconded from other companies in the Group).
6. In terms of the wage difference between male and female workers, the wage difference at the managerial level is 98.2%.

② Consolidated subsidiaries

For Epson Group companies in Japan with 101 or more regularly employed workers, the three items required of companies with 301 or more regularly employed workers by the Act on the Promotion of Women's Active Engagement in Professional Life are disclosed (as of March 2025). The sum of the numbers of employees of Seiko Epson Corporation and the 10 Group companies in Japan listed below covers approximately 99% of the total number of employees in Japan.

Fiscal year under review (FY2024)						Supplementary explanation
Company name	Percentage of female workers in management positions (%)	Percentage of male workers taking childcare leave (%)	Wage difference between male and female workers (%)			
			All workers	Regular workers	Non-regular workers	
Epson Sales Japan Corporation	8.8	76.2	83.2	78.0	117.7	

Fiscal year under review (FY2024)						Supplementary explanation
Company name	Percentage of female workers in management positions (%)	Percentage of male workers taking childcare leave (%)	Wage difference between male and female workers (%)			
			All workers	Regular workers	Non-regular workers	
Tohoku Epson Corporation	8.0	71.4	76.8	76.8	58.3	Wage difference between male and female non-regular workers is due to differences in the contracts of contract employees.
Akita Epson Corporation	6.1	62.5	80.1	80.3	95.8	
Miyazaki Epson Corporation	0.0	100.0	78.3	74.7	87.3	
Epson Avasys Corporation	17.6	100.0	78.1	79.0	59.3	Wage difference between male and female non-regular workers is due to differences in the contracts of contract employees.
Epson Atmix Corporation	10.0	71.4	81.8	80.4	–	All non-regular workers are men.
Epson Direct Corporation	0.0	–	78.9	80.6	127.5	Regarding male workers taking childcare leave, there are none eligible.
Epson Logistics Corporation	0.0	–	101.0	115.6	89.3	Regarding male workers taking childcare leave, there are none eligible.
Epson Mizube Corporation	14.3	–	100.3	100.5	102.2	Regarding male workers taking childcare leave, there are none eligible.
Epson Repair Corporation	0.0	–	77.1	80.6	85.3	Regarding male workers taking childcare leave, there are none eligible.

(Notes) 1. The percentage of female workers in management positions and the wage differences between male and female workers are calculated based on the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).

2. The percentage of female workers in management positions is the female management position ratio for the organization of each company (based on enrollment).

3. The percentage of male workers taking childcare leave is based on the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991), and is calculated based on Article 71-6, item (i) of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991).

4. The wage differences between male and female workers represent the ratio of women's wages to men's wages.

5. The percentage of male workers taking childcare leave and the wage differences between male and female workers are calculated from the aggregate figures for employees hired by each company (not including those seconded from other companies in the Group).

③ Consolidated

	Fiscal year under review (FY2024)					Supplementary explanation
	Percentage of female workers in management positions (%)	Percentage of male workers taking childcare leave (%)	Wage difference between male and female workers (%)			
			All workers	Regular workers	Non-regular workers	
Domestic consolidated	6.3	88.0	73.5	75.0	76.1	Aggregated values are shown with the scope of domestic consolidated being ① Seiko Epson Corporation and ② Consolidated subsidiaries (10 Epson Group companies in Japan) in the above.

II. Overview of Business

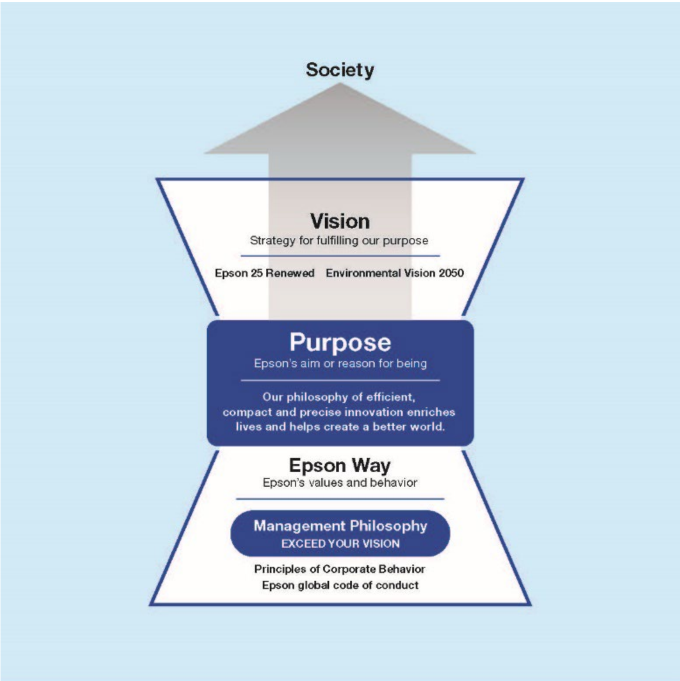
1. Management policy, business environment and issues to be addressed, etc.

All forward-looking statements hereunder were made at Epson's discretion based on the forecasts and certain assumptions at the end of the fiscal year. These statements may differ from actual results and are not guarantees of the achievement.

(1) Basic management policy

Corporate Purpose is at the heart of all Epson's corporate activities. We established the Corporate Purpose, "Our philosophy of efficient, compact and precise innovation enriches lives and helps create a better world," in September 2022 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. 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.

Philosophy Structure



Epson 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.

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

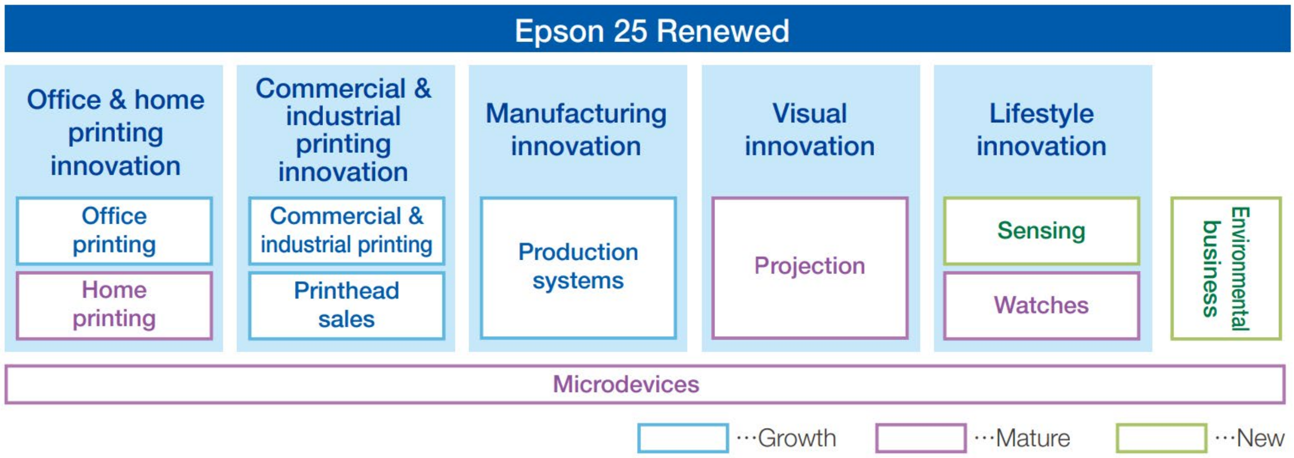
1 Non-renewable resources such as oil and metals

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 these innovation areas, we will contribute to the development of a 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.

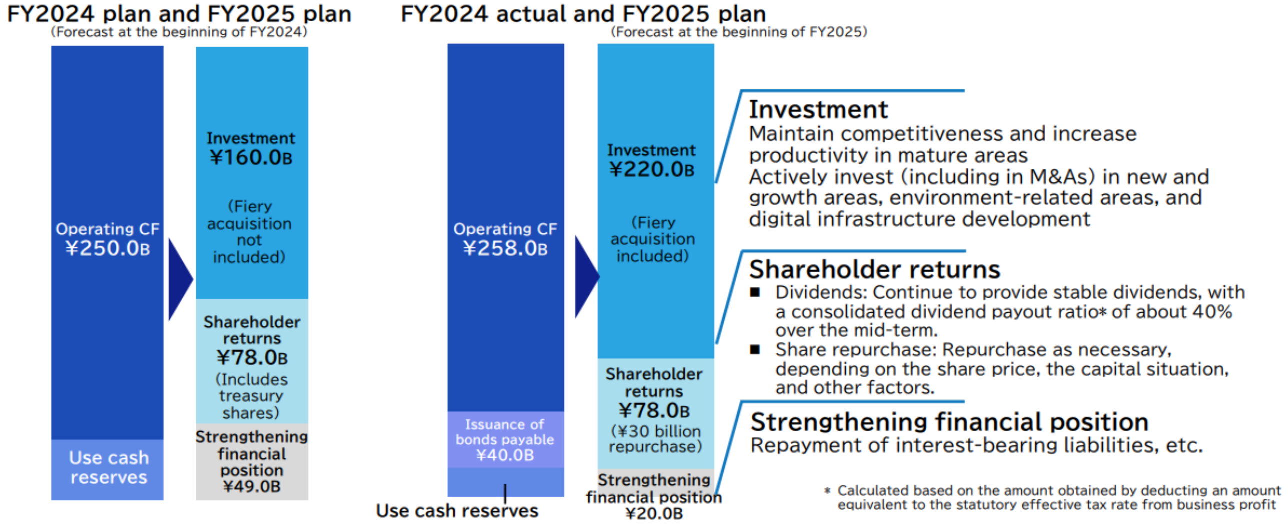
Lifestyle innovation
In this area, we seek to utilize craftsmanship and co-create solutions that utilize sensing technologies to enrich diverse lifestyles.
The watch business has significantly improved profitability through on-going restructuring, including narrowing down the product lines with a focus 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)

③ Cash allocation
Towards achieving "Epson 25 Renewed," the Company's policy is to give top priority to investments based on the growth strategy, and to then use cash flow generated to actively return profits and improve the financial strength. For FY2024, in addition to making investments based on the growth strategy which were generally carried out as planned, the Company also conducted an M&A to make Fiery, LLC its subsidiary. For FY2025 onwards, the Company will continue to maintain competitiveness and improve productivity in mature areas. In addition, we will make active investments, including M&A, in growth areas, environment-related projects, digital infrastructure developments, and others to return profit and strengthen our financial position.

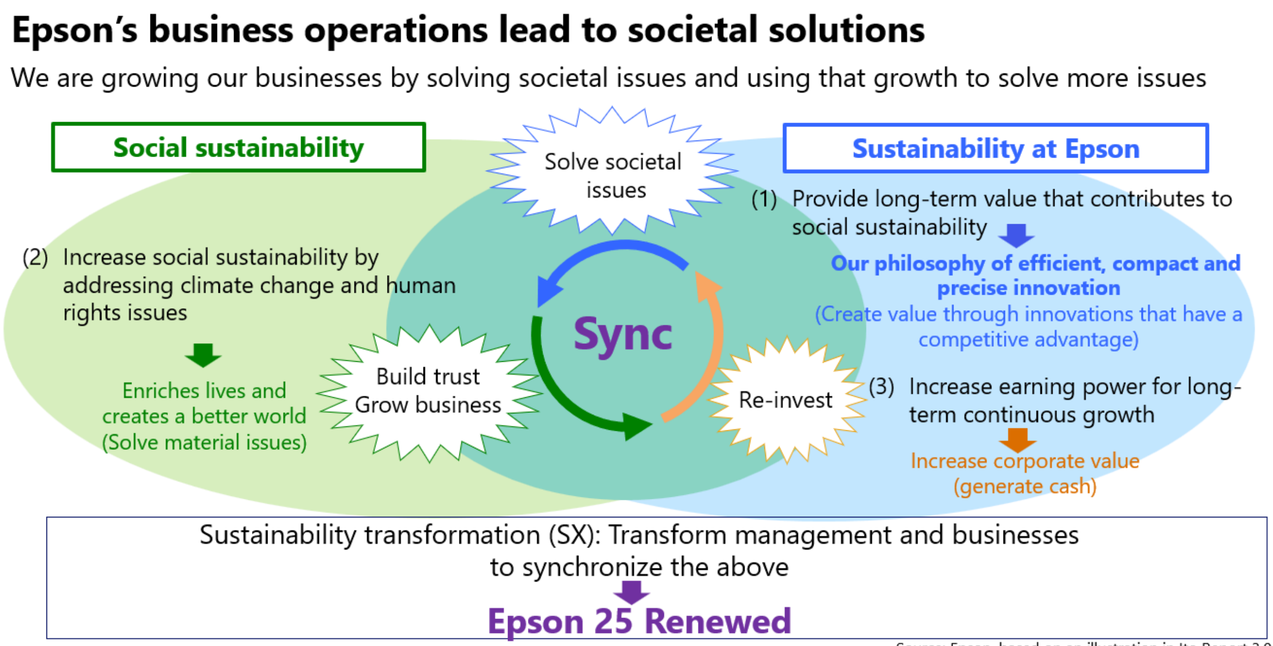


2. Concept and initiatives of sustainability

The movement toward sustainability around the world is accelerating, with the expansion of ESG investment and the formulation of sustainability-related policies in various countries and regions. Against this backdrop, companies are increasingly being asked to take a stance on how to respond to the issues facing society through their business activities. Epson has been contributing to solving various social issues through the provision of its products and services. Going forward, under the banner of our Corporate Purpose, we will continue to work with our customers and partners from a long-term perspective with the goal of achieving sustainability and enriching communities by working to get sustainability of society synchronized with that of Epson.

■ Epson's sustainability management

Materialities 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."



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

(1) Common to sustainability

① Governance

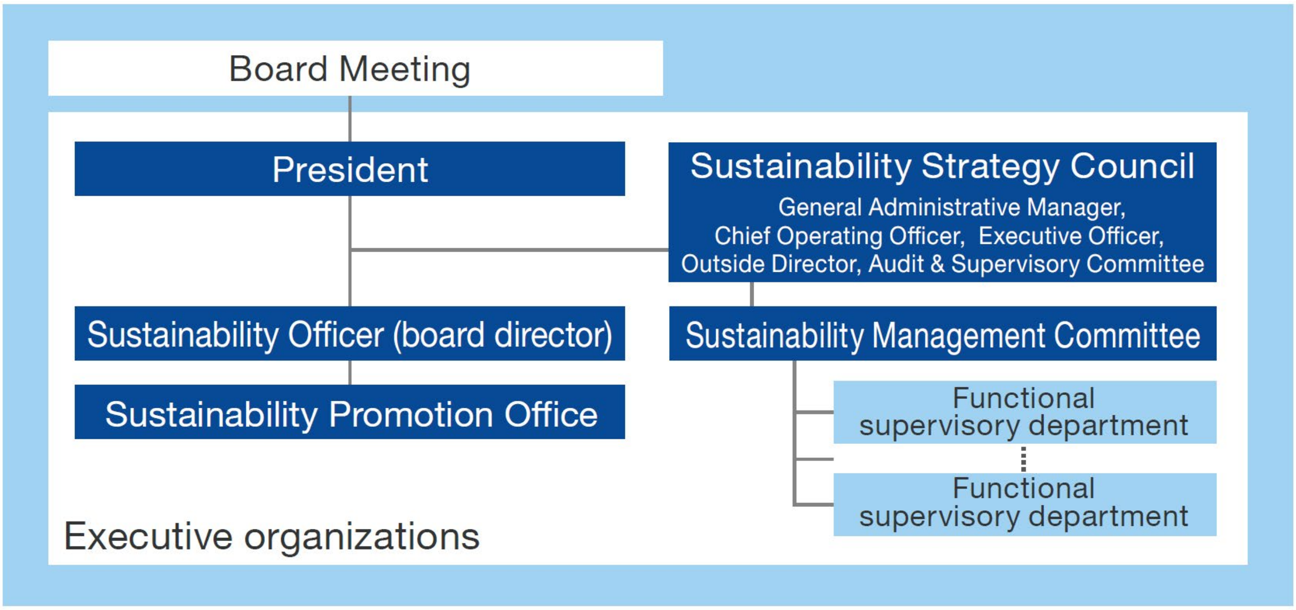
Epson has established the Sustainability Promotion Office as an organization under the direct control of the President, with an Executive Officer and CFO appointed as its head and responsible for Group-wide sustainability activities (sustainable growth based on social needs).

In addition, we have established the Sustainability Strategy Council as an advisory body to the President, which is composed of Outside Directors and Audit & Supervisory Committee Members, in addition to management-level personnel including the General Administrative Managers and Chief Operating Officers. The Sustainability Strategy Council formulates medium and long-term strategies for sustainability pertaining to the entire Group based on a review of social trends, reviews the status of implementation of activities, and deliberates on initiatives to address key issues.

Furthermore, the Sustainability Management Committee has been established as a subordinate body of the Sustainability Strategy Council to discuss and examine specialized matters related to sustainability activities. This committee is composed of the heads of relevant functional supervisory departments, and submits reports to the Sustainability Strategy Council. The Sustainability Promotion Office serves as the secretariat for these two bodies

and reports regularly to the Board of Directors to promote more effective sustainability activities.
With respect to officer compensation, four key sustainability topics tied to materiality (decarbonization, supply chain, human rights and diversity, and governance) are linked to restricted stock compensation to clarify responsibilities and roles, from the perspective of building a more effective sustainability governance structure. For officer compensation, please refer to "IV. Information About Reporting Company, 4. Corporate governance, (4) Officer compensation, etc."

■ Executive organization chart



■ Sustainability Strategy Council

Purpose and function	- To achieve a balance between the realization of a sustainable society and the sustainable growth of the Company by solving social challenges To deliberate the overall direction of sustainability activities - To deliberate the medium-term management strategy, progress of activities, and important challenges related to the sustainability of Epson as a whole
Meeting frequency (FY2024)	Six times
Main topics (FY2024)	- Deliberating the actual results for FY2023 regarding key performance indicators (KPIs) for the key sustainability topics - Deliberating the indication of the Company's support for the recommendations of the Task Force on Nature-related Financial Disclosures (TNFD)[1] - Responding to laws and regulations relating to sustainability and disclosure standards - Deliberating responses to issues related to human rights - Reviewing the status of implementation of Responsible Business Alliance (RBA) activities - Reviewing the status of procurement compliance

1 In response to social needs, the Company considered whether to support the recommendations of the TNFD and indicated its support in June 2024.

② **Strategy**

Epson has analyzed social issues and megatrends defined by SDGs, ISO26000 and others, examined its own strengths that can lead to social impact, and identified four materialities (achieve sustainability in a circular economy, advance the frontiers of industry, improve the quality of life, and fulfill our social responsibility) that are highly important issues for Epson to address to solve challenges in society.
We aim to achieve sustainability and enrich communities through sustainability management, whereby we achieve business growth by solving social issues and solve more social issues by growing our business.

■Four materialities and the identification process
At Epson, we consider the following materialities as constituting the fundamentals of corporate management in expanding our businesses.

<Achieve sustainability in a circular economy>
This entails initiatives aimed at driving sustainable economic activities by achieving closed-resource-loop systems through effective use of resources such as electricity, energy and water as well as reduction in usage of underground resources to control climate change.

<Advance the frontiers of industry>
This entails initiatives aimed at transforming conventional processes to contribute to the resolution of social issues. It is intended to help to make improvements to environmental pollution, labor and other issues by converting manufacturing processes from analog techniques to digital, for example.

<Improve the quality of life>
This entails making contributions on the health front to help people lead a healthy life, and making educational contributions relating to people's growth and maturity. We will enable people to select diverse lifestyles through products and services offered by Epson, and promote initiatives that contribute to an abundant and colorful life.

<Fulfill our social responsibility>
This means that Epson is committed to fulfilling its corporate responsibility required to achieve sustainability and enrich communities. It entails initiatives that help to realize the ideal state expected of a company by society, such as dialogue with diverse stakeholders, environmental and social responsibility related to materials procured and suppliers, respect for human rights and promotion of diversity, and capabilities to ensure business continuity.

The Process for Determining Materiality

Selecting societal issues	Filter and select which societal issues to address based on an assessment of social trends on the horizon, ESG investor expectations, and Epson's own direction.
Evaluating importance	Consider materiality while evaluating the importance of selected issues to society and to Epson at Corporate Strategy Council meetings, etc.
Analyzing validity	Have outside directors and Audit & Supervisory Committee members analyze the validity of the materiality selection process and conclusions at meetings of the Sustainability Strategy Council and Board of irectors.
Deciding materiality	Identify and decide on materiality at meetings of the Sustainability Strategy Council.

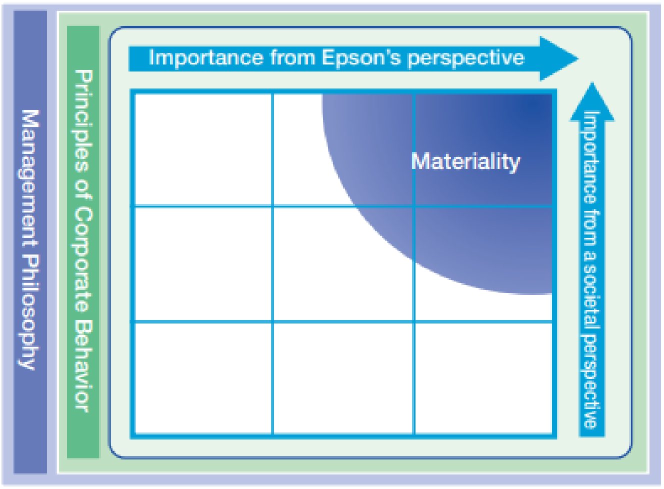
Four material issues that Epson should address

- **Achieve sustainability in a circular economy**
- **Advance the frontiers of industry**
- **Improve the quality of life**
- **Fulfill our social responsibility**

Evaluate the topics from a corporate and societal perspective

Material Trends and Frameworks Referenced

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



■ Opportunities and risks by materiality, and topics to be addressed

Based on the assessment of opportunities and risks for each materiality (key sustainability topic) as described below, we are working to achieve the goals of Epson 25 Renewed.

Materiality: Achieve sustainability in a circular economy		
Key Sustainability Topics	Opportunity (○)	Risk (●)
Decarbonization initiatives Closed resource loop initiatives Customer environmental impact mitigation Environmental technology development	○ Growing need for environmentally friendly products and services due to the introduction of a carbon tax, soaring electricity prices, rising waste disposal costs, and the need to produce the right amount of products and reduce resources ○ Market growth in the fields of global warming countermeasures and waste treatment and effective utilization of resources ○ Increase in demand in recycled plastics, bioplastics, and metal recycling due to the shift to a circular economy	● Growing momentum toward a paperless office from the perspective of forest protection awareness ● Increase in operating costs due to changes in policies and regulations ● Credit loss and damage to corporate value due to delayed response to decarbonization and resource recycling ● Damage to corporate value due to failure to achieve plans for or delays in the development of environmental technologies that will lead to a reduction in environmental impact

Materiality: Advance the frontiers of industry		
Key Sustainability Topics	Opportunity (○)	Risk (●)
Improving productivity through digitization and automation	○ Transition to resource-saving and highly efficient production processes due to diversifying consumer needs and advancement of digital technology ○ Decentralization of production plants for the purpose of BCP response based on factors such as geopolitical risk	● Loss of business opportunities due to delays in launching products and services that meet market demands ● Delays in developing easy-to-use solutions and digital services ● Decline in motivation to invest due to impacts of price increase and different countries' national policies
Improving working environment and educational environment	○ Changes of offices due to diversification of work styles and advancement of information technology ○ Expansion of services to support new ways to work or learn ○ Increasing and broadening need for automation using robots to compensate for global labor shortages against a backdrop of declining birthrates and aging populations ○ Growing need for innovation in production systems to improve the working environment and strengthen the resilience of manufacturing sites ○ Need to resolve stress burdens and lowered work efficiency due to reduced physical communication in telecommuting and web conferencing ○ Increasing use of ICT to bridge the gap in learning places and opportunities in developing countries ○ Expansion of the education market due to the increase in the number of people enrolled in school in emerging and developing countries ○ Resolving teacher and teaching support shortages through ICT	● Loss of business opportunities due to delays in launching products and services that meet market demands ● Continuation of labor-intensive system centered on human labor through the shift of production to regions with ample labor force (emerging and developing countries) ● Lack of human resources capable of implementing automation ● Decreased need to connect the real and remote due to increased office attendance following the decline of the coronavirus ● Intensifying competition with large-screen display devices other than projectors and personal terminals, and relative decline in the presence of our solutions ● Decrease in the need for printing in the education market due to the increased use of tablets and other electronic devices ● Delays in sound budgeting for and investment in education due to delayed economic development and political instability in developing countries

Materiality: Improve the quality of life		
Key Sustainability Topics	Opportunity (○)	Risk (●)
Proposing diverse lifestyles	○ Emergence of new data service businesses such as health support ○ Growing awareness of healthy life expectancy associated with the extension of life expectancy	● Decline in presence due to evolution of competing data services ● Impact on the data service business due to declining interest in health consciousness
Realizing an abundant and colorful life	○ Demand for luxury goods that cater to diverse values, hobbies, and tastes	● Declining presence in the wearable device market due to changing values
Materiality: Fulfill our social responsibility		
Key Sustainability Topics	Opportunity (○)	Risk (●)
Increasing stakeholder engagement	○ Growing stakeholder interest in sustainability	● Loss of trust from stakeholders and damage to corporate value due to inappropriate responses to issues
Realizing responsible supply chains	○ Growing worldwide interest in and regulation of business and human rights	● Occurrence of human rights violations in the Company and its supply chain
Respecting human rights and promoting diversity	○ Improvement in corporate performance by fostering a free and open organizational climate ○ Growing worldwide interest in and legislation of business and human rights ○ Transformation in awareness and understanding of DE&I and social minorities	● Decreased engagement and lack of innovation due to slow progress in improving organizational culture ● Damage to corporate value in the event of serious human rights violations, including those in the supply chain ● Decreased engagement due to slow progress in DE&I
Strengthening governance	○ Strengthening of the governance system leading to acceleration of strategy implementation and increased responsiveness to change ○ Competitiveness increase through appropriate risk-taking	● Delays in strategic progress and decreased organizational power due to governance failures ● Generation of losses and loss of public trust due to noncompliance

③ Risk management

As the environment in which we operate grows more complex and uncertain, effectively dealing with risks that could have a significant impact on corporate activities will be essential in order to carry out business strategies and business objectives. Epson sees sustainability-related risks as risks that could significantly impact management and manages them appropriately.

■ Management process of sustainability-related risks and opportunities

1. Identification	2. Assessment	3. Management
- Identify risks and opportunities for each materiality.	- Assess identified risks and opportunities through the Sustainability Strategy Council and the board of directors.	- Effectively manage risks and opportunities through the Sustainability Strategy Council and the board of directors.

④ Metrics and targets

■ Materialities and key sustainability topics, KPI

In order to effectively implement initiatives for the four materialities, which are high-priority issues that we should address to solve societal issues, we have selected 12 key sustainability topics, set key performance indicators (KPIs) for initiatives, reflected them in our Mid-Range Business Plan, and steadily taken initiatives.

■ Key sustainability topics and achievements

Materiality: Achieve sustainability in a circular economy				
Key Sustainability Topics	Initiative Topics	Key Performance Indicators (KPI)	FY2024 (Target)	FY2024 (Result)
Decarbonization initiatives	Using energy-saving equipment and facilities, removing greenhouse gases, engaging suppliers, and pursuing carbon-free logistics to become carbon negative by 2050	- Scope 1 and 2 GHG emissions reduction ratio - Scope 3 GHG emissions (per unit of business profit) reduction ratio	- Reduce by 80% compared to FY2017 - Reduce by 35% compared to FY2017	- Reduced by 81% compared to FY2017 - Reduced by 39% compared to FY2017
	Using renewable electricity to achieve RE100	Renewable electricity adoption ratio	Maintain 100% globally	Achieved adoption ratio of 100% globally
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	Ratio of sustainable resources[3]	35%	33%
		Final landfilled rate[4]	≤ 1%	0.59%
Customer environmental impact mitigation	Maximizing avoided emissions with products and services that have a lower environmental impacts[5]	Emissions avoided through products & services	≥ The previous year	[6]
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	Expand the scope of practical application	- Packaging: Validation of elements of packaging forms of EPS replacement materials - Plastic housings: Improved performance of materials
	Establishment of high-added-value recycling technology for used metal	Progress of development process	Technology for high-value-added metal powders (molding material) for practical application	Preparation for starting up a smelting plant for metal recycling

Materiality: Advance the frontiers of industry				
Key Sustainability Topics	Initiative Topics	Key Performance Indicators (KPI)	FY2024 (Target)	FY2024 (Result)
Increasing productivity through digitization and automation	Leading the digitization and automation of commercial and industrial printing with inkjet technology, diverse solutions and expanded services, to create clean, space-efficient workplaces, reduce environmental impact, and improve productivity	Sales growth rate of commercial and industrial inkjet printers compared to the previous year (Including consumables; excluding foreign exchange effects)	3%	(1)%
Improving working environment and improving educational environment	Reducing environmental impact and improving productivity with inkjet technology and open solutions to provide a printing environment that meets the needs of society	Sales growth rate of high-capacity inkjet printers for SOHO and home users compared to the previous year (Including consumables; excluding foreign exchange effects)	5%	6%
	Eliminating labor shortages through automation using robots	Number of labor shortages eliminated[7]	29,000 persons	23,000 persons
	Providing a fair, natural, and comfortable communication environment without boundaries, combining the real and remote, with both a sense of presence and information content	Number of co-creation and collaboration projects, or number of partners	Continuing + new At least 1 company	At least 1 company
	Creating homogeneous learning opportunities through smart, portable displays that enable large-screen communication in a compact form, to mitigate learning disparities stemming from differences in regional and social conditions	Number of local demonstration programs through co-creation and collaboration	A cumulative total of 40	A cumulative total of 40

Materiality: Improve the quality of life				
Key Sustainability Topics	Initiative Topics	Key Performance Indicators (KPI)	FY2024 (Target)	FY2024 (Result)
Proposing diverse lifestyles	Enriching the diverse lifestyles of people by converting data obtained from customers through wearable products with our sensing devices as their core into value to provide health advice and monitoring of day-to-day life	Percentage of revenue that the data business in support services[8] accounts for	28%	23%
Realizing an abundant and colorful life	Providing attractive and high-quality products with our efficient, compact, and precision technologies and our artisanal skills, to enrich the diverse lifestyles of our customers	Sales growth rate of attractive, high-quality products compared to the previous year	12%	2%

Materiality: Fulfill our social responsibility				
Key Sustainability Topics	Initiative Topics	Key Performance Indicators (KPI)	FY2024 (Target)	FY2024 (Result)
Increasing stakeholder engagement	Responding to needs and social demands by strengthening dialogue with stakeholders	Social support activities, monetary value of support	≥ 0.1% of sales	≥ 0.1% of sales
		Number of dialogs with shareholders and investors and reflecting opinions on management	≥ 200 meetings with shareholders & investors	248 times
		Evaluation indices of external evaluation agencies	Acquire high recognition[9]	Acquired high recognition
Realizing responsible supply chains	Reinforcing supply chain BCM	Impact on customers due to disruption and stagnation in supply chain (Aiming to have no impact on sales in FY2024)	No impact on sales	No impact on sales
	Realizing responsible supply chains	CSR risk levels of suppliers	CSR risk ranks of main suppliers: (Direct materials) - 0% high risk, ≤ 2% middle risk (Indirect materials) - 0% high risk, ≤ 20% middle risk	(Direct materials) - High risk: 0% - Middle risk: 22% (Indirect materials) - High risk: 0% - Middle risk: 9%
	Realization of responsible sourcing of minerals	- Conflict-free (CF) ratio of products - Survey response ratio[10]	- Realization of CF of new products - Survey response ratio: 100%	- Realization of CF of new products - Survey response ratio: 99.6%

Materiality: Fulfill our social responsibility				
Key Sustainability Topics	Initiative Topics	Key Performance Indicators (KPI)	FY2024 (Target)	FY2024 (Result)
Respecting human rights and promoting diversity	Creating a free and open organizational culture	Organizational climate assessment score for “strength to work in teams”	- Motivation cloud engagement rating: BBB - Number of workplaces with D rating: 15	- Motivation cloud engagement rating: BB - Number of workplaces with D rating: 36
		Number of high risk workplaces with “general health risk” in the mental health check	Reduce the number of high risk workplaces with “general health risk” from the previous year, heading toward zero[11]	- Workplaces with 10 or more respondents: reduced from 12 to 10 workplaces
		Implementation of harassment prevention measures (education and training, case sharing, appointment process, etc.), ensuring to report cases to the head office	- Continue harassment prevention sessions in various rank-based training programs - Hold training for those at consultation contact points on a periodic basis	- Conducted rank-based training programs and training for those at consultation contact points as planned
			- Start outsourcing of consultation contact points and conduct review thereof - Consider introducing external contact points into domestic subsidiaries and other affiliated entities	- Started outsourcing of consultation contact points and conducted review thereof

Materiality: Fulfill our social responsibility				
Key Sustainability Topics	Initiative Topics	Key Performance Indicators (KPI)	FY2023 (Target)	FY2023 (Result)
	Respect for human rights through dissemination of the new "Human Rights Policy" within the Group	Embedding and improving the commitment for respecting human rights, human rights due diligence (DD) & remediation mechanisms	Embed and improve PDCA cycle for respecting human rights - Periodic review of the Human Rights Policy - Continue, implement, and improve the human rights DD by RBA scheme, etc. - Grasp and develop the system and situation of overseas consultation contact points	- Reviewed the Human Rights Policy periodically - Continued, implemented, and improved the human rights DD by RBA scheme, etc. - Confirmed the system of overseas consultation contact points related to human rights
	Utilizing human resources in a way that respects diversity	- Female manager ratio (the Company) - 1 or more female executive officers by FY2025 (in Japan)	- Female manager ratio: 6% - Female supervisory position ratio: 9%	- Female manager ratio: 5.3% - Female supervisory position ratio: 8.1% - 1 female executive officer appointed as of April 1, 2025

Materiality: Fulfill our social responsibility				
Key Sustainability Topics	Initiative Topics	Key Performance Indicators (KPI)	FY2024 (Target)	FY2024 (Result)
Strengthening governance	Reinforcement of compliance management platform	Number of serious compliance violations[12]	0 cases	0 cases
	Enhancement of Group compliance level	Implementation ratio of compliance training (e-learning) to all Group companies	Completion rate in Epson Group: 100%	Completion rate in Epson Group: 100%
	Maintenance and strengthening of governance structure to realize transparent, fair, prompt and decisive decision-making	- Ratio of Outside Directors in the Board of Directors - Ratio of Outside Directors in Nomination & Compensation Committees	- Maintain the ratio of Outside Directors on the board at ≥1/3 - Maintain the ratio of Outside Directors on the Nomination & Compensation Committees at ≥80%	- Ratio of Outside Directors on the Board of Directors: Maintained 1/3 or more - Ratio of Outside Directors on the Nomination & Compensation Committees: Maintained 80% or more
	Strengthening information security	Number of serious information security incidents	0 cases	1 case

2 Non-renewable resources such as oil and metals

3 Ratio of sustainable resources (renewable resources + closed-loop materials + less depletable resources) to raw materials

4 Ratio of landfilled amount of production resources against the volume of resources input

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

6 Actual results for FY2024 will be disclosed on the Company website in early August 2025. https://corporate.epson/en/sustainability/initiatives/materiality.html

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

8 Business model that provides value by converting data based on algorithms

9 Sustainalytics: Low; FTSE: 4 or higher; Top 50 or higher in "Toyo Keizai CSR ranking"

10 Ratio of suppliers submitting responses to suppliers we have sent survey requests

11 Target-value control is performed for workplaces with 10 or more respondents.

12 Violation that correspond to timely disclosure matters

(2) Climate change (TCFD)

Climate change is greatly impacting society and Epson sees it as a serious social problem. The goal of the Paris Agreement is to limit the increase in global average temperature to well below 2°C compared to pre-industrial levels and to pursue efforts to limit it to 1.5°C. Epson has pledged to do its part by achieving its goal of reducing its total emissions in line with the 1.5°C scenario by 2030. As stated in Environmental Vision 2050, which was announced along with the Epson 25 Renewed corporate vision, Epson seeks to become carbon negative and underground resource free by 2050 by decarbonizing and closing the resource loop. We are also providing products and services that have a smaller carbon footprint and are developing environmental technologies.

Since indicating its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in October 2019, Epson has disclosed information (on governance, strategy, risk management, and metrics and targets) based on the TCFD framework so as to enable good communication with shareholders, investors, and a broad spectrum of other stakeholders. Epson disclosed the level of financial impact in 2021 in a quantitative manner for the first time. Furthermore, in 2022, Epson enhanced its disclosure of specific initiatives and achievements aimed at reducing GHG emissions in response to the update to the TCFD recommendations. Since 2023, Epson has enriched qualitative and quantitative information on the highlights and specific results of its initiatives to address climate-related risks and opportunities.

■ Scenario analysis findings

We analyzed scenarios based on the TCFD framework to quantitatively assess the financial impact of climate-related risks and opportunities on Epson's strategy. In a 1.5°C scenario in which there is rapid decarbonization of society, we found that there is transitional risk of an increase in operating costs due to market changes, policies, and legislation, but we expect to limit the financial impact by strengthening products and services based on inkjet technology and paper recycling technology.

Epson will spend approximately 100.0 billion yen (approximately 25.0 billion yen from 2021 to 2025 and approximately 75.0 billion yen from 2026 to 2030) over a period of 10 years ending in 2030 to accelerate decarbonization, close the resource loop, and develop environmental technology. The solution to climate-related risks aligns with the materialities we have set of achieving sustainability in a circular economy and advancing the frontiers of industry and will lead to opportunities for business expansion with Epson's low environmental impact products and services that save electricity and reduce waste. These products and services will help to mitigate customers' environmental impact and control climate change.

Based on the results of these analyses, Epson will continue to try to maximize its opportunities while addressing recognized risks in order to achieve decarbonization, which we believe is a rational goal both for society and for Epson.

On the other hand, even in a 4°C scenario in which global warming has advanced because the world failed to take additional measures, we found that the impact of physical risks on our domestic and overseas sites due to the damages arising from weather extremes would be small.

① Governance

Important matters related to climate change are supervised by the board of directors, which receives reports at least once a year from the Sustainability Strategy Council, an advisory body to the president that plans and reviews strategic sustainability activities for the Epson Group, including matters related to climate change.

In addition, Seiko Epson's president and representative director, who has ultimate responsibility and authority for climate-related issues, delegates responsibility for sustainability activities, including TCFD, to the sustainability director, an Executive Officer and CFO. The sustainability director heads the Sustainability Promotion Office and supervises and monitors these initiatives. The Global Environmental Strategy Promotion Office and the environmental subcommittees for each environmental topic are responsible for formulating and promoting company-wide environmental strategies, including the Company's response to environmental issues. The executive organization for sustainability activities is identical to that shown in "(1) Common to sustainability ① Governance."

With respect to officer compensation, the indicators of decarbonization, which is one of the key sustainability topics tied to materiality, are linked to restricted stock compensation to clarify responsibilities and roles, from the perspective of building a more effective sustainability governance structure.

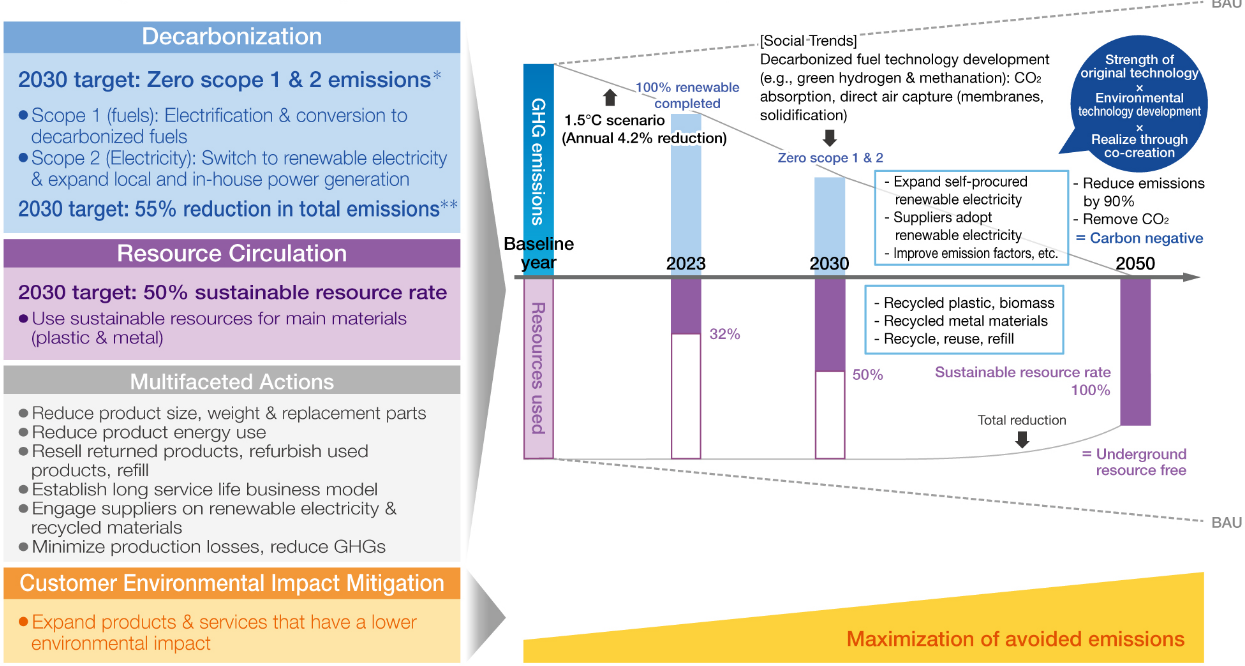
② **Strategy**

Epson has determined that achieving sustainability in a circular economy is a material matter. To achieve this, we are reducing greenhouse gas (GHG) emissions by leveraging our efficient, compact, and precision technologies to drive innovation.

■ Roadmap to achievement of the Environmental Vision 2050

Epson has established the Environmental Vision 2050, under which efforts are being made to achieve not only carbon neutrality by 2050, but also carbon negativity, while aiming for products that are free from underground resources. The "Mid-Range Environmental Action Plan" outlines specific scenarios of how progress will be made towards this goal. With expansion of businesses in the growth areas and new areas that "Epson 25 Renewed" aims at, GHG emissions and resource consumption throughout the supply chain are expected to increase. To address this, an "Environmental Value Creation Scenario" has been formulated that integrates both environmental and business strategies across all operations, laying out a roadmap to achieve the 2050 targets.

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



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

** Scopes 1, 2 and 3 absolute emissions compared to 2017

Furthermore, to increase resilience against climate change, we have been implementing activities at regular meetings of the Environmental Strategy Council and its subcommittees to realize our Environmental Vision 2050. In FY2024, we reviewed the status of implementation of activities and submitted deliberations and reports to various corporate management bodies, focusing on the following initiatives.

<Initiatives for FY2024>

- Considering topics: decarbonization targets (renewal of SBTs), TNFD disclosures, and definition of and measures for resource circulation
- Reviewing efforts of each subcommittee and medium-term KPIs
- Sharing the progress and challenges of the Environmental Value Creation Scenario for each operation
- Investigation and analysis of the current situation (trends of competitors and society, environmental laws and regulations, etc.)

■ Scenario analysis of climate-related risks and opportunities

Epson identified and evaluated scenarios in the categories of transition risk, physical risk, and opportunity to evaluate the importance of climate-related risks and opportunities. Seven risks and opportunities were singled out for evaluation. We evaluated the business impact and financial impact of each on the basis of the scenarios corresponding to a temperature increase of 1.5°C presented by the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA) as well as on the basis of internal and external information.

■ Climate-related risks and opportunities in a 1.5°C scenario

The results of evaluating climate-related risks and opportunities based on scenario analysis are as follows.

<table>
<tr><th colspan="2">Category</th><th>Evaluated risks & opportunities</th><th>Actualization</th><th>Business impacts</th><th>Financial impact</th></tr>
<tr><td rowspan="2">Transition risks</td><td rowspan="2">Market changes
Policy & laws and regulations</td><td>Paper demand</td><td>Short-term</td><td>Impact
- We were unable to detect a strong relationship between climate change and the change in paper demand, but demand for printing and communication paper is assumed to be on a declining trend. Even if the shift to paperless advances further due to changes brought about by COVID-19 (such as the contraction of office printing because of decentralization), we expect only a limited financial impact from the strengthening of products and services based on inkjet technology and paper recycling technology (reduction of printing costs, reduction of environmental impacts, increase of ease of printing, appeal using usefulness of paper information).</td><td>Small</td></tr>
<tr><td>(Initiatives in Environmental Vision 2050)
- Decarbonization
- Closed resource loop
- Environmental technology development</td><td>Short-term</td><td>Impact
- Decarbonization of products, services, and supply chains as well as advanced initiatives in resource recycling are needed to respond to the shared global societal issues of climate change and resource depletion.
- Scientific and specific solutions are necessary to develop environmental technologies linked with the rapid decrease of environmental impacts.
Response to risks
- Decarbonization
・ Renewable energy use
・ Energy-saving facilities & equipment
・ Greenhouse gas removal
・ Supplier engagement
・ Carbon-free logistics
- Closed resource loop
・ Use resources effectively
・ Minimize production losses
・ Extend product service lives
- Environmental technology development
・ Dry fiber technology applications
・ Naturally derived (plastic-free) materials
・ Material recycling (metal, paper)
・ CO_2 absorption technology</td><td>Invest a total of approximately ¥100.0 billion by 2030</td></tr>
<tr><td rowspan="3">Physical risks</td><td>Acute</td><td>Damage to business sites due to floods</td><td rowspan="3">Long-term (End of 21st century)</td><td rowspan="3">Impact
- Based on the results of risk assessment for 36 sites (17 sites in Japan and 19 sites overseas), the changes in future operational risks due to flooding (rivers overflowing), high tides and drought are limited.
- Short-term climate change risks to the supply chain will be addressed in line with our business continuity plans.</td><td rowspan="3">Small</td></tr>
<tr><td rowspan="2">Chronic</td><td>Damage to business sites due to rising sea levels</td></tr>
<tr><td>Impact on operations due to drought</td></tr>
</table>

Category		Evaluated risks & opportunities	Actualization	Business impacts	Financial impact
Opportunities	Products and services	(Initiatives in "Environment Vision 2050") - Customer environmental impact mitigation	Short-term	**Assumed scenarios** - The need for environmentally considerate products and services will increase due to the introduction of a carbon tax, soaring electricity prices, rising waste disposal costs, sustainable production volume, and reduced resource use. **Business opportunities** - In the growth areas defined in Epson 25 Renewed, we expect to grow revenue at a CAGR (compound annual growth rate) of 15% by providing 1) inkjet office printing, commercial & industrial inkjet printing and printheads that reduce environmental impacts, increase work productivity, and reduce printing costs; and 2) production systems with expanded use of new production devices to reduce environmental impacts.	Large CAGR of 15% is expected in growth areas by FY2025
Opportunities	Products and services	Environmental business	Short-term	**Assumed scenarios** - Market growth is expected in the areas of global warming prevention, waste treatment, and effective utilization of resources. - The shift to a circular economy is expected to increase the need for recycled plastics, high-performance biomaterials, bioplastics and metal recycling. **Business opportunities** - Generate revenue by value transformation (enhancing functionality), eliminating plastics (packing and molding materials), creating new high-value-added materials and carrying out other measures through the establishment of technologies, such as applications of dry fiber technology, including paper recycling, development of naturally derived materials (elimination of plastics) and recycling of raw materials (metal and paper recycling) as effective solutions for combatting global warming and shifting to a circular economy.	Medium

Actualization	Short term: < 10 years	Medium term: 10-50 years	Long term: > 50 years
Financial impact	Small: < 1 billion yen	Medium: 1-10 billion yen	Large: > 10 billion yen

Epson implemented the following initiatives in FY2024 to promote decarbonization, close the resource loop, develop environmental technology, and mitigate environmental impacts on the customer's end.

<table>
<tr><th colspan="2">Category</th><th>Evaluated risks & opportunities</th><th>Initiatives implemented in FY2024</th><th>FY2024 quantitative results</th></tr>
<tr><td rowspan="4">Transition risks</td><td rowspan="4">Market changes
Policy & laws and regulations</td><td>Paper demand</td><td>- Sales of high-capacity ink tank printers increased in emerging countries and Western Europe from the prior period. Sales of office shared printer units and those of ink cartridges for them both increased due to the increasing replacement of laser printers with those printers. The financial impact of fluctuations in demand for paper in the market targeted by Epson was limited.</td><td>Small[13]</td></tr>
<tr><td>Decarbonization</td><td>- Maintained 100% renewable energy at all sites of the Epson Group globally[14].
- Started the Epson Green Supply Chain project that supports GHG emission reduction and the adoption of renewable electricity among suppliers.</td><td rowspan="3">¥7.58 billion
(breakdown)
·Investment: ¥4.38 billion
·Expenses: ¥1.91 billion
·Personnel expenses: ¥1.29 billion

Cumulative input costs and investments for Environmental Vision 2050: ¥20.22 billion in total</td></tr>
<tr><td>Closed resource loop</td><td>- Expanded the use of recycled plastic products, and increased the long-term use of products through refurbishing/reuse.
- Completed construction of a new plant to recycle metal waste as materials for metal powder products (June 2025, Epson Atmix).</td></tr>
<tr><td>Environmental technology development</td><td>- Developed fabric fiber composite recycled plastic by applying dry fiber technology.
- Promoted the development of a technology for separating and collecting CO_2 using a separation membrane and a CO_2 absorption technology utilizing algae.</td></tr>
<tr><td rowspan="3">Physical risks</td><td>Acute</td><td>Damage to business sites due to floods</td><td rowspan="3">- Assessed risks based on the IPCC Sixth Assessment Report for 36 sites (17 in Japan, 19 in overseas)[15].
- Confirmed that the volatility in Epson's future operation risk caused by floods (river flooding), high tide and drought is limited. Implemented BCP measures against the risk of inundation of facilities on lower floors of Toyoshina Plant[16].</td><td rowspan="3">Small</td></tr>
<tr><td rowspan="2">Chronic</td><td>Damage to business sites due to rising sea levels</td></tr>
<tr><td>Impact on operations due to drought</td></tr>
<tr><td rowspan="2">Opportunities</td><td rowspan="2">Products and services</td><td>Customer environmental impact mitigation</td><td>- Promoted initiatives in the growth areas (office printing, commercial & industrial printing, printhead sales, production systems) under "Epson 25 Renewed."</td><td>FY2020 →FY2024 Revenue CAGR +9.9%</td></tr>
<tr><td>Environmental business</td><td>- Started PoC[17] of a business model for recycled fabric with an eye to business development with dry fiber technology as the core technology.</td><td>–</td></tr>
</table>

13 Small financial impact: less than ¥1 billion

14 Excluding some sales offices and other leasehold properties whose electric energy consumption cannot be identified.

15 Assessed using IPCC climate change scenarios RCP 2.6 (2°C), RCP 8.5 (4°C)

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

17 PoC (Proof of Concept): A process to verify the feasibility and actual effect, etc. of a new technology, etc.

■ Initiatives for carbon pricing

Epson prepared payback period criteria and guidelines that incorporate carbon pricing principles to evaluate (study the feasibility of) potential investments before executing for reducing GHG emissions. They were introduced on a trial basis in FY2018 and were formally adopted in 2020.

③ Risk management

As the environment in which we operate grows more complex and uncertain, effectively dealing with risks that could have a significant impact on corporate activities will be essential in order to carry out business strategies and business objectives. Epson sees climate-related issues as risks that could significantly impact management and manages them appropriately.

■ Management process of climate-related risks and opportunities

1. Study	2. Identify & assess	3. Manage
- Considering the changes in the IPCC Sixth Assessment Report, conduct surveys on natural disaster risks caused by climate change at major sites in Japan and overseas. - Research social trends.	- Identify risks and opportunities from the policies and actions in Epson 25 Renewed and Environmental Vision 2050. - Evaluate scenario analysis through the Sustainability Strategy Council and board of directors.	- Effectively manage risks through the Sustainability Strategy Council and the board of directors.

④ Metrics and targets

Epson aims to achieve the medium- and long-term greenhouse gas (GHG) emission reduction targets to realize Environmental Vision 2050. For this reason, we are working to reduce environmental impacts throughout the value chain by improving the environmental performance of our products, utilizing renewable energy, enhancing our business activities and taking other steps, based on our efficient, compact, and precision technologies.
After our 2018 SBTs were set, we raised our goals in line with the 1.5-degree target and made efforts towards achieving them for FY2025. As a result, we replaced all electricity used at all our global sites with renewable energy ahead of the target year. Furthermore, in May 2025, the Science Based Targets initiative (SBTi) approved our net-zero target, which is based on the SBTi Net-Zero Standard, as well as our near- and long-term targets for the process up to achieving our net-zero target. This confirms that our targets for total emissions that include all scopes and aim to be achieved by 2030, which were already set in our Environmental Vision 2050, are scientifically sound to achieve the 1.5°C target in the Paris Agreement.

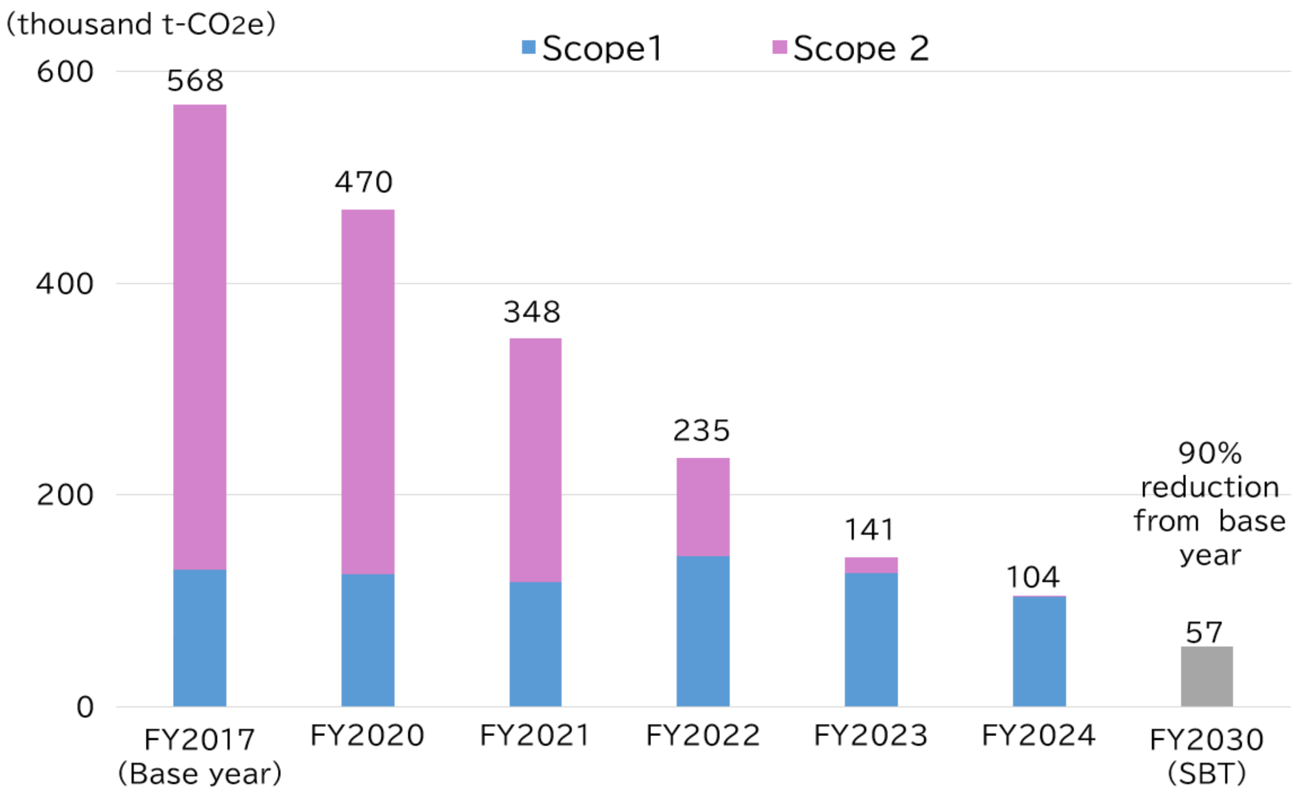
■ GHG emission reduction targets and goals

<Approved targets> The base year is FY2017 in each case	Near-term targets: A 55% reduction in total of Scopes 1, 2 and 3[18] in 2030 A 90% reduction in total of Scopes 1 and 2 in 2030 Long-term targets: A 90% reduction in total of Scopes 1, 2 and 3 in 2050 Achieve net zero in 2050
<Goals[19]>	Achieve net zero in Scopes 1 and 2 in 2030 Achieve carbon negative in 2050

18 Scope 1: Direct emissions from the use of fuel, etc., by the reporting company
Scope 2: Indirect emissions from purchased energy
Scope 3: Emissions from the reporting company's value chain (all categories are incorporated in the targets)

19 Reducing total emissions by 90% (which is a target approved by SBTi) and aiming to achieve net-zero emissions by neutralizing the remaining emissions by absorption or using credits or otherwise, or to achieve further decarbonization.

■ **GHG reduction results (Scopes 1, 2/Consolidation basis)**



	FY2017 (Base year)[20]	FY2020	FY2021	FY2022	FY2023[20]	FY2024[20]	FY2030 (SBT)
Scope 1 (Thousand tons of CO2e)	130	125	118	142	126	104	–
Scope 2 (Thousand tons of CO2e)	439	345	230	93	15	0.4[21]	
Total for Scopes 1 and 2 (Thousand tons of CO2e)	568	470	348	235	141	104	57

(Note) Totals do not add up in some cases due to rounding off of fractions.

20 Calculated based on the latest SBT criteria.

21 Emissions associated with steam.

(3) Human capital and diversity

■ Concept and initiatives of human capital

Epson is committed to contributing to the resolution of social issues through its business based on the Corporate Purpose, with the aim of enhancing corporate value and sustainable growth over the medium to long term. To achieve this, it is necessary to expand and create businesses through environmental, DX, and co-creation initiatives, in line with the positioning, strategies, and policies for each business domain defined in the long-term vision, Epson 25 Renewed. These activities are supported by efforts to strengthen the management base through human resource strategies. Epson is promoting the pillars of its human resource strategy, which are "allocate human resources to priority areas," "strengthen human resource development" and "organizational activation," in order to develop human resources who are capable of thinking autonomously about what services are required in a society undergoing change and how to provide solutions to social issues, and are capable of producing services and solutions, as well as to create an environment in which they can demonstrate their abilities.

■ 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. For this reason, the following are key points for Epson's human resource strategy.

- ◆ We will accurately grasp various customer needs and promote business reform and innovation to respond quickly and flexibly. To this end, we will actively acquire specialists from outside the Company in growth and new fields in addition to highly specialized fields, as well as management personnel who can work from a managerial perspective. We will also provide our own staff with specialized training and conversion training to focus on areas to be strengthened and build optimal formations from a global perspective.
- ◆ Epson, as a "company where people continue to grow and develop their careers autonomously" over a long-term time horizon, provides various training programs, reskilling, rotation, internal recruitment systems, and other opportunities for challenge to enhance each employee's ability to respond to changes in the internal and external environment. In addition, to build an optimal formation from a global perspective, we will develop and deploy human resources who can work globally, including overseas personnel.
- ◆ We will foster an organizational culture in which human resources with a wide variety of abilities, skills, and individualities keep trying actively without fear of failure, so that they will be able to think and act on their own, increase the creativity of the organization as a whole, and achieve innovations. In addition, we will make efforts to create a work environment that leverages our advantages as a regional company, through which we will increase employee engagement and maximize the overall strength of the organization.

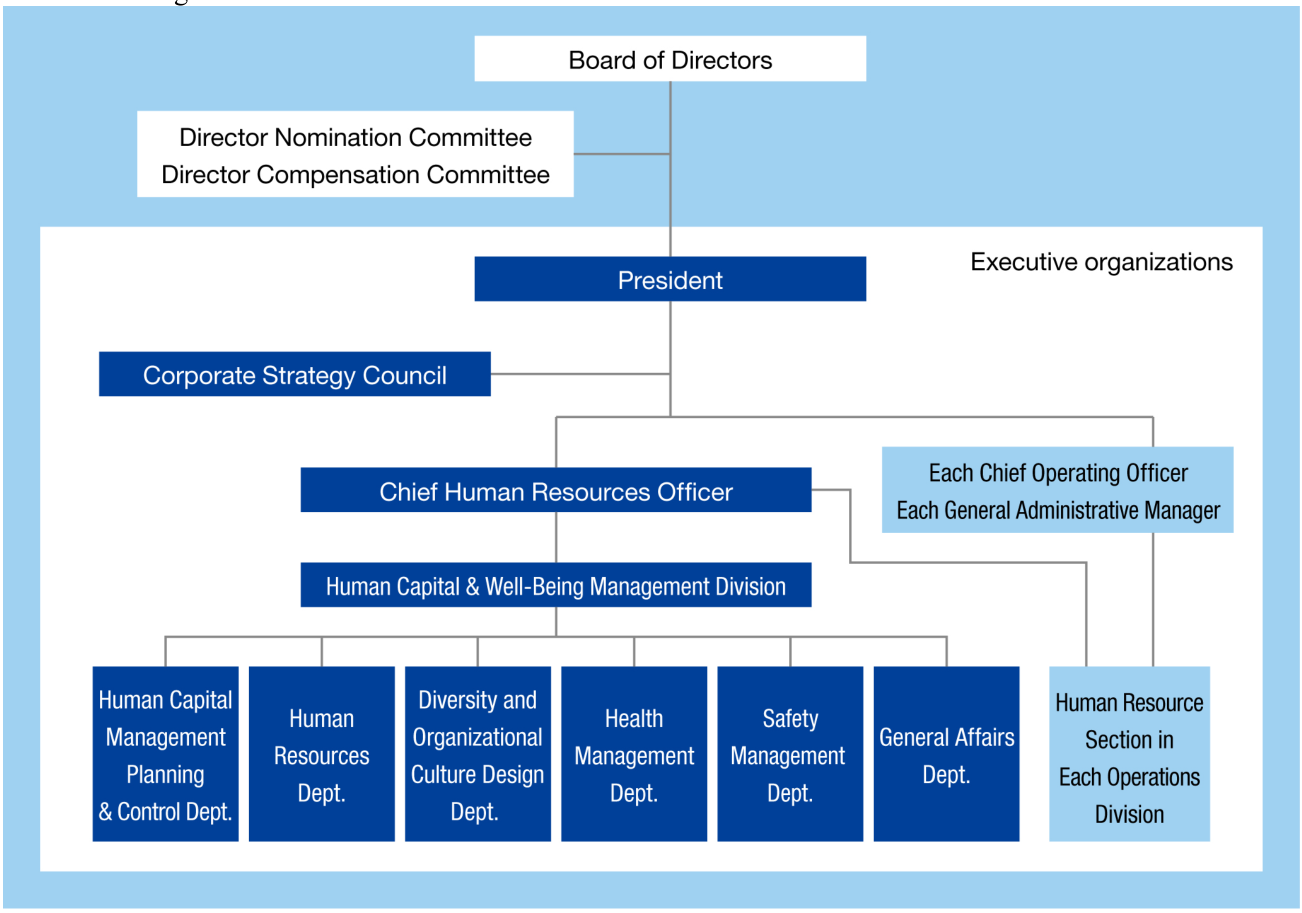
① Governance

The President appoints the Chief Human Resources Officer (CHRO) to be responsible for important matters related to human resource strategy, and the CHRO is responsible for company-wide planning, management, and implementation of such matters.

The CHRO formulates mid-term personnel strategies based on the medium-term management strategy, and reports them to the Board of Directors as part of the mid-range business plan after discussion and deliberation at medium-term strategy deliberations, etc. CHRO works closely with respective operations divisions and other divisions to optimize the allocation and assignment of the staff from a company-wide perspective, in light of their respective staffing needs and views, and to promote our human resource strategy. The main items set forth in the mid-term personnel strategies which are relevant to "allocate human resources to priority areas," "strengthen human resource development" and "organizational activation" are discussed and reported at the Corporate Strategy Council as required.

The CHRO regularly (at least once a year) reports the progress of mid-term personnel strategies to the Board of Directors, thereby ensuring appropriate supervision by the Board of Directors. The Board of Directors discusses, among other things, the necessity to clarify qualitative need for personnel on the part of businesses, as well as what human resource strategy should be put in place to further leverage Epson's strengths. In addition, succession planning and training of senior management, which is a matter of importance to management, is also regularly (at least once a year) reported to the Board of Directors.
With respect to the promotion of diversity and organizational culture as particularly important issues for Epson, we reinforced the system for promoting these topics by appointing a professional officer in charge of these topics on April 1, 2025. Further, we seek to reinforce and accelerate our efforts by linking the achievement rates of the targets for diversity promotion (such as the female management position ratio and the number of female Executive Officers) and engagement survey results with officer compensation.

■ Executive organization



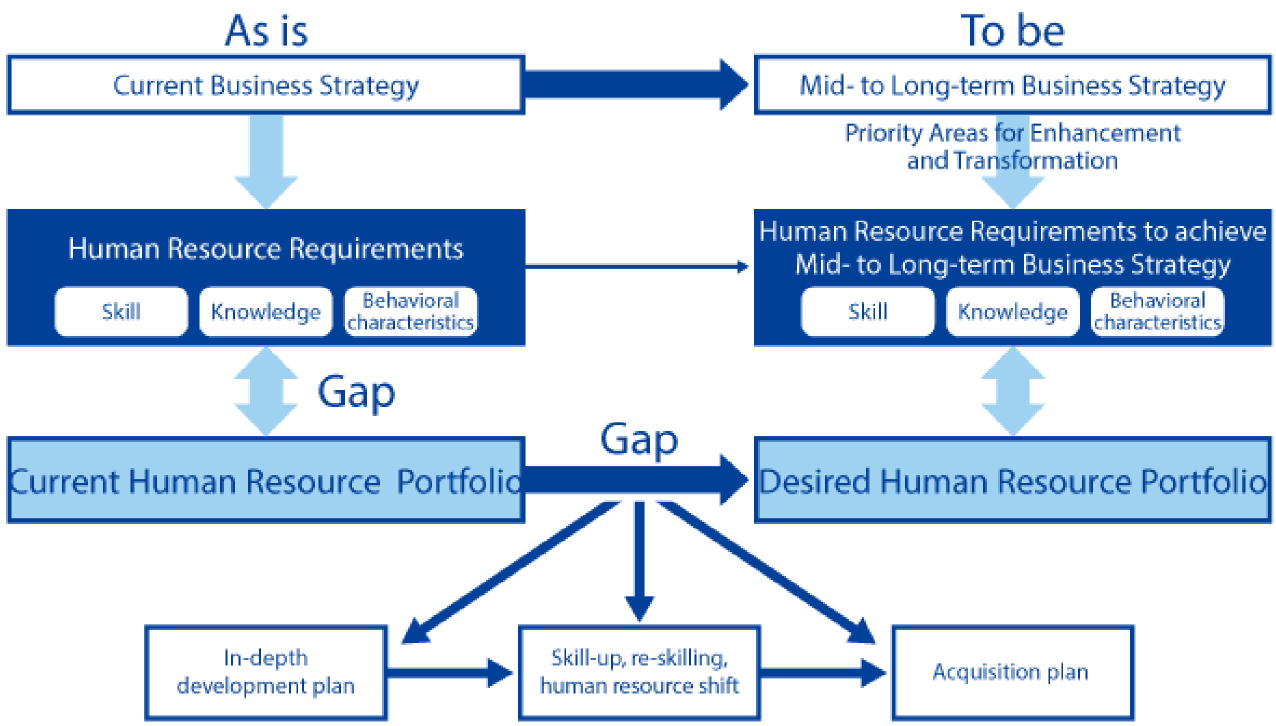
② **Strategy**

■ 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 completed, at 70% of the Group divisions, the efforts to define the human resource requirements based on skills and behavioral characteristics and to visualize the current (As-is) resource portfolio. We will go a step further in FY2025 by promptly completing these efforts to visualize the as-is portfolio at the remaining Group divisions, manifesting the desired state (To-be) of our resource portfolio in the course of preparing our management strategy for the next long-term vision which is currently in progress, and identifying the gap between the current and desired states both quantitatively and qualitatively. By doing so, we will appropriately implement measures such as recruitment, reskilling, and optimal placement in line with the management strategy in order to build an optimal personnel

structure company-wide, formulating a human resource strategy that will contribute to the fulfillment of our medium- to long-term strategies.

Initiatives of Human Resource Portfolio



■ Human resource strategies, opportunities, and risks

Epson has human resource strategies that focus on developing the people we envision in line with the image of human resources we seek, and on creating an organizational culture in which our diverse human resources can fully flourish. Based on the following assessment of risks and opportunities, we are working on three human resource strategies: allocate human resources to priority areas, strengthen human resource development, and organizational activation.

Human resource strategies	Opportunity (○)	Risk (●)
Allocate human resources to priority areas	○ Acceleration of business growth through intensive allocation and optimal allocation of human resources to priority areas (growth areas, new areas, etc.) ○ Increased employee motivation, engagement, and productivity by responding to their motivation and providing rewarding and growth opportunities	● Failure to secure the necessary quality and quantity of personnel, resulting in obstacles to business execution ● Lost growth opportunities and financial losses as a result of the above
Strengthen human resource development	○ Increased values created through increasing the value of each employee ○ Increased employee motivation, engagement, and productivity as a result of employees feeling and experiencing growth in response to the provision of rewarding and growth opportunities	● Failure to develop human resources who can acquire the necessary abilities and skills and respond to change, resulting in obstacles to business execution and financial losses ● Decreased employee motivation and increased employee turnover due to failure to meet expectations for learning and growth

Human resource strategies	Opportunity (○)	Risk (●)
Organizational activation	○ Fostering of an environment conducive to innovation through the diverse ideas and creativity of a diverse workforce ○ Reduced recruiting costs and improved competitiveness by securing and retaining excellent human resources ○ Increased motivation, engagement, and productivity by creating an environment in which diverse human resources can fully flourish	● Deterioration in operational efficiency due to a decline in employee morale and motivation, occurrence of compliance violations, and loss of trust due to a lack of ethical standards ● Harassment, loss of motivation and strength to work in teams due to adverse effects on physical and mental health, and other various human rights violation risks in the workplace ● Additional costs due to occupational accidents

■ Human resource development policy

Human resource strategy (1) Allocate human resources to priority areas

As the foundation of its business operations, Epson formulates workforce plans based on forecasts of future changes in its workforce structure and the workforce needs to realize its business strategies. As a policy, we will hire more than 350 new graduates and mid-career workers combined each year in a planned and stable manner over the future medium term.

In addition to intensively allocating hired personnel to the growth areas of printing (office, commercial and industrial) and to the new areas of environmental business, environmental technology, etc., we will strongly promote human resource shifts in which internal human resources with specialized training, conversion training, etc. are deployed in the priority areas. We will also acquire management-level human resource and specialists including those for DX from outside the company and allocate them after clarifying human resource requirements.

In FY 2024, out of total number of 549 staff assigned through new graduate and mid-career recruitment as well as internal recruitment, 380 of them are assigned to the priority areas.

Human resources strategy (2) Strengthen human resources development

Human resources development

Once a year, Epson conducts an overview of the workforce situation in each organization, defines the roles and requirements of key positions such as management positions, and formulates succession plans based on these definitions. In addition, we list candidates for future executive management and middle management positions and global human resources, and formulate training plans.

Our human resource development is based on on-the-job training (OJT). In addition, we have established an education system to provide education by job level and various types of specialized education as off-the-job training, and we are actively engaged in rotation to broaden the abilities, experience, and knowledge of each employee in order to strengthen their ability to respond to changes and contribute to the effective and efficient operation of the value chain.

We have in place screened, rank-based education programs for the development of leadership human resources.

Going forward we will work to take advantage of our human resource portfolio and clarify requirements to work at new workplaces and in new job types, such as the necessary skills and behavioral characteristics. Based on this, we will develop a reskilling mechanism that provides our employees with the necessary specialized training and conversion training to enable them to play an active role early, in order to promote the allocation of human resources to priority areas. At the same time, we will expand programs for encouraging employees to learn actively in a self-sustained manner and for supporting their career development.

Training of global human resources

In order to deliver valuable products to customers, it is essential that the entire global value chain operates effectively and efficiently. This requires global human resources who have extensive knowledge and experience in various functions that spread all over the world and are capable of coordinating among respective functions from the perspective of overall optimization and making accurate and prompt decisions in the field. In order to develop leaders who share common values and perform actively in various regions of the world, we hold seminars every year to foster management leaders at overseas subsidiaries, while promoting the training of human resources who play central roles locally, by not only assigning personnel from Japan to overseas subsidiaries but also accepting secondees and trainees from overseas subsidiaries. As in Japan, we also work with local top management and human resource departments to define roles and requirements for overseas human resources, and formulate succession and training plans for key positions and key human resources. Based on these activities, we continue to hold internal discussions on optimal functional allocation, and are working to build an optimal formation from a global perspective.

■ Internal environment improvement policy

Human resource strategy (3) Organizational activation

At Epson, we aim to enhance engagement of our employees and maximize the comprehensive power of the organization through initiatives aimed at strengthening each individual employee's ability to respond to changes in internal and external environments, securing diversity, and creating a work environment and organizational culture for our employees, as well as those on health management and occupational safety and health.

Diversity

Epson will understand our diverse customers and create new value that surprises and inspires them in this era of rapid change. Therefore, we aim to have people with a wide variety of abilities and skills gathering at Epson around the world, with all employees taking responsibility as members of society, and growing and challenging themselves together with Epson, and thereby continuing to innovate and create values.

Epson recognizes that gender equality in Japan is one of the most urgent challenges facing the Company and is working on measures to strengthen support for career progression and on measures for younger female workers in order to expand the candidates for future female managers, with the aim of achieving a state in which the percentage of women in middle management and executive management positions equals the percentage of women employees to all employees as soon as possible. In addition, we also work to achieve disabled persons' active engagement in their professional life in an inclusive manner, in other words, a state in which people contribute to the creation of results by taking on challenges in steps corresponding to their individual roles to continue to grow, regardless of whether they have disabilities or not. Toward that goal, we will not only work aggressively on hiring persons with disabilities as the entire Group, but also promote the development of new businesses of our special subsidiary. In addition, we work on nurturing corporate culture by creating opportunities for contact with disabled persons and through workshops and events related to the facilitation of disabled persons' active engagement.

As a basis for these activities, we send out messages from top management, conduct diversity management training for managers, and hold an internal DE&I fair, to encourage employees to change their mindsets. Further, in order to support active engagement regardless of gender, we are also working to create a fair and supportive workplace, provide support through consultation points, and encourage men to take childcare leave. Furthermore, to support the career development of diverse human resources and promote their success, we are developing various career support programs and an education system that provides opportunities for voluntary relearning.

Organizational culture

The results of the engagement survey, which was introduced in FY2022 and uses an external tool, revealed that there is a foundation of trust across the company and that employees do what they are told. However, it also showed that there are many challenges to realizing a self-sufficient organization in which individuals take the initiative to improve the weaknesses of the organization. Based on the results of the engagement survey described above, we have set as challenges of our organizational culture the three tasks of 1) getting our Philosophy fully embraced and taken personally, 2) enhancing the change mindset and an outward-oriented perspective, and 3) obtaining growth and a sense of contribution through work. We believe it is particularly important to strengthen management capabilities in the workplace in order to improve these, and have conducted activities for sharing management information and getting our Philosophy fully embraced, started one-on-one training, reviewed an education and training system for pre- and post-management promotion personnel, introduced educational content on a subscription basis, shared case examples on the intranet, established a consultation point for managers, and provided individual support in the workplace, among other things. As a result of these efforts, the overall rating for FY2023 and FY2024 was BB (the 5th rank from the top out of 11 ranks), one rank higher than B (the 6th rank) for FY2022. We are making progress towards improving productivity by developing "human resources who think and act on their own" and enhancing organization power by "building solid trusting relationships in the workplace."

We believe that continuing our organizational efforts through a wide variety of self-sufficient personnel who act on their own will allow us to respond to changes in the environment in an excellent manner and will lead us to producing more successful results. To this end, we intend to strengthen even further our efforts to instill and establish an organizational culture that promotes the activities of personnel who create values and that encourages people to keep trying actively without fear of failure.

Creation of working environment

Epson aims to create an environment where employees have motivation and can work with vitality and in a physically and mentally healthy and safe manner while adapting to various changes in life stages and others. In particular, we are promoting flexible working styles that allow employees to work at any time and any place, such as a flexible working hours system and telework, and creating an environment that enables a work-life balance in life-stage events such as childcare, medical treatment, nursing care, and infertility treatment. In FY2024, we improved the operation of our remote work system and responded to the amendments to the Childcare and Family Care Leave Act. We are also promoting measures to prevent harassment in the workplace and keep working hours at an appropriate level.

At Epson, a Group whose main sites are concentrated in the Shinshu area, we believe that it is important to further promote flexibility in working hours and workplaces, and create an environment that enables our diverse human resources to realize their individual career development, in order to promote diversity in the future based on hiring and retention of diverse human resources including managerial human resources and specialists.

Health management

We believe that the health of all the workers of the Group is of paramount importance to us, and based on our Corporate Purpose, the Epson Way, the Epson Group Basic Occupational Health and Safety Policy, and the Epson Group Health Management Declaration, we aim to improve the health of our workers and help them feel fulfilled in their work and work with vitality. In April 2022, we established our mid-range health plan, Health Action 2025, which focuses on two key areas: “mental and physical health” to foster autonomy and harmonize work and health, and “workplace health” to ensure attentiveness to safety and foster an organizational culture of teamwork and vitality. In March 2025, the Company was recognized for its past activities under the Health & Productivity Stock Selection Program for the fourth consecutive year.

Occupational safety and health

In FY2000, Epson formulated a policy and program based on the Occupational Safety and Health Management System (OSHMS), which conforms to the guidelines of the International Labor Organization (ILO), and has been implementing activities for occupational safety and health. This has been further evolved into activities based on the international standard ISO45001, and we are working to further improve the health and safety environment in the workplace so that all the workers in the Group can work with a peace of mind, in a safe and healthy manner, and with vitality.

③ Risk management

As the environment surrounding companies becomes increasingly complex and uncertain, it is essential to accurately address risks that could have a significant impact on corporate activities in order to execute management strategies and business objectives. Epson positions issues related to human capital and diversity as risks with significant management impact and manages them appropriately.

■ Management process of human capital- and diversity-related risks and opportunities

1. Study	2. Identify & assess	3. Manage
- With the Human Capital & Well-Being Management Division playing a pivotal role, survey risks and opportunities arising from human capital and diversity at major sites in Japan and overseas.	- Identify risks and opportunities from the policies and strategies in Epson 25 Renewed. - Identify gaps between the current situation and the ideal situation in the development of the human resource portfolio.	- Effectively manage risks through the Corporate Strategy Council and the Board of Directors.

④ Metrics and targets

Epson has established KPIs for each of the three pillars of its human resource strategy, “allocate human resources to priority areas,” “strengthen human resource development” and “organizational activation,” and clarifies targets for key measures and manages progress toward these targets.

Furthermore, Epson carries on its business globally, and thus formulates and promotes human resource strategy from a perspective that includes all Group companies including overseas companies. However, considering that the social environment and situation of each company differ, aside from metrics for occupational safety and health, the setting of metrics and targets applies to Seiko Epson Corporation on a non-consolidated basis as it has high priority.

Strategies	Metrics	Results			Targets
		FY2022	FY2023	FY2024	
Human resource strategy (1) Allocate human resources to priority areas	Number of hires	New graduates: 250 Mid-career: 241	New graduates: 344 Mid-career: 204	New graduates: 373 Mid-career: 70	Continue to hire over 350 people each fiscal year[22]

Strategies	Metrics	Results			Targets
		FY2022	FY2023	FY2024	
Human resource strategy (2) Strengthen human resource development	Rotation rate	10.0%	10.1%	10.1%	15% or more each fiscal year
Human resource strategy (3) Diversity	Female management position ratio	4.1%	4.7%	5.3%	FY2025: 8%
	Female supervisory position ratio	7.1%	7.7%	8.1%	FY2025: 10%
	Number of female Executive Officers (Status of initiatives is indicated in parentheses)	(Number of female employees dispatched to external management strategy training: 2)	(Number of employees dispatched to Kyoto University Leadership Training and Mackinsey Program: 2 and 1, respectively)	Election: 1 (Assumed office on April 1, 2025)	At least one by FY2025
	Disabled person employment ratio[23]	2.70%	2.65%	2.58%	FY2030: 3.0%
	Wage difference between male and female workers[24]	All workers: 76.5% Regular: 76.7% Non-regular: 77.8%	All workers: 76.5% Regular: 76.8% Non-regular: 79.3%	All workers: 77.2% Regular: 77.5% Non-regular: 75.8%	Reduce differences through initiatives such as increasing the number of females in management positions (because the primary reason for the differences is the low percentage of upper level positions and grades occupied by women although there are no differences in our wage system between wages for males and females of the same grade.)
		(Reference) Management positions: 97.1%	(Reference) Management positions: 97.9%	(Reference) Management positions: 98.2%	
Employee engagement	Overall Employee Engagement Rating	Rating B (Score: 51.8)	Rating BB (Score: 52.9)	Rating BB (Score: 52.2)	By FY2025: (1) Rating A (58 or higher) for all workplaces (2) Rating D for zero workplaces

Strategies	Metrics	Results			Targets
		FY2022	FY2023	FY2024	
Creation of working environment	Percentage of male employees taking childcare leave	97.2%	85.2%	91.6%	100% each fiscal year
	Harassment prevention e-learning participation rate	96.8%	97.6%	97.7%	100% participation rate each fiscal year
	Thorough reporting of serious harassment cases to the head office	0 cases of failure to report	0 cases of failure to report	0 cases of failure to report	Continue to strengthen cooperation with organizations and affiliate contacts
	Annual total actual working hours	1,845 hours	1,866 hours	1,847 hours	FY2024: 1,845 hours
Health management	Number of high risk workplaces with “general health risk” in the mental health check	1.0% (Counted in workplaces of 3 or more people)	1.7% (Counted in workplaces of 10 or more people)	1.4% (Counted in workplaces of 10 or more people)	FY2025: Zero
Occupational safety and health	Number of serious occupational accidents or injuries[25]	0 cases	0 cases	0 cases	Zero in each fiscal year

[22] Total number of new graduates who joined the Company on April 1 of each fiscal year and the number of mid-career hires in each fiscal year

[23] As of June 1 of each fiscal year

[24] The wage difference between male and female workers is the ratio of women’s wages to men’s wages.

[25] All Group companies including overseas companies. Other metrics are for Seiko Epson Corporation on a non-consolidated basis

(4) Intellectual property

Epson believes that it is important to "Convert intellectual property (IP) in the broad sense (as well as IP rights, this includes assets like brands and data) into assets that drive sustainable growth of Epson's value."

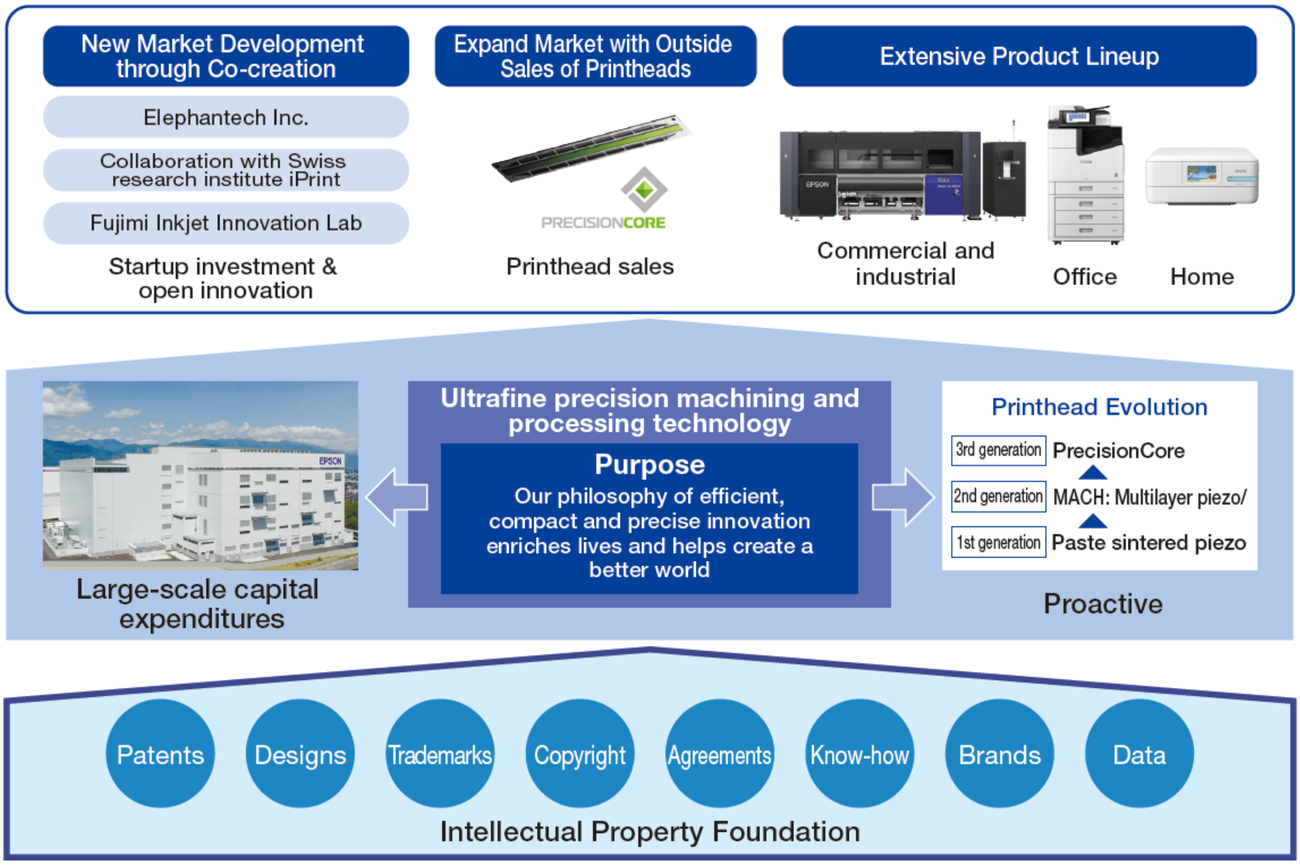
Under this belief, to achieve sustainability and enrich communities, which is the aim of our corporate vision, the Intellectual Property Division works closely with management, operations divisions, and development and strategy departments, converts IP into value by proactively utilizing all IP, and enhances Epson's value and supports the realization of its sustainable growth by tirelessly engaging in such activities.

For example, one source of Epson's competitive advantage is our ultrafine precision machining and processing technology that has been nurtured since our founding. Not only are our original Micro Piezo printheads being refined using this ultrafine precision machining and processing technology, they have also advanced under the protection of our strong IP. In addition, we were able to expand our product lineup by equipping Epson's printers with the printheads and mass-produce the printheads through proactive, large-scale capital investment, thereby contributing to further growth of the printing businesses. Moreover, the development of the printhead sales business has increased the user base for our printheads in various commercial and industrial sectors and has led to expansion of the digital printing market. The growth in these businesses is also proceeding on the basis of our strong IP.

In addition, by pursuing investment in startups and co-creation with third parties through open innovation, we have also developed new markets with high potential, and the support received from the perspective of IP is accelerating such efforts. In this way, our strong IP serves as a foundation for realizing a virtuous cycle in business, enabling even greater investment in research and development and dramatic evolution of our printheads and other products as well as our technologies so that we can continuously boost their competitive advantage.

In other words, it is the IP we create that supports this growth strategy scenario.

■ Growth strategy scenario based on intellectual property (Example: Printing business / ultrafine precision machining and processing technology)

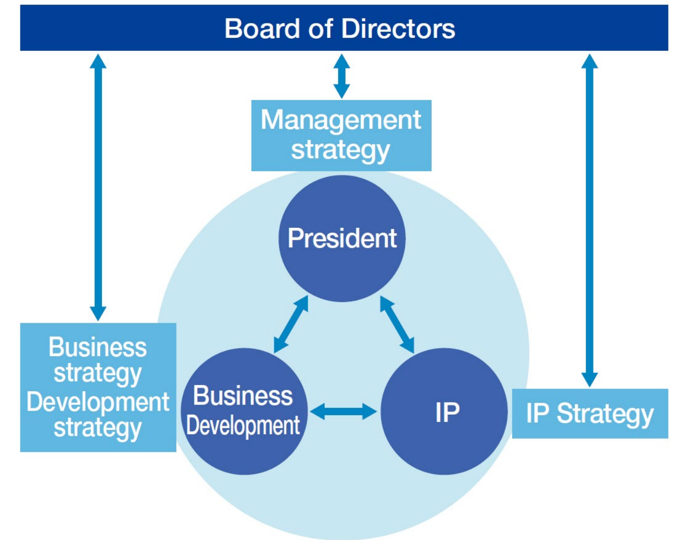


Needless to say, our efforts are not limited to the printing business. For instance, by using our ultrafine precision machining and processing technology nurtured through processing printheads, we manufactured a high-precision silicon escape wheel, which forms multiple spring parts by taking advantage of silicon's flexibility, for the silicon rotating part of an escape wheel, which is an important component that affects the time accuracy and running time of a mechanical wristwatch, in which the hour and minutes hands are moved by unwinding torque from the mainspring as an energy source. This allowed the high-precision, lightweight silicon escape wheel to be rotated without adhesives and without eccentricity, which enabled us to realize mechanical wristwatches with long running time due to a significantly reduced loss of driving energy. This technology was first introduced to mechanical wristwatches of the "skeleton" series under the Orient Star brand and subsequently to mechanical watches of other series. The invention of this silicon escape wheel won the Prize of the President of the Japan Patent Attorneys Association at the 2024 National Commendation for Invention (sponsored by the Japan Institute of Invention and Innovation). The winning of this prize showed, through internal and external feedback, that Epson's ultrafine precision machining and processing technology has significantly contributed to the promotion of science and technology and to the development of industrial economy.

① Governance

At Epson, in order to develop IP strategy in lockstep with development strategy and business strategy, which is essential for safeguarding Epson's core technology, the Intellectual Property Division General Administrative Manager liaises one-on-one with Chief Operating Officers and the Technology Development Division General Administrative Manager. If necessary, the President attends for a three-way meeting. In addition, IP strategy is regularly reported and discussed at meetings of the Board of Directors, and the strategy is amended based on feedback from the Board of Directors.

■Executive organization



In FY2024, the Board of Directors discussed how to respond to the risks involved in the expiration of the basic patents to Epson's core technology. In addition, the Board of Directors held one-on-one meetings with all operations divisions involved in the formulation of IP strategy.

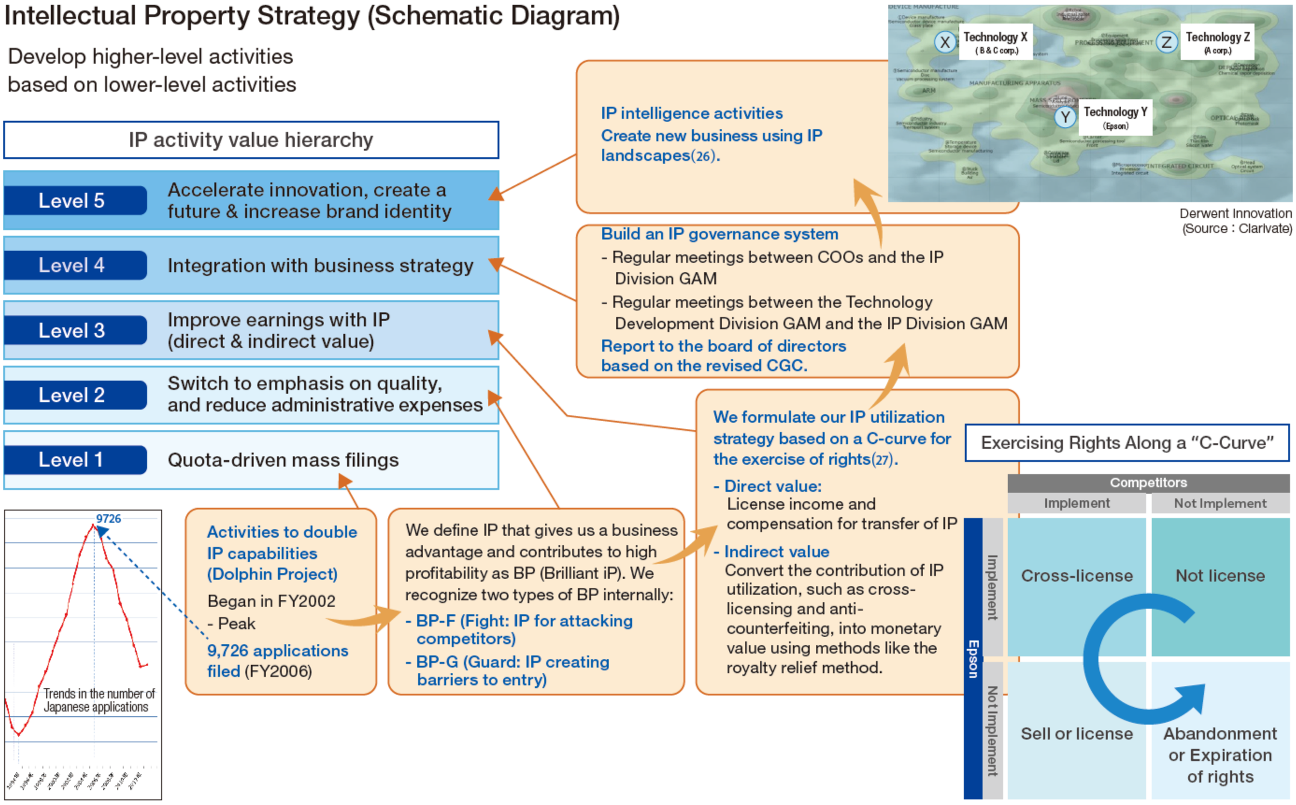
■ Meetings actually held and reports actually presented at board of directors meetings

Entity(ies)/body(ies) attended	Meeting held in:	Topics, etc.
Board of Directors	March 2025	How to respond to the risks involved in the expiration of the basic patents to Epson's core technology
Printing Solutions Operations Division and IJS Operations Division	May 2024	Progress and challenges of IP strategy
Visual Products Operations Division	May 2024	
Manufacturing Solutions Operations Division	July 2024	
Wearable Products Operations Division	June 2024	
Microdevices Operations Division	June 2024	
Technology Development Division	June 2024	

② Strategy

Epson's IP strategy is based on the hierarchy of values of IP activities shown in the figure below. In line with the hierarchy, we have steadily climbed up the hierarchical levels one by one, by basing our activities on the lower-level activities and developing them into the higher-level activities.

Currently, Epson's IP activities are aiming to reach the top level, or Level 5, based on, and by evolving and developing, the activities at Level 4 and lower levels. We believe that Level 5 is not an extension of Levels 1 through 4 but requires a significant leap in IP activities.



[26] An example of analysis using the Derwent Innovation database provided by Clarivate. The database was utilized in formulating strategies by visualizing the strengths of the Company and those of others. For details, please refer to below:
https://corporate.epson/ja/technology/intellectual-property/research.html

[27] In formulating our strategy for utilizing our IP portfolio, we organized our approaches (in a C-Curve) by using a four-quadrant figure, with the two axes representing the usage of our IP portfolio and that of our competitors'. We formulated our strategy for utilizing our IP portfolio based on the C-Curve. For details, please refer to below:
https://corporate.epson/ja/technology/intellectual-property/strategy.html

③ Risk management

Epson positions risks related to IP as risks with significant management impact and manages them appropriately. As described above, in FY2024 the Board of Directors discussed how to respond to the risks involved in the expiration of the basic patents to Epson's core technology. We will manage those risks through prevention of imitation of the core technology in combination with ① applying for additional patents to extend the life of the core technology, and ② protecting our rights by patents, along with the confidentiality management of know-how, etc.

■ Management process of IP-related risks

1. Study	2. Identify & assess	3. Manage
- The Intellectual Property Division identifies risks for each business.	- Assess identified risks through one-on-one (or three-way) meetings and the board of directors	- The Intellectual Property Division effectively manages assessed risks, with status information shared through one-on-one (or three-way) meetings and the board of directors, as appropriate.

④ Metrics and targets

As explained in "② Strategy," Epson has conducted IP activities in line with the hierarchy of values of IP activities. Currently, Epson's IP activities have reached Level 4 (Integration with business strategy) and are trying to reach Level 5 (Promote innovation, create future and improve brand image) by trial and error.
When Level 5 is reached, we will embark on efforts to create new businesses by utilizing the IP landscape. Therefore, we have decided to use the number of IP landscape reports and the number of reviewed co-creation agreements as indicators for assessing whether Level 5 has been reached. We will steadily promote IP activities by reflecting these indicators in our efforts in IP activities.

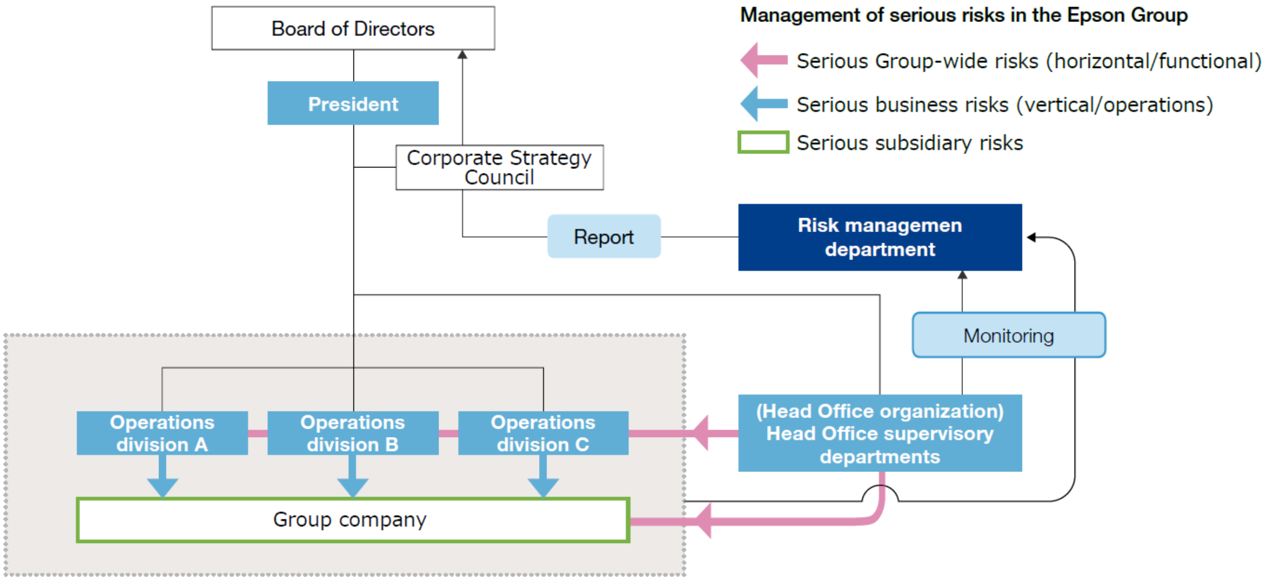
Value level	Indicator	Description of indicator
Level 5	Number of IP landscape reports	The number of times that the IP landscape is reported to and shared with management-level personnel (such as Directors, Chief Operating Officers, Deputy Chief Operating Officers, General Administrative Managers, and Deputy General Administrative Managers). This indicator assesses whether or not IP activities are routinely conducted in close coordination with the management and whether or not the Intellectual Property Department has been able to contribute to the promotion of innovation.
	Number of reviewed co-creation agreements	The number of reviewed agreements for joint development, joint research, pilot experiments, etc. This indicator assesses whether or not open innovation is actively taking place.

3. Risks related to Epson's business operations

At present, we have identified the following significant risks that could have a materially adverse effect on our future business, financial condition or operating results and that should thus be taken into account by investors. For these risks, although matters that may possibly become risk factors are described, they do not cover all risks, and risks that were not assumed as of the filing date of the Annual Securities Report and risks that are of low significance may also have an effect on our financial position, operating results and cash flows in the future.
Furthermore, while as our policy, we strive to recognize, prevent, and control potential risks and to address risks that materialize, there is no assurance we will succeed in these efforts, and if we are unable to effectively counteract the risks, our financial position, operating results and cash flows could be adversely affected.
All forward-looking statements hereunder were made at Epson's discretion as of the date we submitted our Annual Securities Report.

(1) Risk management system
Based on the Basic Internal Control System Policy, overall responsibility for risk management in the Epson Group, including subsidiaries, belongs to the president of Seiko Epson. Group-wide risk management is carried out by Head Office supervisory departments with the cooperation of the operations divisions and subsidiaries. Risks unique to an individual business are managed by the Chief Operating Officer of that business, including at subsidiaries consolidated under them. The Company has also set up the risk management department, monitors overall risk management Group-wide, makes corrections and adjustments thereto, and ensures the effectiveness of risk management programs. The risk management organization is defined in the Epson Group Risk Management Basic Regulations.
Epson identifies a wide range of ethical risks as important business challenges based on the Code of Conduct of the Responsible Business Alliance (RBA), such as information transparency, IP protection, fair competition, whistleblower protection, responsible mineral procurement, and privacy protection, in addition to misconduct such as bribery, corruption, and cartels.
These risks are prioritized based on risk assessment in reference to the internal control framework "COSO[1]" and the international standard for risk management "ISO 31000." Risks that could have serious adverse effects on Epson Group operations are considered "serious Group-wide risks." Risks that could have serious adverse effects on business operations are considered "serious business risks." And risks that could have serious adverse effects on subsidiaries' operations are considered "serious subsidiary risks."
Epson drafts and executes plans to control those serious risks identified and periodically monitors their progress. The company also strives to ensure control activities effectiveness by evaluating "serious Group-wide risks" every quarter and evaluating "serious business risks" and "serious subsidiary risks" every six months, as well as by striving to monitor the risk environment at all times and, if any change that may become serious is found, by analyzing and assessing the relevant risk and revising the control plans so that the risk is handled as a serious risk as necessary. The president of Seiko Epson reports important risk management affairs to the Board of Directors quarterly. Furthermore, the company fulfills its accountability to a wide range of stakeholders in and outside the Group, such as shareholders, customers, employees, business partners, communities, and the environment, while continuously working to improve the transparency and effectiveness of risk management.

■Risk Management Organization Chart



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

(2) Risks related to Epson's business operations

① Our operating results, etc. could be adversely affected by fluctuations in printer sales.

The ¥980.1 billion in revenue in the printing solutions segment in the year ended March 31, 2025 accounted for about 70% of Epson's ¥1,362.9 billion in consolidated revenue. Inkjet printers (including printer consumables) for the office and home and for commercial and industrial applications accounted for a large majority of our revenue and profit. Consequently, a decrease in revenue from printers and printer consumables could have a materially adverse effect on our operating results, etc.

② Our financial performance could be adversely affected by competition.

Adverse effects of competition on sales

All of our products, including our core printer and projector products, are subject to the effects of vigorous competition, which could cause, among other things, prices to fall, demand to shift toward lower-priced products, and unit shipments to decline.

We are taking strategic action to address the risk of declines in prices, a shift of demand toward lower-priced products, and declines in unit shipments. On one hand, we must provide products tailored to customer needs in each market along with high-value products and services. On the other hand, we must reduce manufacturing costs by increasing design and development efficiency and by reducing fixed costs.

However, there is no assurance we will succeed in these efforts, and if we are unable to effectively counteract downward pressure on prices, our operating results, etc. could be adversely affected.

Adverse effects of competition on technology

Some of the products that we sell contain technology that places Epson in competition against other companies. For example:

- The Micro Piezo technology[2] that we use in our inkjet printers competes with the thermal inkjet technologies[3] of other companies;
- The 3LCD technology[4] that we use in our projectors competes with other companies' DLP technologies[5], and Epson's projectors also compete against flat panel displays (FPDs)[6] of other companies.

We believe that the technologies we use in these products have competitive advantage over the alternative technologies of other companies. However, if consumer opinion with respect to our technologies changes, or if other revolutionary technologies appear on the market and compete with our technologies, we could lose our competitive advantage in technology and our operating results could be adversely affected.

2 Micro Piezo technology is an inkjet technology created by Epson that manipulates piezoelectric elements to fire small droplets of ink from nozzles.

[3] Thermal inkjet technology (also known as bubble-jet technology) is a printer technology in which the ink is heated to create bubbles and the pressure from the bubbles is used to fire the ink.

[4] 3LCD technology uses high-temperature polysilicon TFT liquid-crystal panels as light valves. The light from the light source is divided into the three primary colors (red, green and blue) using special mirrors, the picture is created on separate LCDs for each color, and then the picture is recombined without loss and projected on the screen.

[5] DLP technology uses a digital micro-mirror device (DMD) as a display device. A DMD is a semiconductor on which a large number of micro mirrors are arranged, each mirror directing light onto its own individual pixel. An image is formed by the light from the light source being reflected from the mirrors onto the screen. DLP and DMD are registered trademarks of Texas Instruments Incorporated.

[6] FPD encompasses a variety of thin electronic display technologies.

The emergence of new competitors

We presently face competition from powerful companies that have advanced technological capabilities, abundant financial resources, or strong financial compositions. We also face competition from companies around the world that have market recognition, strong supply capacities, or the ability to compete on price. There is, therefore, a possibility that other companies could use their brand power, technological strength, ability to procure funds, marketing power, sales skills, low-cost production ability, or other advantages to enter business areas where we are active.

③ Sudden changes, etc. in the business environment could affect Epson.

Epson seeks to drive office & home printing innovation, commercial & industrial printing innovation, manufacturing innovation, visual innovation, and lifestyle innovation. We are looking to create value truly sought by customers and achieve our vision for each business by making each innovation happen. Epson is executing plans and strategies based on a long-range corporate vision Epson 25 Renewed and each business strategy that we believe will enable us to establish a competitive advantage in technology, which we believe will be crucial for increasing our competitiveness. We are evolving product technologies, including digital technologies and our original core technologies, such as Micro Piezo inkjet technology, microdisplays, sensing, and robotics, all of which arose from Epson's rich legacy of efficient, compact, and precision technologies, as well as the core technologies that underpin these. In this way, we are developing, manufacturing, and selling products and providing services that match customer needs.

However, in the product markets and businesses where Epson is concentrating its management resources the pace of technological innovation is typically rapid, and product life cycles are short. In addition, demand and investment trends in Epson's major markets could change along with global economic conditions and progress of digitalization, and could affect sales of Epson products. Moreover, there is no guarantee that Epson's current long-range corporate vision, business strategies, and actions specified therein will succeed or be realized.

Under these business circumstances, Epson will also continue to strive to make rapid and smooth transition from existing products to new products by understanding market and customer needs, investing and conducting research and development from a medium- and long-range view based on product market forecasts, and creating development and design platforms.

However, if Epson cannot suitably respond to technological innovations in its main markets, or if competition with other companies intensifies, or if economic downturns or other factors prevent a recovery in demand, or if Epson is unable to adequately meet sudden fluctuations in demand in a major market, its operating results, etc. could be adversely affected.

④ Our revenue and earnings could be adversely impacted by sales of third-party inkjet printer consumables.

Ink cartridges etc., which comprise the bulk of consumables sold for inkjet printers, are an important source of revenue and profit for Epson. However, third parties also supply ink cartridges and other inkjet printer consumables that can be used in Epson printers. These alternative products are typically sold for less than genuine Epson brand consumables and are more prevalent in emerging markets compared to the markets of developed countries.

To counter sales of third-party consumables for inkjet printers, we must emphasize the quality of genuine Epson products and must look to continuously realize customer value by further enhancing customer convenience with inkjet printers tailored to the needs of customers in each market. Printer models equipped with high-capacity ink tanks are an example of such products. We also take legal measures if any of the patent rights or trademark rights we hold over our ink cartridges are infringed upon.

However, there is no assurance that any of these efforts will be effective, and if we experience revenue and profit declines in businesses such as our ink cartridge business as a result of shrinking unit shipments in response to an expansion of sales of third-party alternative products and drop of the market share of genuine Epson products, or if we must lower the prices of Epson brand products to stay competitive, our operating results, etc. could be adversely affected.

⑤ Expanding businesses overseas entails risks for Epson.

We continue to expand our businesses overseas, and overseas revenue accounted for 80% or more of our consolidated revenue for the year ended March 31, 2025. We have production sites all over Asia, including China, Indonesia, Singapore, Malaysia and the Philippines, as well as in the United States, the United Kingdom, and other countries. We have also established many sales companies all over the world. As of the end of March 2025, our overseas employees accounted for 70% or more of our total workforce.

We believe that our global presence provides many advantages. For example, it enables us to undertake marketing activities aligned with the market needs of individual regions. It also makes us cost-competitive by reducing manufacturing costs and lead times. There are, however, unavoidable risks associated with overseas manufacturing and sales operations. These include but are not limited to changes in national laws, ordinances, or regulations related to manufacturing and sales; social, political or economic changes; transport delays; damage to infrastructure such as electrical power and communications; currency exchange restrictions; insufficient skilled labor; changes in regional labor environments; changes in tax systems overseas and uncertainty with regard to tax administration by tax authorities; protectionist trade regulations; geopolitical risks; and laws, ordinances, regulations or the like that could affect the import and export of Epson products.

⑥ Procuring parts from certain suppliers entail risks for Epson.

We procure some parts and materials from third parties, but we generally conduct ongoing transactions without entering into long-term purchase agreements. We try to have multi-source relating to parts and materials. However, certain parts and materials are procured from a single source because procuring them from an alternative supplier is not possible. We must have procurement operations that are stable and efficient, so we work with our suppliers to maintain product quality, improve products, and reduce costs. However, if our manufacturing and sales activities were to be disrupted due to things such as supplier’s parts shortages or quality problems of supplier’s parts, our operating results, etc. could adversely be affected.

⑦ Problems could arise relating to quality issues.

The existence of quality guarantees on Epson products and the details of those guarantees differ from one customer account to another, depending on the agreement we have entered into with them. If an Epson product is defective or does not conform to the required standard, it may have to be replaced or repaired or otherwise reworked at Epson’s expense. Or, if the product causes personal injury or property damage, we could bear product liability or hold other liability.

We could also be liable to a customer and could incur expenses for repairs or corrections on the grounds that we did not adequately display or explain an Epson product’s features or performance. Furthermore, product quality problems could cause loss of trust in Epson products, and we could lose major accounts or see a drop in demand for our products, any of which might adversely affect our operating results, etc.

⑧ Epson’s intellectual property rights activities expose Epson to certain risks.

Patent rights and other intellectual property rights are extremely important for maintaining our competitiveness. We have independently developed many of the technologies we need, and we acquire patent rights, trademark rights, and other forms of intellectual property rights for them both in Japan and overseas. We also license the intellectual property rights for products and technologies by entering into agreements with other companies. We have strengthened our intellectual property portfolio by placing personnel in key positions to manage our intellectual property.

If any of the situations envisioned below relating to intellectual property were to occur, our operating results, etc. could adversely be affected.

- An objection might be raised to, or an application to invalidate might be filed with respect to, an intellectual property right of Epson, and as a result, that right might be recognized as invalid.
- A third party to whom we originally had not granted a license could come to possess a license as a result of a merger with or acquisition by another party, potentially causing us to lose the competitive advantage conferred by that intellectual property.

- New restrictions could be imposed on an Epson business as a result of a buyout or a merger with a third party, and we could be forced to spend money to find a solution to those restrictions.
- Intellectual property rights that we hold might not give us a competitive advantage, or we might not be able to use them effectively.
- We or any of our customers could be accused by a third party of infringing on intellectual property rights, which could force us to spend a large amount of time and money to resolve this and associated issues, or which could interfere with our efforts to focus our management resources.
- If a third-party's claim of intellectual property right infringement were to be upheld, we could incur material damage if required to pay large amounts in compensation or royalties or if forced to stop using the applicable technology.
- A suit could be brought against Epson by an employee or other person seeking remuneration for an invention or the like, potentially forcing us to spend significant time and money to resolve the issue and, depending on the outcome, potentially requiring us to pay a large sum as remuneration.

⑨ Epson is vulnerable to environmental risks.

Epson is expected to engage in activities in a manner that complies, both in Japan and overseas, with various environmental regulations concerning industrial waste and emissions into the atmosphere that arise from manufacturing processes. In addition, with heightened concern about the response to global climate change accompanying the Paris Agreement, which was adopted at the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change, companies increasingly need to set more ambitious goals for emissions reductions and strive to accomplish these goals.

Given this situation, Epson is proactively engaged in environmental conservation efforts on multiple fronts in line with "Environmental Vision 2050," through which we aim to become carbon negative and underground resource[7] free by 2050. For example, we have programs to develop and manufacture products that have a small environmental footprint and programs to develop environmental technologies. We also have programs to reduce energy use, promote the recovery, recycling and reusing of end-of-life products, ensure compliance with international substance regulations (primarily the RoHS Directive and REACH regulations in the EU), and improve environmental management systems. For our goals for GHG emissions reduction, we obtained approval from the Science Based Targets initiative (SBTi) with respect to our 2030 target for total emissions reduction towards achieving the 2050 net-zero target. We are also working on activities to reduce GHG emissions over the medium to long term, including activities to maintain 100% renewable energy use and to push forward with the use of in-house power generation.

As a result of these efforts, Epson's GHG emissions have steadily declined. For detailed figures, please refer to "II. Overview of Business, 2. Concept and initiatives of sustainability, (2) Climate change (TCFD) ④ Metrics and targets." In addition to maintaining the transition to renewable energy at our sites in Japan, which was completed in November 2021, the completion of the transition at our overseas sites in December 2023 will bring our Scope 2 emissions due to electricity to zero going forward.

We have not had any serious environmental issues to date. In the future, however, there is a risk that an environmental problem could arise that would require us to pay damages and/or fines, bear costs for cleanup, or force a halt of production. Moreover, new regulations could be enacted that would require major expenditures, and, if such a situation should occur, Epson's operating results, etc. could be adversely affected.

On the other hand, Epson is advancing initiatives that take addressing the environment as an opportunity. In particular, we have confirmed that there is an opportunity to expand business through products and services that can contribute to customer environmental impact mitigation, and will continue management that takes maximum advantage of opportunities. Specifically, we expect revenue growth through printing, commercial & industrial printing and printhead sales using inkjet technology that realizes the reduction of environmental impacts, higher productivity and the reduction of printing costs as well as the promotion of production systems through the expansion of new production devices that realize the reduction of environmental impacts. In addition, we expect to develop environmental businesses through the application of dry fiber technology, establishment of raw material recycling, etc. as effective solutions for global warming countermeasures and the shift to a circular economy.

[7] Non-renewable resources such as oil and metals

⑩ Epson faces risks concerning the hiring and retention of personnel.

We must hire and retain talented personnel both in Japan and overseas to develop advanced new technologies and manufacture advanced new products, but the competition for such personnel is becoming increasingly intense. We must foster a corporate culture that enables diverse personnel to demonstrate their abilities, create supportive working environments, and hire and retain talented personnel by, for example, introducing compensation and benefit packages that are commensurate with roles, nurturing talent, implementing diversity initiatives, promoting work-style reform and health management, and proactively promoting people with the right skills overseas. If we are unable to continue to hire and keep enough of such employees, or if we are unable to pass along technologies and skills, our business plans, etc. could be adversely affected.

⑪ Fluctuations in foreign currency exchanges create risks for Epson.

A significant portion of our revenue is denominated in U.S. dollars or the euro. We expanded our overseas procurement and moved our production sites overseas, so our dollar-denominated expenses currently exceed our dollar-denominated revenue. On the other hand, our euro-denominated revenue is still significantly greater than our euro-denominated expenses. On the whole, our revenues in other foreign currencies also significantly exceed our expenses in those currencies. Also, although we use currency forwards and other means to hedge against the risks inherent in foreign currency exchanges, unfavorable movements in the exchange rates of foreign currencies such as the U.S. dollar, euro, or other foreign currencies against the yen could adversely affect our financial position and operating results, etc.

⑫ There are risks inherent in pension systems.

We have a defined-benefit pension plan and a lump-sum retirement payment plan as defined-benefit plans.
We revised the defined-benefit retirement pension plan in April 2014 in response to a drop in the rate of return on pension assets and an increase in the number of beneficiaries. The revisions are designed to enable us to adapt to future market changes and maintain stable operations into the future. However, if there is a change in the operating results of the pension assets or in the ratio used as the basis for calculating retirement allowance liabilities, our financial position and operating results, etc. could be adversely affected.

⑬ Concerning regulatory investigations and investigations conducted by relevant authorities, etc.

Epson develops its business globally, and it could become the subject of various regulatory investigations or investigations conducted by relevant authorities, etc. in any of its businesses in any country or region. For example, in addition to Epson currently being subject in Japan and overseas to proceedings relating to antitrust laws and regulations, such as those prohibiting private monopolies and those protecting fair trade, Epson will in the future be required even more to respond to various laws and regulations and compliance relating to activities pertaining to its efforts to strengthen its sales activities directed at new customers, which will include public organizations, etc.
Under these circumstances, in Epson, we consider compliance to be one of the most important management policies, and for a long time, we have been conducting appropriate, preventive and controlled activities, including worker protection activities as a member of the RBA (Responsible Business Alliance) and further promotion of environmental conservation efforts. Going forward, overseas agencies related to competition law have been conducting investigations or information gathering that have been targeting specific industries, etc., and as part of such investigation, Epson also is being investigated in relation to the market situation and marketing methods in general. Furthermore, sometimes inconsistencies or potential inconsistencies arise in relation to not only anti-bribery regulations, advertising and labeling regulations, personal information protection and privacy regulations but also security trade control, and stricter laws and regulations may get introduced or a strengthening of the operation of laws and regulations may be carried out by the relevant authorities.
Should violations occur in regard to these related laws and regulations, or should investigations or proceedings be carried out by the relevant authorities, such events could interfere with Epson’s sales activities. They could also potentially damage Epson’s credibility, result in a large civil fine, or result in constraints being placed on Epson’s sales activities. Any of these, as well as the added costs to comply with the relevant regulations could adversely affect Epson’s operating results and its future business expansion, etc.
As of the date we submitted our Annual Securities Report, investigations into laws and regulations, etc. targeting Epson are provided below.
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 operating results and its future business development, etc. are not predictable at this time.

⑭ Epson is at risk of material legal actions being brought against it.

Epson conducts businesses internationally. We are engaged primarily in the development, manufacture and sales of products related to printing solutions, visual communications, and manufacturing-related & wearables, as well as the provision of services related thereto. Given the nature of these businesses, there is a possibility that an action could be brought or legal proceedings could be started against Epson regarding, for example, intellectual property rights, product liability, antitrust laws or environmental regulations.

As of the date we submitted our Annual Securities Report, Epson was contending with the following material actions. 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.

It is difficult at this time to predict the outcome of these civil actions and when they may be settled, but our operating results and future business development, etc. could be affected, depending on the outcomes of suits and legal proceedings.

⑮ Epson is vulnerable to certain risks in internal control related to financial reporting.

We are building and using internal controls to ensure the reliability of financial reporting. With the establishment and operation of internal controls for financial reporting high on our list of important management issues, we have been pursuing a Group-wide effort to audit and improve corporate oversight of our Group companies. However, since there is no assurance that we will be able to establish and operate an effective internal control system on a continuous basis, and since there are inherent limitations to internal control systems, if the internal controls that Epson implements fail to function effectively, or if there are deficiencies in internal control related to financial reporting or material weaknesses to be disclosed in the internal controls, it might adversely affect the reliability of our financial reporting.

⑯ Epson is vulnerable to risks inherent in its tie-ups with other companies.

One of our business strategy options is to enter into business tie-ups with other companies. However, the parties may review the arrangements of tie-ups, and there is a possibility that tie-ups could be dissolved or be subject to changes. There is also no assurance that the business strategy of tie-ups will succeed or contribute to our operating results, etc. exactly as expected.

⑰ Epson could be severely affected in the event of a natural disaster or an infectious disease, etc.

We have research and development, procurement, manufacturing, logistics, sales and service sites around the globe, and our operating results and future business development, etc. could be adversely affected by any number of unpredictable events, including but not limited to natural disasters, pandemics involving new infectious diseases, supply chain disruptions caused by natural disasters on suppliers, and acts of terrorism or war.

The central region of Nagano Prefecture, home to some of our key plants and offices, is an area that is at comparatively high risk of earthquakes due to the presence of an active fault zone along the Itoigawa-Shizuoka geotectonic line. Accordingly, in addition to earthquake-proofing its equipment and facilities, Epson conducts disaster drills, has prepared earthquake disaster management and response plans, and has established business continuity plans to mitigate the effects of disasters to the extent possible.

However, if a major earthquake occurs in the central region of Nagano Prefecture, it is possible that, despite these countermeasures, the effect on Epson could be extreme. Although Epson is insured against losses arising from earthquakes, the scope of indemnification is limited.

COVID-19, which has been a pandemic since 2020, reached a milestone on May 8, 2023, when its status under the Act on the Prevention of Infectious Diseases and Medical Care for Patients with Infectious Diseases was changed from Novel Influenza Infection, etc. (equivalent to Class II Infectious Disease) to Class V Infectious Disease. However, there is still a possibility of an outbreak of a mutant strain with high infectivity and risk of serious illness, or a new infectious disease that replaces COVID-19. To prepare for such a situation, Epson has a BCP (business continuity plan) for emerging infectious diseases based on its response to COVID-19, and has established action plans for normal times, the early stages of an epidemic, and the epidemic phase to minimize risk in order to prevent the spread of infection, continue business, and recover promptly.

⑱ Epson faces risks concerning the information security

The scope of what Epson’s network of information systems are used for and frequency of use continue to grow, and this network is becoming increasingly important. Also, in our global business activities, we handle the personal information of customers and confidential data of business partners. Security threats are increasing year on year and our operating results and future business development, etc. could be adversely affected by occurrences such as computer virus infections, leaks of customer data, failures of key internal systems, cyber-attacks, information leakage or third-party rights infringement caused by misuse of AI, and reputational damage through social media. We are responding to this by carrying out information security training for all employees, as well as establishing a grand design that specifies policies concerning cyber security measures, and we are implementing various measures under this. We also plan to engage in initiatives such as establishing a global security incident response structure, planning and implementing cyber security response measures, and strengthening product security.

4. Management analysis of financial position, operating results and cash flows

(1) Operating results overview

① Operating results

Operating results in the fiscal year under review are as follows.

(Billions of yen)

	Year ended March 31, 2024	Year ended March 31, 2025	Change	Percentage of change	Main reason(s) for change
Revenue	1,313.9	1,362.9	48.9	3.7%	[Revenue] Printing Solutions Segment 61.4 Visual Communications Segment (13.6) Manufacturing-related and wearables 1.5
Cost of sales	(857.3)	(869.9)	(12.5)	–	
Gross profit	456.6	493.0	36.3	8.0%	
Selling, general and administrative expenses	(391.9)	(403.4)	(11.4)	–	
Business profit*	64.7	89.5	24.8	38.4%	[Business profit] Printing Solutions Segment 28.7 Visual Communications Segment (2.5) Manufacturing-related and wearables (1.6)
Other operating income and Other operating expense	(7.1)	(14.4)	(7.2)	–	Increase in foreign exchange losses, etc.
Profit from operating activities	57.5	75.1	17.5	30.5%	
Finance income and Finance costs	12.5	3.2	(9.2)	–	Decrease in foreign exchange gains, etc.
Profit before tax	70.0	78.3	8.3	11.8%	
Income taxes	(17.4)	(23.2)	(5.7)	–	Increase in profit before tax, etc.
Profit for the period	52.6	55.1	2.5	4.9%	
Profit for the period attributable to owners of the parent company	52.6	55.1	2.5	4.9%	

* Business profit is calculated after deducting cost of sales and selling, general and administrative expenses from revenue.

A breakdown of operating results in each reporting segment is provided below.

Printing Solutions Segment

Revenue in the office and home printing business increased. Inkjet printer revenue increased on higher unit sales and the positive foreign exchange effects. This was primarily a result of growth in unit sales of high-capacity ink tank printers in emerging markets, where demand was strong, and a sharp increase in sales of office shared inkjet printers particularly in Western Europe and South America. Sales of inkjet printer consumables increased mainly due to positive foreign exchange effects. Sales of ink cartridges decreased, but this decrease was more than offset by increased sales of ink bottles for high-capacity ink tank printers and ink for office shared inkjet printers.

Revenue in the commercial and industrial printing business increased. Sales of commercial and industrial inkjet printer finished products slightly increased. Although unit sales growth stagnated, steady sales of consumables and the positive impact of exchange rates contributed to this increase. Sales of small printers increased mainly due to firm demand in Europe and positive foreign exchange effects. Revenue in the printhead sales business sharply increased on robust demand from printer manufacturers in China.

Segment profit in the printing solutions segment sharply increased from the prior-year period, when inventory reductions had a large negative impact on profit, owing to revenue growth and positive foreign exchange effects.

As a result of the foregoing factors, revenue in the printing solutions segment was ¥980.1 billion, up 6.7% compared to the prior period. Segment profit was ¥124.8 billion, up 29.9% compared to the prior period.

Furthermore, the acquisition of Fiery, LLC, impacted this year’s consolidated financial results. The effects between December and March were recorded in the fourth quarter in the commercial and industrial printing business.

Visual Communications Segment

Revenue in the visual communications segment decreased despite positive foreign exchange effects. In addition to deterioration in the Chinese market, revenue was significantly impacted by a decline in sales in the education markets of Europe, the Americas, the Middle East and Africa.

Segment profit declined in the visual communications segment because of the large negative impact from the decrease in revenue, which more than offset positive foreign exchange effects.

As a result of the foregoing factors, revenue in the visual communications segment was ¥203.7 billion, down 6.3% compared to the prior period. Segment profit was ¥29.0 billion, down 8.1% compared to the prior period.

Manufacturing-Related & Wearables Segment

Revenue declined in the manufacturing solutions business due to continued sluggish sales resulting primarily from stagnant investment demand in China, Europe, and the Americas.

Revenue increased in the wearable products business owing mainly to increased sales volume and demand from visitors to Japan.

Revenue declined in the microdevices business. Crystal device revenue increased from the prior year, when market conditions deteriorated markedly due to the impact of market inventory adjustments. This increase was a result of a recovering consumer electronics market as well as positive foreign exchange effects. In contrast to the prior year, when sales increased due to the elimination of an order backlog primarily in the first quarter, semiconductor revenue declined this year because of ongoing stagnant customer demand, especially in the industrial sector.

Segment profit sharply declined in the manufacturing-related and wearables segment primarily due to lower revenue in the microdevices business.

As a result of the foregoing factors, revenue in the manufacturing-related and wearables segment was ¥181.4 billion, up 0.9% compared to the prior period. Segment loss was ¥3.2 billion (compared to segment loss of ¥1.5 billion in the prior period).

We also recorded an impairment loss of ¥0.7 billion in the manufacturing solutions business because profitability continues to decrease due to factors including a slower than expected market recovery in China and the other main sales territories.

Adjustments

Adjustments to the total profit of reporting segments amounted to negative ¥61.0 billion. (Adjustments in the previous fiscal year were negative ¥61.4 billion.) The main components of the adjustment were basic technology research and development expenses that do not correspond to the reporting segments and earnings and expenses associated with things such as new businesses and corporate functions.

② Cash flow performance

Net cash from operating activities during the year totaled ¥138.0 billion (compared to ¥165.5 billion in the prior year). This was primarily due to change factors such as the recording of ¥55.1 billion in profit for the period and of depreciation and amortization.

Net cash used in investing activities totaled ¥150.7 billion (compared to ¥58.9 billion used in the prior year), with payments associated with the acquisition of shares of Fiery, LLC, the largest component.

Net cash used in financing activities totaled ¥45.1 billion (compared to ¥65.3 billion used in the prior year). This was due to income from an issue of bonds payable as well as expenditures from dividend payments and a purchase of treasury shares.

As a result, cash and cash equivalents at the end of the fiscal year, combined with the effects of exchange rate volatility, totaled ¥267.0 billion, down ¥61.4 billion from the end of the previous fiscal year.

③ Manufacturing, orders received and sales

a. Actual manufacturing

Actual manufacturing information is omitted as Epson's actual manufacturing approximates actual sales.

b. Orders received

Epson's policy is to manufacture products based on sales forecasts. Accordingly, this section does not apply.

c. Actual sales

The following table shows actual sales information by segment in the fiscal year under review.

Business segment	Year ended March 31, 2025 (From April 1, 2024, to March 31, 2025) (Millions of yen)	Change compared to previous fiscal year (%)
Printing solutions	980,078	106.7
Visual communications	203,782	93.7
Manufacturing-related and wearables	172,210	100.8
Total for the reportable segments	1,356,070	103.8
Other	6,873	96.8
Total	1,362,944	103.7

(Notes) 1. Intersegment transactions are offset and therefore eliminated.
2. No customer accounts for more than 10% of the actual total sales.

(2) Management analysis and discussion on operating results, etc.

Recognition and details of analysis/discussions on Epson's operating results, etc. from the management's perspective are as follows:

All forward-looking statements hereunder were made at Epson's discretion based on the forecasts and certain assumptions at the end of the fiscal year. These statements may differ from actual results and are not guarantees of the achievement.

① Operating results, etc.

Financial position

Total assets at the end of the fiscal year were ¥1,456.4 billion, up ¥43.3 billion compared to the end of the prior fiscal year. While cash and cash equivalents decreased chiefly as a result of shareholder returns in the form of dividend payments and a purchase of treasury shares, total assets increased due to the inclusion of goodwill and intangible assets from the acquisition of Fiery, LLC.

Total liabilities were ¥651.5 billion, up ¥49.6 billion compared to the end of the prior fiscal year. This increase was primarily due to the issuance of bonds associated with the financing of the Fiery, LLC acquisition, resulting in an increase in bonds issued, borrowings, and lease liabilities.

Equity attributable to owners of the parent company was ¥804.7 billion, down ¥6.2 billion compared to the end of the prior fiscal year. This decrease was primarily due to shareholder returns in the form of dividend payments and a purchase of treasury shares, which more than offset the ¥55.1 billion recorded as profit for the period attributable to owners of the parent company.

Working capital, defined as current assets less current liabilities, was ¥436.7 billion, a decrease of ¥124.3 billion compared to the end of the previous fiscal year.

Operating results

The operating results are provided in "(1) Operating results overview ① Operating results."

Cash flow performance

The cash flow performance is provided in "(1) Operating results overview ② Cash flow performance."

② Capital resources and liquidity

Epson plans to allocate ¥70.0 billion to capital expenditures for the fiscal year ending March 31, 2026, and the required funds will be covered by internal funds.

The amount of planned capital expenditures for each segment is as described in "III. Information About Facilities 3. Plans for new additions or disposals." The above amount of planned capital expenditures includes capital expenditures through leases.

In order to stably secure funds necessary for business activities such as capital expenditures, Epson raises funds through utilization of internal funds as well as borrowings from financial institutions and issuance of bonds.

The balance of interest-bearing debt at the end of the fiscal year under review was ¥224.7 billion, up ¥19.9 billion compared to the previous fiscal year end, mainly due to bonds issued. The balance of cash and cash equivalents at the end of the fiscal year under review totaled ¥267.0 billion, down ¥61.4 billion compared to the end of the last fiscal year, giving Epson sufficient liquidity.

In addition, the Company entered into a commitment line contract for an environmentally conscious financing product with a main partner bank in May 2020, as part of its efforts to strengthen the financial foundation in preparation for emergencies, and renewed the contract in May 2023. There is no outstanding balance of executed borrowings based on the said commitment line contract as of March 31, 2024.

Epson has earned a credit rating from Rating and Investment Information, Inc. The rating was A (single A) as at the end of the fiscal year under review.

③ Management policy, corporate strategy, objective indices to assess the status of achievement of management goals, etc.

As stated in "II. Overview of Business 1. Management policy, business environment and issues to be addressed, etc.," Epson boldly undertakes challenges and strives to make innovations beyond its own conventions and vision in order to solve social issues, based on the Company's unique strengths of efficient, compact, and precision technologies since the time of its founding. We are making efforts to have all employees share values and act autonomously while demonstrating their comprehensive strengths. By doing so, we will continuously create and provide game-changing customer value in a timely fashion, play a central role as an indispensable company in building a better society, and achieve sustainable growth and improvement of our corporate value over the medium to long term.

In March 2021, we revised our Corporate Vision and 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. In response to environmental issues that Epson views as very important, we have revised Environmental Vision 2050 with the aims of becoming carbon negative and underground resource* free by 2050.

* Non-renewable resources such as oil and metals

Additionally, the status of progress on financial targets set with the aim of realizing our Corporate Vision is provided in “II. Overview of Business 1. Management policy, business environment and issues to be addressed, etc.”

④ Significant accounting estimates and assumptions used for those estimates

The consolidated financial statements of Epson are prepared in conformity with IFRS in accordance with the provision of Article 312 of “Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements.” Estimates that are deemed necessary have been made based on reasonable criteria.

Material accounting policies applied in the consolidated financial statements of Epson, accounting estimates, and assumptions used for those estimates are provided in “V. Financial Information, Consolidated Financial Statements etc., Notes to Consolidated Financial Statements, 3. Material Accounting Policies and 4. Significant Accounting Estimates and Judgments.”

5. Major contracts

(1) **Reciprocal technical assistance agreements**

Name of contracting company	Name of other party	Country	Type of contract	Contract period
Seiko Epson Corporation	HP Inc.	U.S.A.	License to use patents relating to information-related equipment	March 28, 2018 until the expiry of the patents
Seiko Epson Corporation	International Business Machines Corporation	U.S.A.	License to use patents relating to information-related equipment	April 1, 2006 until the expiry of the patents
Seiko Epson Corporation	Microsoft Corporation	U.S.A.	License to use patents relating to information-related equipment and software used by such equipment	September 29, 2006 until the expiry of the patents
Seiko Epson Corporation	Eastman Kodak Company	U.S.A.	License to use patents relating to information-related equipment	October 1, 2006 until the expiry of the patents
Seiko Epson Corporation	Xerox Corporation	U.S.A.	License to use patents relating to electrophotography and inkjet printers	March 31, 2008 until the expiry of the patents
Seiko Epson Corporation	Canon Incorporated	Japan	License to use patents relating to information-related equipment	August 22, 2008 until the expiry of the patents
Seiko Epson Corporation	BROTHER INDUSTRIES, LTD.	Japan	License to use patents relating to information-related equipment	June 28, 2018 until the expiry of the patents

(2) Agreement for acquisition of equity interests

Date of contract	September 19, 2024
Name of contracting company	Seiko Epson Corporation
Name of other party	Affiliates of Siris Capital Group, LLC and Electronics for Imaging, Inc.
Name of the acquiree	Fiery, LLC
Country	U.S.A.
Type of contract	Agreement for acquisition of equity interests
Acquisition date	December 2, 2024
Percentage of voting equity interests acquired	100%
Method used to obtain control of the acquiree	Cash consideration for the acquisition of equity interests
Overview of contract	The Company acquired all equity interests of Fiery, LLC (“Fiery”) from its shareholders, affiliates 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. Fiery, headquartered in the US, is a leading independent provider of comprehensive printing business-to-business software solutions and services including DFE* 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, server, 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. This acquisition of equity interests cost approximately ¥86.1 billion in total, with acquisition-related costs being approximately ¥1.4 billion. * Digital Front End: A general term for software and hardware used to process print data and manage the printing process.

6. Research and development activities

(1) Research and development approach and systems

Since its founding, Epson has provided value to society based on its unique technological advantage of efficient, compact, and precision technologies. Under our long-term vision, "Epson 25 Renewed," currently we have shifted to technology development whose starting point is solving social challenges, through which we aim to contribute to the realization of a sustainable society.

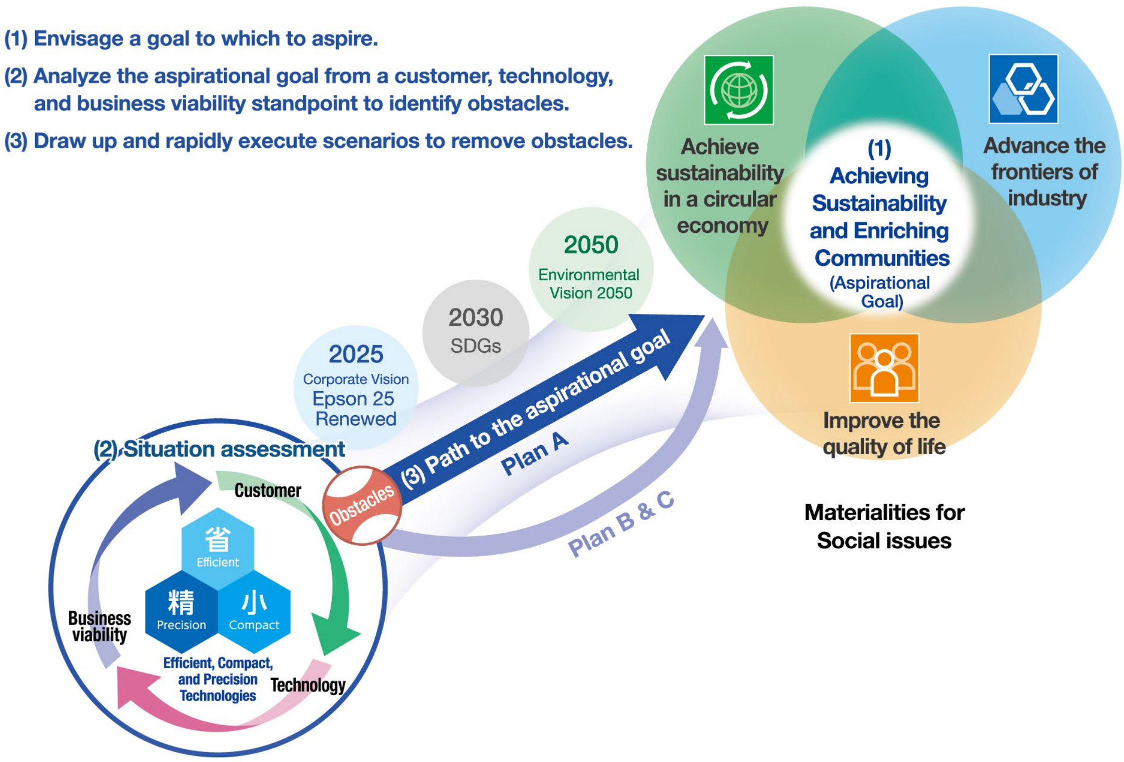
In technology development, we objectively evaluate our technological capabilities based on customer value and business feasibility and clarify any gaps between our findings and our aspirational goals. In order to fill the gaps, we have adopted an approach that cultivates multiple development scenarios. In this approach, we mainly consider Plan A, which is expected to produce best results, while concurrently considering Plans B and C, whose feasibility is enhanced by adjusting QCD (quality, cost, and delivery). This approach ensures that we follow the shortest route to productization and commercialization.

We also promote "front-loading of development," whereby a wide range of knowledge is introduced into trial-and-error processes by actively introducing co-creation with external partners from the initial stage of development. We strike a balance between the quality and speed of development by speeding up the problem-solving cycle.

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

In our R&D structure, the operations departments are responsible for product development and for core technology development that is directly linked to businesses, while the corporate R&D department is responsible for developing platform technologies used by multiple segments as well as developing new technologies from long-term perspectives. With clearly delineated roles, the different divisions closely coordinate with each other to work on technological innovations together across the company.

Epson intends to continue to make attempts to solve social challenges through technology development and to aggressively attempt to create new value.



(2) R&D spending

Total R&D spending during the fiscal year was ¥42.8 billion, equivalent to 3.1% of revenue. The printing solutions segment accounted for ¥17.2 billion, the visual communications segment for ¥6.9 billion, and the manufacturing-related and wearables segment for ¥5.7 billion. The "other" segment and corporate segment accounted for the remaining ¥12.7 billion. R&D spending by the "other" segment and corporate segment includes research and development essential to lay a technological foundation for strengthening existing businesses and creating new businesses.

■ R&D spending by segment (FY2024)

Segment name	R&D spending (Billions of yen)
Printing solutions	17.2
Visual communications	6.9
Manufacturing-related & Wearables	5.7
Other and corporate	12.7
Total	42.8

(3) Objectives and results of research and development by each segment

① **Printing solutions segment**

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. To this end, we are expanding our lineup of products that use Heat-Free Technology, a proprietary Epson inkjet technology, providing solutions, and working to drive a technological shift from laser printers to inkjet printers by emphasizing their environmental qualities.

Based on this approach, we launched LM-C400 as a new product of the Smart Charge <LM> series, which allows users to select plans and equipment according to how printing takes place at their office. The product meets a wide variety of office needs through achieving high productivity with a printing speed of 40 sheets per minute[1], which was achieved by mounting a line head, and through providing a new lineup of A4 color inkjet multifunction printers. In addition, the combination of the Heat-Free Technology, which does not use heat in the printing process, with the inkjet technology for these printers allowed the product to achieve a maximum power consumption in operating mode of no more than 160 W[2] which, together with a low TEC value (which indicates total power consumption in both operating and standby modes) of 0.19 kWh[3], makes the product an effective means of office decarbonization. As for paper recycling technologies, we launched Q-5000 and Q-40, which are a main unit and a paper source processor, respectively, of our PaperLab dry process office papermaking systems. PaperLab allows the production of new paper without water[4] with used paper as material and has contributed to the realization of a sustainable society by reducing environmental burden and providing active forums for a wide variety of personnel, through activities related to paper resource circulation in offices and elsewhere. The paper processor shreds used paper finely to a form appropriate for recycled paper and to a level that makes confidential content unreadable[5]. Then users can feed shredded paper into the main unit, which produces new paper, "Dry Fiber Paper"[6]. This process makes it possible to collect used paper from various places with peace of mind, and achieves a new form of resource circulation that links multiple companies or business establishments together or people in municipal and other local communities together.

1 A4 vertical one side. For the conditions under which printing speed was calculated, please refer to below: https://www.epson.jp/products/printer/sokutei.htm

2 The maximum power consumption of the main body only (when a single paper cassette is used).

3 The TEC value for the main body only (when a single paper cassette is used). The TEC value means the average electricity consumed in one week in an office setting. The value is determined by the measuring method prescribed by the International ENERGY STAR Program.

4 A small amount of water is used to maintain humidity in the unit. Q-5000 also uses a small amount of water during fiber bonding.
5 This is in compliance with ISO/IEC 21964-2 Security Level P4.
6 A generic name for recycled paper manufactured using PaperLab.

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. To achieve this, we are bringing out the full potential of inkjet technology for printing on diverse media and materials, promoting the digitalization of commercial and industrial printing, and helping improve printing operation productivity through solutions including Epson Cloud Solution PORT, our cloud service that supports distributed printing.

Based on this approach, Epson launched SC-G6050, its first printer model dedicated to DTFilm[7] production. The model does not require the daily cleaning of its parts, since it has an automated cleaning function for the suction caps that are necessary to keep the printheads clean, and since their rolling fabric wipers wipe clean the printheads always with fresh fabric. In addition, the model achieves a significant reduction in maintenance person-hours as well as stable operation through its extensive automated maintenance functions, such as the prevention of ink clogging by using an automated white ink circulation system. Furthermore, different printing modes that can be selected according to the use enable the achievement of both high-resolution printing with vivid colors that are specific to DTFilm, and high productivity that allows work to proceed with peace of mind even on a tight delivery schedule.
We have also started to provide “Epson Workflow Cloud for SurePress,” a digital printing workflow that utilizes SurePress, in order to resolve the labor shortage in the label printing businesses, as well as issues facing these businesses that have introduced digital printers until they have acquired skills. In addition to automating the workflow using electronic job tickets (Job Definition Format, or JDF), the “batch printing function” enables continuous printing of multiple jobs with different die-cutters, thereby automating and improving efficiency in the label production process. This product saves labor and eliminates the need for operators with advanced skill.
7 Direct to Film, which means printing directly onto films for transfer printing, etc.

② Visual communications segment
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. To do so, we are developing high brightness projectors that use laser light sources for high-resolution, large projection sizes, and home projectors with smart designs that allow them to be placed in even more locations, so they can be used in more environments, for a wider range of purposes and applications.

Based on this approach, we launched the EB-PQ series, a high-brightness business projector model. Using the “4K Crystal Motion Technology”[8], which is dual-axis pixel shift technology that achieves high-definition images with a 4K signal input, this series increases the value of the video experience by providing an immersive space production with a high-brightness, high-definition, impressive projection.
As for home projectors, we launched EF-21 and EF-22, both of which allow users to easily enjoy high-resolution, large projection images. Using Epson’s proprietary 3LCD technology and advanced laser light sources, these models realize bright, vivid images with high color reproducibility, as well as improved ease of installation, which is achieved by seamless, automated correction of distortion and focus issues. In addition, with the Google TVTM function and the built-in speakers, a single unit of either model allows users to enjoy music and paid for or free video streaming services with a large screen, if a Wi-Fi® connection is available.
8 In response to a 4K signal input, this technology allows high-definition images to be displayed on screen with dual-axis pixel shift technology.

③ Manufacturing-related and wearables segment

Manufacturing innovation

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

Based on this approach, we started to take orders for new products for industrial-use Selective Compliance Assembly Robot Arm (SCARA) robots, namely, RC800-A[9], which is a controller compatible with the GX series, and the TP4 Teach Pendant[10]. The RC800-A controller is a system for controlling robot movements. It provides more convenience to customers, such as by improving the precision of "conveyor tracking," which is much sought-after by customers, and offering a higher level of freedom for system construction since it has force sensor boards equipped as standard. The TP4 Teach Pendant, which is an option for the controller, is equipped with "Epson RC+8.0"[11], which is Epson's integrated robot software, and allows program development without a PC. In addition, the teach pendant has less workload due to its reduced weight of 1.2 kg, and contributes to reducing environmental burden due to the reduction in power consumption from 25 W to no more than 15 W.

As for the food production industry whose automation needs are increasing, we started to take orders for T-Series, LS-Series, and GX-Series models compatible with food grease. The wide lineup consisting of three models and seven types allows customers to select appropriate types according to their uses. These models will support the automation of various food production processes and will contribute to resolving social issues, such as Japan's declining workforce.

9 Compatible with GX4-C and GX8-C of the GX-C Series robots.

10 Compatible with SCARA robots and six-axis (vertical articulated) robots.

11 For details, please refer to below:
https://www.epson.jp/products/robots/lineup/software/

Lifestyle innovation

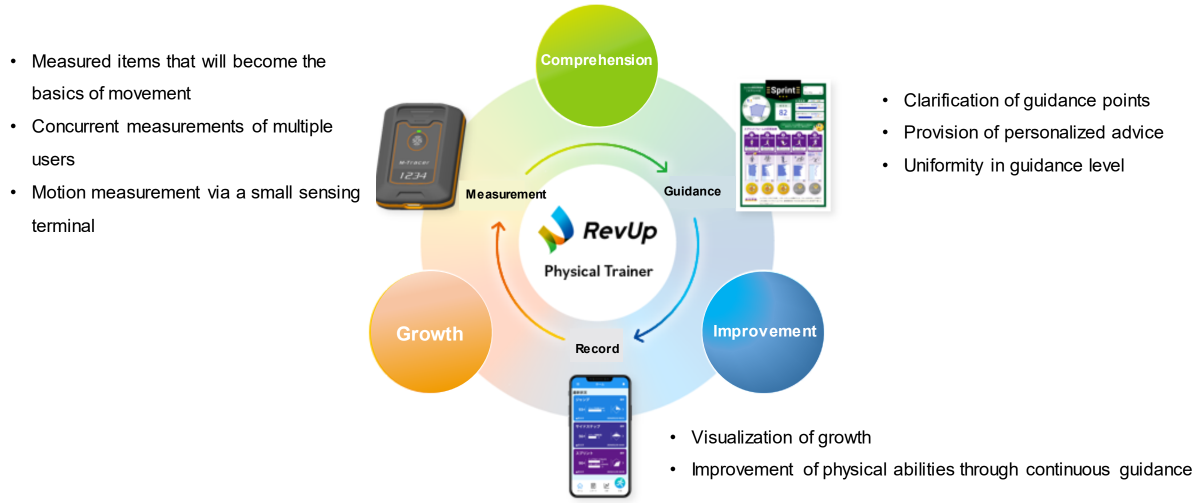
In this area, we seek to utilize craftsmanship and co-create solutions that utilize sensing technologies to enrich diverse lifestyles. In the watch business, we are providing products with designs and high levels of quality that appeal to customers' sensibilities, at prices that communicate their value. In the sensing business, we are co-creating new solutions that leverage our sensing technologies and analysis algorithms.

In the watch business, we plan to launch new M34 F8 Date models from Orient Star's M34 Contemporary Collection. The new models feature creative dials, whose design was inspired by the Perseid Meteor Shower, as well as high-performance movements equipped with silicon escape wheels. The two limited-production models with a black face have an extremely delicate, elaborate face with a sense of depth, achieved by applying for the first time in the world[12] metal nanoparticle lamination technology, which is used in the electronics business, to wristwatch manufacturing.

In the sensing business, Epson aims to enrich the wide variety of customer lifestyles by providing personalized, ideal training programs through utilizing sensing technologies under the value creation strategy for "Improve the quality of life," one of our materialities (material issues). In the year under review, we started to provide "RevUp Physical Trainer," a new service that helps improve children's physical abilities and that is designed for entities operating sports schools for elementary and junior high school students. This service allows users to measure the number of movements and to analyze detailed body movements, by having a person wear a small sensing terminal that uses Epson's unique motion sensing technology, "M-Tracer Technology," and then making basic physical movements. Based on analysis results, the service provides a report containing diagnostic advice to learn correct body movements that are tailored to each person. Furthermore, using the "Growth Log" that allows users to chronologically review their measuring and analysis results, the service helps improve users' physical abilities through continuous guidance. The service can take concurrent measurements of multiple users, allowing efficient measurement of a large number of persons.

12 The world's first application of a printing technology involving the lamination of metal nanoparticles/metal nano ink to decorating wristwatch faces. The market research on "Metal Nanoparticle Lamination Technology (Watch Face Decoration Technology Using Metal Nanoparticles/Metal Nano Ink)" conducted during the period from December 2024 to January 2025[13] and IP research of pre-existing businesses (similar competitors) in the segment.

13 The "world's first" verification research. Researched by Trending Future Research Institute Inc. (as of January 27, 2025)



"RevUp Physical Trainer" service concept

Microdevices

In this area, we work to develop products that contribute to the realization of smarter societies, such as rapidly-growing high-speed, high-capacity communications infrastructure, IoT society, and mobility society, with our timing devices, semiconductors, and sensors by leveraging the strengths produced by combining the efficient, compact, and precision technologies of quartz crystals and semiconductors.

In the field of crystal oscillators, we developed OG7050CAN, a small, low-power-consumption crystal oscillator with a thermostatic chamber compatible with standard signal sources for next-generation communication infrastructure. In recent years, it has been expected that the power consumption of base stations and data centers will rapidly increase due to an increase in communication data traffic caused by the spread of fifth-generation (5G) communication systems/IoT, among other factors. Devices used in those settings are expected to have reduced power consumption. Under these circumstances, Epson's unique crystal devices and semiconductors, fused further with our implementation technologies, have achieved a 56% reduction in power consumption and an 85% reduction in size by volume as compared with conventional products.

In the semiconductor field, we developed S1A00210B, a power management integrated circuit (PMIC) for small devices, such as hearing aids. This PMIC supports electromagnetic induction frequencies of the MHz range, which allows the use of small coils and contributes to reducing the size of the main body of devices. In addition, S1A00210B is able to store two different charging profiles so that batteries with different characteristics can be used differently. Furthermore, it is able to apply the optimal charging method according to the number of charge times by managing the number of charge and discharge times (or cycles). These features are expected to contribute to reducing charging time and extending battery life and to increase the convenience of hearing aid users.

④ Other and corporate

In this area, we work on sophistication of our production technologies that extend across all of our business segments; reinforcement of our DX platforms; basic research that supports our business competitiveness; and research and development of advanced technologies towards creating new businesses.

Our company-wide efforts include promoting the development of environmental technologies for achieving Environmental Vision 2050. In FY2024, we promoted the research and development of carbon negative technologies utilizing our CO_2 removal technologies and algae, as a long-term initiative.

By applying our thin-film technology nurtured through the development of inkjet printers, we have developed a separation membrane that efficiently separates and captures CO_2. This technology can capture CO_2 with lower energy than conventional methods involving heat treatment. Research is underway with a view to introducing this technology from small, high-efficiency systems to thermal power plants, steel plants, etc.

In addition, research is underway on CO_2 fixation technology utilizing microalgae (coccolithophorids). We work on optimizing technologies for breeding and cultivating algae whose CO_2 absorption capacity is tens of times greater than that of forests. Furthermore, we are developing carbon dioxide capture and utilization (CCU) technology using green algae, with the aim of developing a new circulation model that utilizes CO_2 as a resource.

In addition to the above, our Group company Epson Atmix is constructing a new factory, whose purpose is to recycle metallic resources, in Hachinohe City, Aomori. Aiming to begin operations in June 2025, this factory will contribute to reducing the usage of virgin materials and reducing CO_2 emissions by recycling metal end cuts, used molds, and other unwanted metals generated in and outside the Epson Group and by reusing them as raw materials for metal powders. In addition to achieving the recycling of metallic resources through the introduction of a new refining process, this factory will contribute to the realization of a new generation of compact and energy-efficient devices by stably supplying high-quality products. The new factory is a step on the path to reaching Epson's goal of becoming underground resource[14] free by 2050, as started in Environmental Vision 2050.

[14] Non-renewable resources such as oil and metals

III. Information About Facilities

1. Overview of capital expenditures

Capital expenditures for the fiscal year under review were concentrated in key strategic areas, primarily for commercializing new products, increasing production capacity, carrying out environmental investment, and automating, rationalizing, upgrading and maintaining equipment and facilities to help foster the development of new businesses and prepare for future growth. In addition, Epson continued to carefully select investments and efficiently utilize existing facilities in an effort to generate stable cash flow.

As a result of these efforts, total capital expenditures (including property, plant and equipment and software) amounted to ¥75.8 billion.
No equipment with significant impact on production capacity was sold or removed.
Capital expenditures in each business segment are discussed below.

Printing solutions segment
Investment used for commercializing new products such as printers, and for increasing production capacity, improving quality, carrying out environmental investment, and automating, rationalizing, upgrading and maintaining equipment and facilities amounted to ¥46.4 billion in the fiscal year under review.

Visual communications segment
Investment used for commercializing new products such as 3LCD projectors, and for increasing production capacity, rationalizing, upgrading and maintaining equipment and facilities amounted to ¥9.0 billion in the fiscal year under review.

Manufacturing-related and wearables segment
Investment used for commercializing new products such as industrial robots, wristwatches, crystal devices and semiconductors, and for increasing production capacity, carrying out environmental investment, and automating, rationalizing, upgrading and maintaining equipment and facilities amounted to ¥12.5 billion in the fiscal year under review.

Other and corporate
Investment used for strengthening R&D structure, carrying out environmental investment, creating a global management database, and integrating systems, etc. amounted to ¥7.7 billion in the fiscal year under review.

■ Capital expenditures by segment (FY2024)

Segment name	Capital expenditures (Billions of yen)
Printing solutions	46.4
Visual communications	9.0
Manufacturing-related & Wearables	12.5
Other and corporate	7.7
Total	75.8

2. Major equipment and facilities

Epson's major equipment and facilities are as follows.

(1) Seiko Epson Corporation

As of March 31, 2025

Name of plant (location)	Business segment	Type of facilities	Book value (Millions of yen)					Number of employees (Persons)
			Buildings and structures	Machinery, equipment and vehicles	Land (Area: m^2)	Other	Total	
Head Office (Suwa-shi, Nagano)	Overall administration and other	Other facilities	1,158	241	1,200 (42,353) [2,136]	87	2,688	431
Tokyo Office (Shinjuku-ku, Tokyo)	Overall administration and other	Other facilities	1,071	–	– (–)	65	1,137	215
Matsumoto Minami Plant (Matsumoto-shi, Nagano)	Other	Other facilities	741	18	3,766 (181,226) [284]	159	4,686	633
Hirooka Office (Shiojiri-shi, Nagano)	Printing solutions Other	Printer development and design and component manufacturing facilities Research and development facilities	46,889	30,123	6,853 (225,204) [28,604]	3,312	87,178	6,621
Toyoshina Plant (Azumino-shi, Nagano)	Visual communications Manufacturing-related and wearables	3LCD projector, smart glasses and industrial robot development and design facilities	3,445	673	852 (77,226) [34,743]	974	5,945	1,439
Suwa Minami Plant (Fujimi-machi, Suwa-gun, Nagano)	Printing solutions Visual communications Other	Printer component and liquid crystal panel manufacturing facilities Research and development facilities	6,667	4,405	1,443 (113,082) [28,909]	462	12,979	871
Chitose Plant (Chitose-shi, Hokkaido)	Visual communications	Liquid crystal panel manufacturing facilities	2,106	2,380	1,363 (159,169)	67	5,917	183
Shiojiri Plant (Shiojiri-shi, Nagano)	Manufacturing-related and wearables	Watch development, design and manufacturing facilities	1,067	1,442	1,074 (43,088) [9,006]	179	3,763	480
Ina Plant (Minowa-machi, Kamiina-gun, Nagano)	Manufacturing-related and wearables	Crystal device development and design facilities	1,245	2,805	129 (39,943) [1,502]	265	4,445	484
Fujimi Plant (Fujimi-machi, Suwa-gun, Nagano)	Manufacturing-related and wearables Other	Industrial robot development, design and manufacturing facilities and semiconductor development and design facilities Research and development facilities	6,077	2,067	1,911 (247,143)	1,029	11,085	796
Sakata Plant (Sakata-shi, Yamagata)	Manufacturing-related and wearables	Semiconductor manufacturing facilities Other	9,113	3,327	2,177 (538,830)	256	14,875	167
Hino Office (Hino-shi, Tokyo)	Manufacturing-related and wearables	Other facilities	1,639	0	3,221 (15,681)	29	4,890	112

(2) Domestic subsidiaries

As of March 31, 2025

Company name (location)	Business segment	Type of facilities	Book value (Millions of yen)					Number of employees (Persons)
			Buildings and structures	Machinery, equipment and vehicles	Land (Area: m²)	Other	Total	
Tohoku Epson Corporation (Sakata-shi, Yamagata)	Printing solutions Manufacturing-related and wearables	Printer component and semiconductor manufacturing facilities	3	30	– (–)	364	398	2,204
Akita Epson Corporation (Yuzawa-shi, Akita)	Printing solutions Manufacturing-related and wearables	Printer component and watch movements manufacturing facilities	7,286	134	724 (89,011)	436	8,582	1,045
Epson Atmix Corporation (Hachinohe-shi, Aomori)	Manufacturing-related and wearables	Manufacturing facilities for metal powders, etc.	6,680	3,096	1,281 (59,675) [35,052]	254	11,312	388

(3) Overseas subsidiaries

As of March 31, 2025

Company name (location)	Business segment	Type of facilities	Book value (Millions of yen)					Number of employees (Persons)
			Buildings and structures	Machinery, equipment and vehicles	Land (Area: m²)	Other	Total	
Epson Engineering (Shenzhen) Ltd. (Shenzhen, China)	Printing solutions Visual communications Manufacturing-related and wearables	Printer, 3LCD projector and industrial robot manufacturing facilities	4,505	4,495	405 (–) [64,104]	3,630	13,038	6,321
Singapore Epson Industrial Pte. Ltd. (Singapore)	Manufacturing-related and wearables	Watch component and semiconductor manufacturing facilities and surface finishing facilities	3,881	1,069	1,185 (–) [41,567]	303	6,440	582
PT. Epson Batam (Batam, Indonesia)	Printing solutions	Printer consumables manufacturing facilities	1,029	3,052	2 (–) [13,233]	324	4,409	2,716
PT. Indonesia Epson Industry (Bekasi, Indonesia)	Printing solutions	Printer manufacturing facilities	8,390	5,525	2,071 (–) [254,400]	6,365	22,352	10,862
Epson Precision (Thailand) Ltd. (Chachoengsao, Thailand)	Manufacturing-related and wearables	Watch and crystal device manufacturing facilities	8,200	5,394	777 (97,435)	527	14,901	1,780
Epson Precision (Philippines), Inc. (Lipa, Philippines)	Printing solutions Visual communications	Printer and 3LCD projector manufacturing facilities	28,840	8,440	2,050 (117,489) [234,528]	5,167	44,499	19,600
Epson Precision Malaysia Sdn. Bhd. (Kuala Lumpur, Malaysia)	Manufacturing-related and wearables	Crystal device manufacturing facilities	359	2,983	394 (32,437)	33	3,771	1,394

(Notes)
1. The above amounts include right-of-use assets.
2. "Other" under the book value column includes tools, furniture and fixtures and other property, plant and equipment, but does not include construction in progress.
3. Portions of land are leased from companies not included in consolidated accounts. The size of each area of leased land is indicated in brackets [ ].
4. Tohoku Epson Corporation uses a portion of the facilities of the Sakata Plant.
5. Figures for Epson Precision (Philippines), Inc., are included in consolidated business results.
6. The above book value amounts are after adjustments for consolidated accounts.

3. Plans for new additions or disposals

Epson plans to allocate ¥70.0 billion to capital expenditures for the fiscal year ending March 31, 2026.

■ Capital expenditures by segment (FY2025 Plan)

Business segment	Planned amount of capital expenditures (Billions of yen)	Main type and purpose of equipment and facilities
Printing solutions	40.0	Commercializing new products, increasing production capacity, carrying out environmental investment, automating, upgrading and maintaining equipment and facilities, etc.
Visual communications	9.0	Commercializing new products, automating, upgrading and maintaining equipment and facilities, etc.
Manufacturing-related & Wearables	14.0	Commercializing new products, increasing production capacity, carrying out environmental investment, automating, upgrading and maintaining equipment and facilities, etc.
Other and corporate	7.0	Strengthening R&D, carrying out environmental investment, automating, upgrading and maintaining equipment and facilities, etc.
Total	70.0	

(Notes)

1. The above amounts include capital expenditures through leases.
2. The required funds will be covered by internal funds.
3. There are no plans to dispose of or sell major equipment and facilities with the exception of disposals and sales associated with regular and ongoing upkeep of equipment and facilities.

IV. Information About Reporting Company

1. Company's shares, etc.

(1) Total number of shares, etc.

(i) Total number of shares

Class	Total number of shares authorized to be issued (Shares)
Common stock	1,214,916,736
Total	1,214,916,736

(ii) Outstanding shares

Class	Number of outstanding shares (Shares) (As of March 31, 2025)	Number of outstanding shares (As of the filing date: June 25, 2025)	Name of stock listing or the name of authorized financial instruments firms association	Description
Common stock	373,573,152	373,573,152	Tokyo Stock Exchange Prime Market	The Company's standard class of shares with no rights limitations. Its share trading unit is 100 shares.
Total	373,573,152	373,573,152	–	–

(2) Subscription rights to shares

(i) Details of stock option program

None

(ii) Details of rights plan

None

(iii) Other subscription rights to shares

None

(3) Exercises, etc. of moving strike convertible bonds, etc.

None

(4) Changes in number of outstanding shares, share capital, etc.

Date	Change in total number of outstanding shares (Shares)	Balance of total number of outstanding shares (Shares)	Change in share capital (Millions of yen)	Balance of share capital (Millions of yen)	Change in legal capital surplus (Millions of yen)	Balance of legal capital surplus (Millions of yen)
March 8, 2023*	(14,612,500)	385,022,278	–	53,204	–	84,321
October 2, 2024*	(76,926)	384,945,352	–	53,204	–	84,321
March 28, 2025*	(11,372,200)	373,573,152	–	53,204	–	84,321

* These decreases are due to the cancellation of treasury shares.

(5) Distribution of ownership among shareholders

As of March 31, 2025

Category	Share ownership (100 shares per unit)								Shares less than one unit (Shares)
	Government and regional public bodies	Japanese financial institutions	Japanese securities companies	Other Japanese corporations	Foreign institutions and others		Japanese individuals and others	Total	
					Institutions	Individuals			
Number of shareholders (Persons)	–	53	34	304	756	43	31,113	32,303	–
Number of shares owned (Units)	–	1,349,343	158,015	303,159	948,759	202	975,021	3,734,499	123,252
Percentage of shares owned (%)	–	36.12	4.23	8.12	25.40	0.00	26.13	100.00	–

(Notes)

1. 53,229,249 shares of treasury shares are included as 532,292 units under “Japanese individuals and others” and 49 shares under “Shares less than one unit.”
2. Six units in the name of Japan Securities Depository Center, Inc. are included under “Other Japanese corporations.”

(6) Major shareholders

As of March 31, 2025

Name	Address	Number of shares held (Shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	8-1, Akasaka 1-chome, Minato-ku, Tokyo	71,098,500	22.19
Custody Bank of Japan, Ltd. (Trust account)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	27,481,200	8.57
Seiko Group Corporation	5-11, Ginza 4-chome, Chuo-ku, Tokyo	11,000,000	3.43
Mizuho Trust & Banking Co., Ltd., Retirement benefit trust, Mizuho Bank, Ltd. account, Beneficiary of the re-trust, Custody Bank of Japan, Ltd.	8-12, Harumi 1-chome, Chuo-ku, Tokyo	8,153,800	2.54
Epson Group Employees' Shareholding Association	3-5, Owa 3-chome, Suwa-shi, Nagano	7,015,200	2.18
Sanko Kigyo Kabushiki Kaisha	6-1, Ginza 5-chome, Chuo-ku, Tokyo	7,000,000	2.18
STATE STREET BANK WEST CLIENT – TREATY 505234 (Standing proxy: Mizuho Bank, Ltd.)	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171, U.S.A. (15-1, Konan 2-chome, Minato-ku, Tokyo)	6,780,777	2.11
JPMorgan Securities Japan Co., Ltd.	7-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo	6,316,786	1.97
The Dai-ichi Life Insurance Company, Limited (Standing proxy: Custody Bank of Japan, Ltd.)	13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo (8-12, Harumi 1-chome, Chuo-ku, Tokyo)	6,115,200	1.90
Etsuko Hattori	Minato-ku, Tokyo	4,321,400	1.34
Total	–	155,282,863	48.47

(Notes)

1. Although the Company holds 53,229,249 shares of treasury shares, the Company is excluded from the above list of major shareholders. (The ratio of the treasury shares held by the Company to the total number of shares outstanding is 14.25%.)
2. The shares held by Mizuho Trust & Banking Co., Ltd., Retirement benefit trust, Mizuho Bank, Ltd. account, Beneficiary of the re-trust, Custody Bank of Japan, Ltd., were contributed by Mizuho Bank, Ltd. to the trust assets of the Retirement benefit trust.
3. Sumitomo Mitsui Trust Bank, Limited and its joint holders submitted a Report of Change to the Director of the Kanto Local Finance Bureau as of April 19, 2024, claiming that they hold the Company's shares as follows as

of April 15, 2024. However, we have not been able to confirm the number of shares they held at the record date for voting. Therefore, they are not included in the above major shareholders.

Name	Address	Number of shares held (Shares)	Shareholding ratio (%)
Sumitomo Mitsui Trust Asset Management Co., Ltd.	1-1, Shibakoen 1-chome, Minato-ku, Tokyo	8,037,600	2.09
Nikko Asset Management Co., Ltd.	7-1, Akasaka 9-chome, Minato-ku, Tokyo	13,359,300	3.47
Total	–	21,396,900	5.56

4. Nomura Securities Co., Ltd. and its joint holders submitted a Report of Change to the Director of the Kanto Local Finance Bureau as of July 5, 2024, claiming that they hold the Company’s shares as follows as of June 28, 2024. However, we have not been able to confirm the number of shares they held at the record date for voting. Therefore, they are not included in the above major shareholders.

Name	Address	Number of shares held (Shares)	Shareholding ratio (%)
Nomura Securities Co., Ltd.	13-1, Nihonbashi 1-chome, Chuo-ku, Tokyo	1,420	0.00
NOMURA INTERNATIONAL PLC	1 Angel Lane, London EC4R 3AB, United Kingdom	2,128,276	0.55
Nomura Asset Management Co., Ltd.	2-1, Toyosu 2-chome, Koto-ku, Tokyo	28,502,100	7.40
Total	–	30,631,796	7.96

(7) Voting rights

(i) Outstanding shares

(As of March 31, 2025)

Classification	Number of shares (Shares)	Number of voting rights (Units)	Description
Shares without voting rights	–	–	–
Shares with restricted voting rights (Treasury shares, etc.)	–	–	–
Shares with restricted voting rights (Other)	–	–	–
Shares with complete voting rights (Treasury shares, etc.)	Common stock 53,229,200	–	–
Shares with complete voting rights (Other)	Common stock 320,220,700	3,202,207	–
Shares less than one unit	Common stock 123,252	–	–
Total number of outstanding shares	373,573,152	–	–
Total number of voting rights	–	3,202,207	–

(Note) The shares with complete voting rights (Other) section includes 600 shares in the name of Japan Securities Depository Center, Inc. (six units of voting rights).

(ii) Treasury shares, etc.

(As of March 31, 2025)

Name of shareholder	Address of shareholder	Number of shares held in own name (Shares)	Number of shares held in others' names (Shares)	Total number of shares held	Shareholding ratio (%)
Seiko Epson Corporation	4-1-6 Shinjuku, Tokyo	53,229,200	–	53,229,200	14.25
Total	–	53,229,200	–	53,229,200	14.25

(8) Officer and employee stock ownership plans

<Performance-Linked Stock Compensation Plan>

From the fiscal year ended March 31, 2017, the Company had introduced a transparent & fair performance-linked stock compensation plan (hereinafter referred to as the "Plan") for the Company's directors and executive officers who have been engaged by the Company (excluding outside directors and persons such as Audit & Supervisory Committee members who are not directly engaged in the operations of the Company, and persons residing outside Japan). The Plan was intended to heighten directors' sense of shared interest with shareholders and to show a commitment to sustaining growth and increasing corporate value over the mid- to long-term. In addition, the Company had resolved at the meeting of its Board of Directors held on May 16, 2019 to continue the Plan with three years from the fiscal year ended March 31, 2020 to the fiscal year ended March 31, 2022 as the period covered by the Plan.

The Company has introduced a restricted stock compensation plan in place of the Plan at the 80th Ordinary General Meeting of Shareholders held on June 28, 2022. Accordingly, no additional contribution shall be made under the Plan, and the Plan has been terminated in August 2024 as we completed issuing ordinary shares of the Company corresponding to the points awarded and deliver cash equivalent to the amounts obtained through converting such shares into cash.

2. Acquisition and disposal of treasury shares

(Class of shares, etc.) Acquisition of common stock subject to Article 155 Paragraph 3, Article 155 Paragraph 7, and Article 155 Paragraph 13 of the Companies Act

(1) Acquisition by resolution of shareholders meeting

Not applicable.

(2) Acquisition by resolution of board of directors meeting

Acquisition subject to Article 155 Paragraph 3 of the Companies Act

Classification	Number of shares (Shares)	Total amount (Yen)
Details of the resolution at board of directors meeting (held on April 26, 2024) (Repurchase period July 18, 2024 to March 31, 2025)	17,000,000	30,000,000,000
Treasury shares acquired before the current fiscal year	–	–
Treasury shares acquired during the current fiscal year	11,372,200	29,999,999,800
Total number and amount of remaining resolution shares	5,627,800	200
Unexercised ratio as of the end of the current fiscal year (%)	33.10	0.00
Treasury shares acquired during the current period	–	–
Unexercised ratio as of the date of submission (%)	33.10	0.00

(3) Acquisition not based on resolution of shareholders meeting or board of directors meeting

Acquisition subject to Article 155 Paragraph 7 of the Companies Act

Classification	Number of shares (Shares)	Total amount (Thousands of yen)
Treasury shares acquired during the current fiscal year	598	1,562,610
Treasury shares acquired during the current period	110	236,499

(Note) Treasury shares acquired during the current period does not include shares of less than one unit purchased between June 1, 2025, and the filing date of the Annual Securities Report.

Acquisition subject to Article 155 Paragraph 13 of the Companies Act

Classification	Number of shares (Shares)	Total amount (Thousands of yen)
Treasury shares acquired during the current fiscal year	76,926	–
Treasury shares acquired during the current period	–	–

(Note) The above reflects the free acquisition of treasury shares accompanying the termination of the performance-linked stock compensation plan.

(4) Disposal of acquired treasury shares and number of treasury shares held

Classification	During the current fiscal year		During the current period	
	Number of shares (Shares)	Total disposal amount (Yen)	Number of shares (Shares)	Total disposal amount (Yen)
Acquired treasury shares which were offered to subscribers	61,091	149,703,496	–	–
Acquired treasury shares which were cancelled	11,449,126	15,082,401,744	–	–
Acquired treasury shares which were transferred due to merger, share exchange, share issuance and company split	–	–	–	–
Others (–)	–	–	–	–
Total number of treasury shares held	53,229,249	–	53,229,359	–

(Note) The total number of treasury shares held for the current fiscal year does not include shares of less than one unit purchased between June 1, 2025, and the filing date of the Annual Securities Report.

3. 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 medium-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 (and which is very similar to operating income under Japanese accounting standards, both conceptually and numerically). The Company intends to be more active in giving back to shareholders by agilely purchasing treasury shares as warranted by share price, the capital situation, and other factors.

The Company's dividend policy is to pay cash dividends twice a year. The year-end dividend is determined by resolution of the general shareholders' meeting and the interim dividend is determined at a meeting of the board of directors. With respect to the interim dividend, the Company's Articles of Incorporation allow the Company to issue an interim dividend with a record date of September 30 every year by resolution of the board of directors.

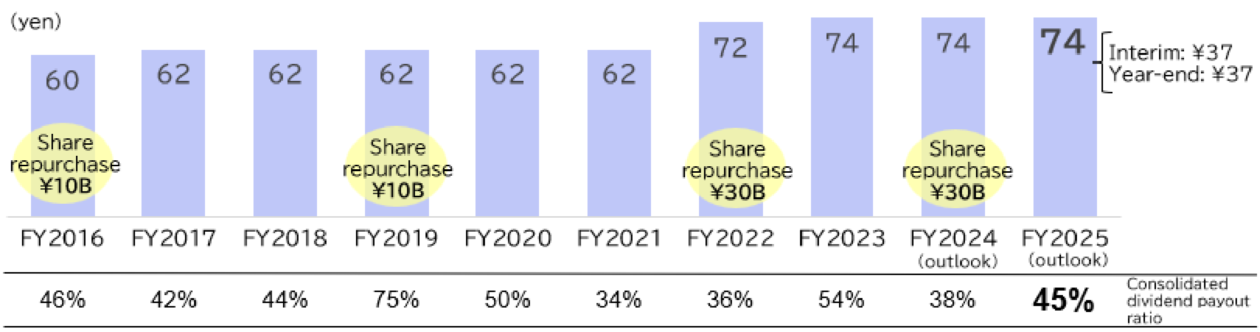
Based on its dividend policy and the perspective of stable dividend, the Company has paid an annual dividend of ¥74 per share.

The Company's distribution of retained earnings for the fiscal year under review is as follows.

Distribution of retained earnings for the fiscal year under review

Date approved	Cash dividends (Millions of yen)	Cash dividend per share (Yen)
November 1, 2024, by resolution of the board of directors	12,102	37
June 26, 2025, by resolution of the general shareholders' meeting (scheduled)	11,852	37

■Changes in shareholder returns



(Note) The consolidated dividend payout ratio is calculated based on the remaining amount after an amount equivalent to the statutory effective tax rate is deducted from business profit.

4. Corporate governance

(1) Overview of corporate governance

① Basic corporate governance principles

The general principles of corporate governance at the Company are as follows:

- Respect the rights of shareholders, and ensure equality.
- Bear in mind the interests of, and cooperate with, stakeholders, including shareholders, customers, local communities, business partners, and Epson personnel.
- Appropriately disclose company information and maintain transparency.
- Directors, Executive Officers, and Special Audit & Supervisory Officers shall be aware of their fiduciary duties and shall fulfill the roles and responsibilities expected of them.
- Engage in constructive dialogue with shareholders.

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

In order to further increase the effectiveness of corporate governance, the Company further improves the supervisory function of the Board of Directors, further enhances deliberation and speeds up management decision-making.

② Overview of and reasons for adopting the current system of corporate governance

The Company is structured as a company with an Audit & Supervisory Committee. It has a Board of Directors, an Audit & Supervisory Committee, and a financial auditor. It has also voluntarily established advisory committees for matters such as the Director nomination and compensation.

This governance system was adopted to further increase the effectiveness of corporate governance by strengthening supervision over management and by enabling the Board of Directors to devote more time to discussions while speeding up decision-making by management.

The main bodies and their aims are described below:

Board of Directors

The Board of Directors, with a mandate from shareholders, is responsible for realizing efficient and effective corporate governance, through which the Company will accomplish its social mission, sustain growth, and maximize corporate value over the medium and long term. To fulfill these responsibilities, the Board of Directors will exercise a supervisory function over general management affairs, maintain management fairness and transparency, and make important business decisions, including decisions on things such as management plans, business plans, and investments exceeding a certain amount.

The Board of Directors operates in accordance with the Articles of Incorporation and regulations that were approved by resolution of the Board of Directors. As of the filing date of the Annual Securities Report (June 25, 2025, hereinafter referred to as the "filing date"), the Board of Directors is composed of 11 Directors, including six Outside Directors described in "(2) Officers." Meetings of the Board of Directors are, as a rule, held once per month and as needed. The Chairman and Director, who serves as a non-executive director, acts as the chairman of the Board meetings. Corporate Governance Policy states that at least one-third of the board members should be Outside Directors.

The Board of Directors makes decisions on basic business policies, important business affairs, and other matters that the Board of Directors is responsible for deciding as provided for in internal regulations. Business affairs that the Board of Directors is not responsible for deciding are delegated to executive management, and the Board monitors these. To speed up management decisions and increase business agility as a company with an Audit & Supervisory Committee, the Company has expanded the scope of affairs delegated to executive management from the Board of Directors, including capital investments below a certain threshold.

The Company held a total of 13 meetings of the Board of Directors in FY2024 and two meetings in FY2025 from April 2025 to the filing date. The Board of Directors first discussed topics and points to be focused on during the fiscal year, and deliberated on the progress and strategy of innovation areas (growth areas/new areas) and company-wide common topics (technology development, DX, production foundation, and sales & marketing) to achieve Epson 25 Renewed. It also had deliberations on making overseas business companies Epson's subsidiaries

and on initiatives towards human capital management, among other things.
Epson has a mechanism in place that allows free discussions by the members of the Board of Directors from the initial stage of reviewing important business topics, in addition to discussions at the Board of Directors' meetings, to enhance the strategy function of the Board of Directors. During the fiscal year they exchanged views on and discussed the next long-term strategies and how to improve the effectiveness of the Board of Directors.
The status of attendance by each Director at such meetings was as follows.

Status of attendance at meetings by each Director

Name	Title	Attendance at meetings (attendance rate)	
		FY2024	FY2025[1]
Minoru Usui[2]	Chairman and Director	3/3 (100%)	−
Yasunori Ogawa	Chairman and Director	13/13 (100%)	2/2 (100%)
Tatsuaki Seki[2]	Director	3/3 (100%)	−
Eiichi Abe[3]	Director	10/10 (100%)	2/2 (100%)
Junkichi Yoshida[3]	President and Representative Director	10/10 (100%)	2/2 (100%)
Yasunori Yoshino[3]	Director	10/10 (100%)	2/2 (100%)
Mari Matsunaga[2]	Outside Director	3/3 (100%)	−
Tadashi Shimamoto	Outside Director	13/13 (100%)	2/2 (100%)
Masaki Yamauchi	Outside Director	13/13 (100%)	2/2 (100%)
Kahori Miyake[3]	Outside Director	10/10 (100%)	2/2 (100%)
Masayuki Kawana	Director Full-Time Audit & Supervisory Committee Member	13/13 (100%)	2/2 (100%)
Yoshio Shirai[2]	Outside Director Audit & Supervisory Committee Member	3/3 (100%)	−
Susumu Murakoshi	Outside Director Audit & Supervisory Committee Member	13/13 (100%)	2/2 (100%)
Michiko Ohtsuka	Outside Director Audit & Supervisory Committee Member	13/13 (100%)	2/2 (100%)
Akira Marumoto[3]	Outside Director Audit & Supervisory Committee Member	10/10 (100%)	2/2 (100%)

1 Attendance at meetings (attendance rate) in FY2025 is for the period from April 2025 to the filing date.
2 Aggregated for the period up to their retirement at the Ordinary General Meeting of Shareholders held on June 25, 2024.
3 Aggregated for the period from their appointment at the Ordinary General Meeting of Shareholders held on June 25, 2024.

Effectiveness evaluation of the Board of Directors

(1) Overview of efforts to evaluate the effectiveness of the Board of Directors

The Board of Directors of the Company analyzes and evaluates the effectiveness of the entire Board of Directors every year based on Article 19 of the Corporate Governance Policy.

Annual cycle for evaluating the effectiveness of the Board of Directors (general principles)

- When evaluation is planned: November to February
- When evaluation is performed: February to March
- When evaluation results are analyzed and issues are selected: April to May
- Disclosure of issues in a Corporate Governance Report: June
- Summarization of response to issues: April to May of the following year
- Disclosure of the results of actions taken to resolve issues in a Corporate Governance Report: June of the following year

(2) Board of Directors effectiveness evaluation for FY2023

The results of actions taken to address issues that were raised when the effectiveness of the Board of Directors was evaluated for FY2023 are provided below. The effectiveness of the Board of Directors in FY2023 was evaluated by having all Board members complete a questionnaire. The questionnaire results showed that the Board of Directors is functioning effectively. (To incorporate a more objective perspective, the evaluation was conducted based on the evaluation and opinions of a third-party organization in a series of steps from the preparation of the questionnaire to its analysis and evaluation.)

1) Discussion and supervision of actions taken with regard to the Epson 25 Renewed financial goals and strategy execution

We held discussions and provided supervision focused on the businesses positioned as growth areas. For action items aimed at securing profits primarily from a short to medium-term perspective, we held discussions and provided supervision at every quarter end.

2) Holding and acceleration of discussions on long term corporate strategy

We utilized a system that enables free discussion by board members starting with the early stages of examining important management themes (Directors' free discussion) to hold discussions regarding internal and external environment analyses and examination stage strategy proposals from the executive team. At the same time, by creating opportunities, not limited to meetings of the Board of Directors, for those responsible for business activities to explain the basic structure and medium- to long-term direction of the business to outside directors, we aligned the Board of Directors members' understanding of strategies, issues, and risks, and laid the groundwork for discussions related to future long-term strategies.

3) Human capital management initiatives linked to management strategy

At meetings of the Board of Directors, we shared issues regarding human capital management goals we should strive for and human resources strategies, and held discussions and provided supervision of human capital management initiatives.

Issues above are associated with medium- and long-term corporate strategies that are being executed or considered. The Board of Directors will continue to supervise and discuss these strategies during FY2025.

(3) Board of Directors effectiveness evaluation for FY2024

The effectiveness of the Board of Directors in FY2024 was evaluated by having all Board members complete a questionnaire with the following items and analyzing the results. Additionally, for a portion of the items, a questionnaire was also completed by the attendants other than members (a portion of Executive Officers, etc. attending meetings of the Board of Directors), and results were analyzed for the purpose of confirming whether there is a significant discrepancy in recognition between the Board of Directors and the management in charge of executive duties.

1) Composition of the Board of Directors and how it is positioned

2) Operation of the Board of Directors
3) Discussions and function of the Board of Directors
4) Directors' activities
5) Training
6) Dialogue with shareholders (investors)
7) Functions and operations of advisory bodies to the Board (the Director Nomination Committee, Director Compensation Committee, and Compliance Committee)
8) Summary

As a result of the above evaluation, it was confirmed that the effectiveness of the Board of Directors as a whole has been generally ensured. Based on discussions by the Board of Directors and the results of the evaluation of the effectiveness of the Board of Directors in FY2023, we have summarized the issues to be addressed in order to increase effectiveness in the future as follows.

1) Deepening of strategy discussions and supporting for strengthening execution skills by the executive team
2) Oversight of status of review of the next long-term strategy and response to Epson 25 Renewed
3) Improvement of the Board of Directors operation for the purpose of strengthening collaboration between the Board of Directors and the executive team

In the future, we will work to further improve effectiveness by addressing these issues.

Audit & Supervisory Committee
The Audit & Supervisory Committee, with a mandate from shareholders, is responsible for independently and objectively auditing and monitoring the execution of director duties and for ensuring the sound and sustained growth of the Company. The Audit & Supervisory Committee verifies the effectiveness of the internal control system and conducts audits primarily in cooperation with internal audit departments and the financial auditor. The Audit & Supervisory Committee has established basic guidelines for selecting financial auditors and evaluates their independence, audit quality, etc. based on certain standards. Resolutions concerning financial auditors selected by the Committee per the guidelines are submitted for approval at a general meeting of shareholders. The Audit & Supervisory Committee also discusses the selection, dismissal, resignation, and compensation of Directors who are not Audit & Supervisory Committee members and decides on the opinions to be presented at a general meeting of shareholders.
The Audit & Supervisory Committee operates in accordance with the regulations that were approved by resolution of the Audit & Supervisory Committee. As of the filing date, the Audit & Supervisory Committee is composed of four Audit & Supervisory Committee members, three of whom are Outside Directors. It is chaired by a full-time member of the Audit & Supervisory Committee. Meetings are held once per month in principle and as needed.

Corporate Strategy Council
The Corporate Strategy Council is an advisory body to the President whose purpose is to help ensure that the right decisions are made based on a range of opinions on the executive management side. Meetings of the Corporate Strategy Council are where Directors, General Administrative Managers and Chief Operating Officers exhaustively examine important business topics that affect the Epson Group as a whole and matters on the agenda for meetings of the Board of Directors, and they are basically held every two weeks.

Compliance Committee
The Compliance Committee's function is to discuss the content of reports that it receives concerning important compliance activities, and report its findings and communicate its opinions to the Board of Directors in order to see that compliance activities are appropriately executed by line management.
The Compliance Committee operates in accordance with the regulations that were approved by resolution of the Board of Directors. As an advisory body to the Board of Directors, the Compliance Committee is composed of Outside Directors and Directors who are Audit & Supervisory Committee members. The Compliance Committee is chaired by a full-time member of the Audit & Supervisory Committee. Meetings are held every half year and as needed. Financial auditors and the head of the internal audit control departments attend meetings of the Committee as observers.

A Chief Compliance Officer (CCO) is elected by the Board of Directors and supervises and monitors compliance-related affairs on the whole. The CCO periodically reports the state of compliance affairs to the Compliance Committee.

Director Nomination Committee and Director Compensation Committee

The Company has established the Director Nomination Committee and the Director Compensation Committee as voluntary deliberation bodies, and they are chaired by an Outside Director, and the majority of committee members are Outside Directors. These Committees are designed to ensure transparency and objectivity in the screening and nomination of candidates for Director, Executive Officer, and Special Audit & Supervisory Officer and in matters of Director compensation. The Human Resources Department serves as the secretariat for these deliberation committees. The Director Nomination Committee and Director Compensation Committee operate in accordance with the regulations that were approved by resolution of the Board of Directors.
The overview of each of these Committees is as follows.

Composition

Both the Director Nomination Committee and the Director Compensation Committee are composed of all Outside Directors, President and Representative Director, and the Outside Directors shall select the committee chairs from among themselves. Directors who are full-time members of the Audit & Supervisory Committee can attend meetings of either Committee as observers.

Activities of the Director Nomination Committee

The Committee met 13 times in FY2024 and two times in FY2025 from April 2025 to the filing date. The Committee deliberated on matters including succession planning for the President and Representative Director, policies for selecting Officers (Directors, Executive Officers and Special Audit & Supervisory Officers), and proposing candidates. With respect to the change of the President and Representative Director dated April 1, 2025, the Director Nomination Committee confirmed the progress of the succession plan for the President and Representative Director and nominated and reported candidates to the Board of Directors.

Activities of the Director Compensation Committee

The Committee met seven times in FY2024 and three times in FY2025 from April 2024 to the filing date. 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 to be allocated and amount of monetary compensation claims under the restricted stock compensation plan, renewal of directors and officers liability insurance, and 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.

Status of attendance at meetings by each Committee Member

Name	Title	Director Nomination Committee		Director Compensation Committee	
		Attendance at meetings (attendance rate)		Attendance at meetings (attendance rate)	
		FY2024	FY2025[1]	FY2024	FY2025[1]
Mari Matsunaga[2]	Outside Director	3/3 (100%)	—	3/4 (75%)	—
Tadashi Shimamoto	Outside Director/Chair (Director Nomination Committee)[5]	13/13 (100%)	2/2 (100%)	7/7 (100%)	3/3 (100%)
Masaki Yamauchi	Outside Director/Chair (Director Compensation Committee)[6]	13/13 (100%)	2/2 (100%)	7/7 (100%)	3/3 (100%)

Name	Title	Director Nomination Committee		Director Compensation Committee	
		Attendance at meetings (attendance rate)		Attendance at meetings (attendance rate)	
		FY2024	FY2025[1]	FY2024	FY2025[1]
Kahori Miyake[4]	Outside Director	10/10 (100%)	2/2 (100%)	3/3 (100%)	3/3 (100%)
Yoshio Shirai[3]	Outside Director/Chair	3/3 (100%)	—	4/4 (100%)	—
Susumu Murakoshi	Outside Director	13/13 (100%)	2/2 (100%)	7/7 (100%)	3/3 (100%)
Michiko Ohtsuka	Outside Director	13/13 (100%)	2/2 (100%)	7/7 (100%)	3/3 (100%)
Akira Marumoto[4]	Outside Director	10/10 (100%)	2/2 (100%)	3/3 (100%)	3/3 (100%)
Yasunori Ogawa	President and Representative Director[7]	13/13 (100%)	—	7/7 (100%)	—
Junkichi Yoshida	President and Representative Director[8]	—	2/2 (100%)	—	3/3 (100%)

1 Attendance at meetings (attendance rate) in FY2025 is for the period from April 2025 to the filing date.
2 Aggregated for the period up to her retirement at the Ordinary General Meeting of Shareholders held on June 25, 2024.
3 Aggregated for the period up to his retirement at the Ordinary General Meeting of Shareholders held on June 25, 2024. In addition, he retired as the chair of Director Nomination Committee and Director Compensation Committee on the same date.
4 Aggregated for the period from their appointment at the Ordinary General Meeting of Shareholders held on June 25, 2024.
5 He assumed the office of the chair of Director Nomination Committee on June 25, 2024.
6 He assumed the office of the chair of Director Compensation Committee on June 25, 2024.
7 Aggregated for the period up to his retirement from the position of the President and Representative Director on March 31, 2025.
8 He assumed the office of the President and Representative Director on April 1, 2025.

Succession plan for the President and Representative Director

The succession plan follows the following process: based on the results of a personnel review of management-level personnel and on the personnel requirements, the President and Representative Director formulates an original proposal for two or more candidates and their training; the proposal is deliberated by the Director Nomination Committee; and the proposal is ultimately deliberated and resolved by the Board of Directors. During those deliberations, the progress is reported as appropriate and candidates are evaluated, narrowed down, replaced, and selected. The succession plan contemplates more than one change, including for emergency response. The plan was also formulated and has been implemented from the viewpoint of the management team, including personnel who are responsible for management jointly with the President and Representative Director.

In view of their responsibility for formulating and implementing medium- to long-term plans, the candidates have participated, as a member of the management team, in the process from the stage of formulating those plans. The candidates have been provided with the necessary training according to their individual career history, including their appointment to those important managerial roles.

Approach to selecting Directors

The Company believes that a diverse Board of Directors is useful for facilitating substantive board discussions that cover all angles. Therefore, our basic policy is to maintain a board that is well-balanced and composed of persons who combine a broad spectrum of knowledge, experience, and skill in their respective areas of expertise, without regard to gender, race, ethnicity, country of origin, nationality, cultural background, age, etc.

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

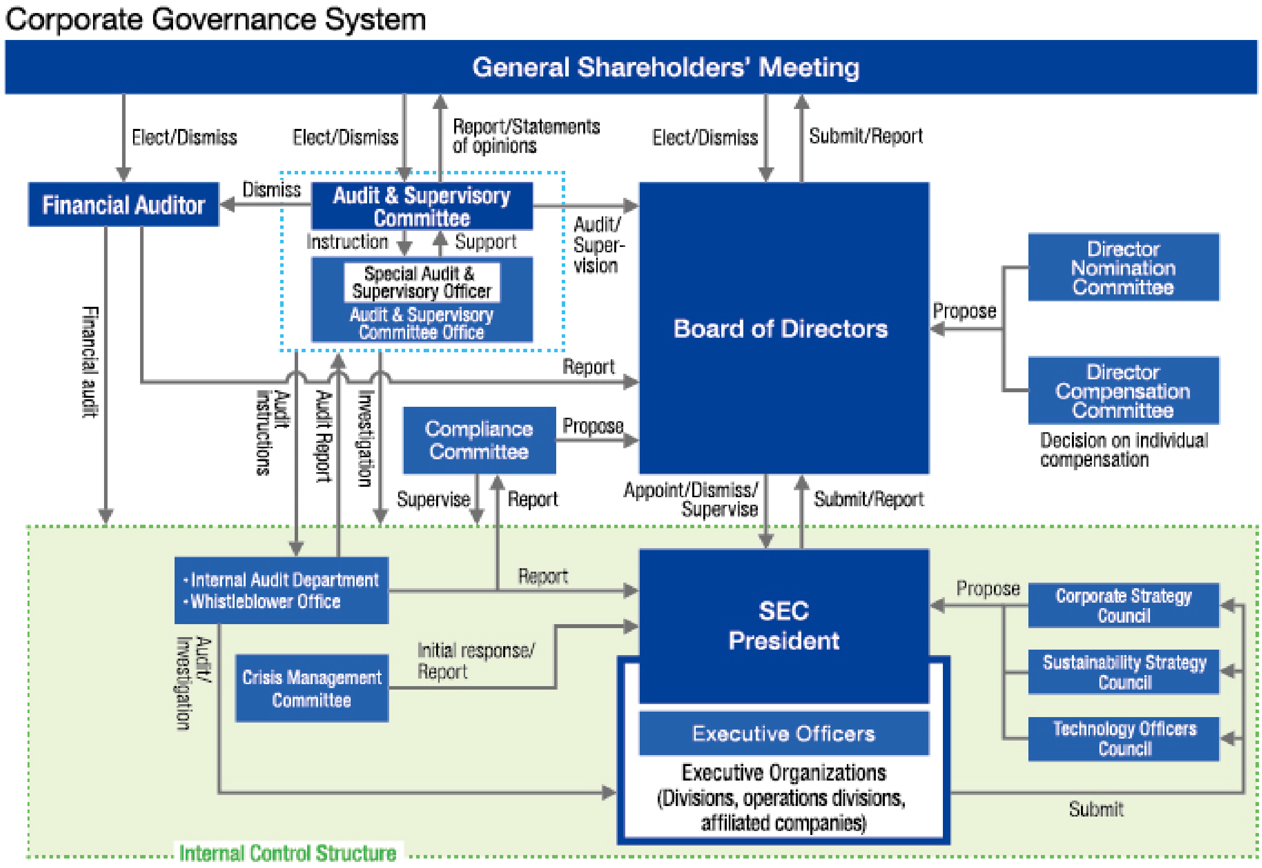
Epson clarifies a management system toward achieving the Corporate Purpose and Corporate Vision based on the Management Philosophy utilizing a matrix as below.

The Company has submitted a proposal (i.e., a matter requiring a resolution) entitled "Election of Seven Directors Who Are Not Audit & Supervisory Committee Members" to the Ordinary General Meeting of Shareholders scheduled for June 26, 2025. The table below reflects the composition of the Board of Directors assuming that the proposal is approved as originally proposed. A list of officers is contained in "(2) Officers" 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	●	●							●

*Up to three areas of expertise particularly expected are stated.

The Company's system of corporate governance is schematically represented below.



③ Internal control system

The Company's Board of Directors approved a basic policy on the internal control system (a system for ensuring that business is conducted suitably by the corporate group) as follows, and the Company has implemented the approved internal control system.

The Company has established "Epson Way," which is based on its Management Philosophy and is shared across the corporate group consisting of the Company and its subsidiaries ("the Epson Group"). The Company shall establish the following basic policy regarding the internal control system (a system for ensuring that business is conducted suitably by the Epson Group) and provide an improved internal control system (autonomous-decentralized internal control) which envisions a state where each organization identifies and solves issues on its own, to ensure that the Epson Group's operations are conducted appropriately based on the Epson Way.

(*) The Epson Way is a set of shared values and behavior within the Epson Group. It is a collective term for the Management Philosophy and EXCEED YOUR VISION, which state the fundamental, universal principles of the Epson Group; and the Principles of Corporate Behavior, which set forth values and actions that reflect our Management Philosophy, etc.

1. Compliance

(1) The Company will establish compliance regulations for the Epson Group and spell out basic matters such as the organizational framework.

(2) The Company has created a Compliance Committee to serve as an advisory body to the Board of Directors. The Compliance Committee is chaired by a full-time member of the Audit & Supervisory Committee and is composed of Outside Directors and members of the Audit & Supervisory Committee. The Compliance Committee meets regularly and as needed to hear and discuss important matters concerning the Company's compliance program. It reports its findings and offers opinions to the Board of Directors. Financial auditors and the head of the internal audit control departments can attend meetings of the Compliance Committee as observers.

(3) A Chief Compliance Officer (CCO) is elected and supervises and monitors the execution of all compliance operations. The CCO periodically reports the state of compliance affairs to the Compliance Committee.

(4) Compliance promotion and enforcement will be supervised by the president of Seiko Epson. Compliance programs common to the Epson Group will 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 will be promoted by the respective Chief Operating Officers of the divisions. The compliance management department helps 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 Strategy Council, an advisory body to the president comprised of members of the Board of Directors, etc. of the Company, will address important matters with respect to compliance promotion and enforcement in the Epson Group as a whole. The Council will strive to ensure the effectiveness of compliance by exhaustively discussing and analyzing the implementation of programs for assuring observance of statutes, internal regulations, business ethics, and initiatives in high-risk and other key areas.

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

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

(8) The president of Seiko Epson periodically reports important compliance-related matters to the Board of Directors and takes measures as needed to respond to issues.

(9) The Company's "Principles of Corporate Behavior" states that the Company will have no association whatsoever with antisocial forces (i.e., organized crime groups). The Company takes a firm stance in rejecting any and all contact with antisocial forces that threaten 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 formulates long-term corporate visions and mid-range business plans, and it sets clear medium- and long-range goals for the Epson Group as a whole.

(2) The Company has instituted a system to ensure the appropriate and efficient execution of business. To that end, the Company has established regulations governing organizational management, levels of authority, 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 report the matters below to the Board of Directors at least once every three months.
1) Current business performance and performance outlook
2) Status of key business operations

4. Risk management

(1) The Company has established a regulation that stipulates the risk management system of the Company, 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 belongs to the president of Seiko Epson. Group-wide risk management common to the Epson Group is carried out by Head Office supervisory departments with the cooperation of the operations divisions and subsidiaries. Risks unique to an individual business are managed by the Chief Operating Officer of that business, including at subsidiaries consolidated under them. The Company has also set up the risk management department, monitors overall risk management Group-wide, makes corrections and adjustments thereto, and ensures the effectiveness of risk management programs.

(3) The Corporate Strategy Council strives to ensure effective management of serious risks that could have an egregious effect on society by agilely and exhaustively discussing and analyzing ways to identify and control risks. Also, when major risks become apparent, the president leads the entire company in mounting a swift initial response in line with the Company's prescribed crisis management program.

(4) The president of Seiko Epson periodically reports critical risk management issues to the Board of Directors and formulates appropriate measures to respond to these issues, as needed.

5. Ensuring the appropriateness of operations in the corporate group

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

(2) The Company has business processes that enable business to be controlled on a Group level. This is accomplished by regulations governing the management of affiliated companies that require subsidiaries to report or acquire pre-approval for certain business affairs from the parent company, the Company, and by requiring issues that meet certain criteria to be submitted to the Company's Board of Directors for resolution. The Company has established a company to supervise local subsidiaries in order to ensure the suitability and efficiency of operations Group-wide.

(3) Per the Regulation for Internal Audits, internal audit departments serve as monitoring organizations that are independent from the management and supervisory functions of the operations divisions and the Head Office. Internal audit departments audit internal controls and the state of their implementation in all Epson Group

companies. The findings of the internal audit departments are presented to the head of the audited organization along with requests for corrective action, where needed. This information is also regularly reported to the president of Seiko Epson and to the Audit & Supervisory Committee. In this way, Epson strives to optimize operations across the entire Group.

6. Safeguarding and management of work-related information

(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 this information if necessary.

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

7. Audit system

(1) The Audit & Supervisory Committee can interview Directors who are not members of the Audit & Supervisory Committee, 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 Strategy Council sessions, corporate management meetings, and other important business meetings that will enable them to conduct audits based on the same information as that available to directors who are not members of the Audit & Supervisory Committee. Members of the Audit & Supervisory Committee also routinely review important documents related to management decision-making.

(3) An Audit & Supervisory Committee Office was set up to assist the duties of the Audit & Supervisory Committee. The head of the Audit & Supervisory Committee Office serves as the Special Audit & Supervisory Officer and assigns full-time personnel to the Audit & Supervisory Committee Office. The head and personnel of the Audit & Supervisory Committee Office 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 members of the Audit & Supervisory Committee. 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 has been created to secure close cooperation between the internal audit departments and the Audit & Supervisory Committee. Furthermore, prior consent from the Audit & Supervisory Committee must be obtained for the appointment, dismissal, and personnel evaluation of the head of the internal audit control departments.

(5) If a situation involving the Audit & Supervisory Committee or cooperation with the internal audit departments or other organizations is observed to interfere with the effectiveness of audits by the Audit & Supervisory Committee, the Audit & Supervisory Committee can ask the representative director or Board of Directors to take corrective action.

(6) The Audit & Supervisory Committee receives audit reports from internal audit departments and can issue specific instructions to internal audit departments as needed. If the instructions issued to internal audit departments by the Audit & Supervisory Committee and the president are in conflict, the president will have the internal audit departments honor the instructions of the Audit & Supervisory Committee.

(7) Per the Audit & Supervisory Committee Audit Regulation, the Audit & Supervisory Committee can ask Directors who are not members of the Audit & Supervisory Committee, the compliance management department, and the risk management department, as well as others to report or explain the state of management within the Epson Group. It can also view supporting materials. The Audit & Supervisory Committee can also ask, as needed, subsidiary company directors, corporate auditors, internal audit departments, and other organizations to report the state of management of the subsidiary. 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 representative director or Board of Directors, 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 the representative director regularly meet to enable the Committee to directly assess business operations.

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

Established: April 1, 2006
Revised: June 3, 2025

④ Number of directors

The Company's Articles of Incorporation provide for a maximum of nine directors who are not members of the Audit & Supervisory Committee and a maximum of five directors who are members of the Audit & Supervisory Committee.

⑤ Election and dismissal of directors

According to its Articles of Incorporation, Directors of the Company can be elected by a majority vote by at least one-third of shareholders with voting rights, and not through cumulative voting.
Provisions regarding dismissal of directors do not vary from the provisions of the Companies Act.

⑥ Matters requiring resolutions of general meetings of shareholders that can be implemented by resolutions of the Board of Directors

Treasury share acquisition

The Company's Articles of Incorporation allow the Company to acquire treasury shares through stock market trade and other means by resolution of the Board of Directors. This enables a more flexible capital policy in response to a changing business environment.

Interim dividend

The Company's Articles of Incorporation allow the Company to declare an interim dividend with a date of record of September 30 every year by resolution of the Board of Directors. This provides the Company with flexibility in paying dividends to shareholders.

Director exemption from liability

When liability falls under the requirements stipulated in Article 426, Paragraph 1 of the Companies Act, the Company's Articles of Incorporation allow the Company to exempt the Directors from liability for damages in Article 423, Paragraph 1 of the Companies Act up to the amount remaining after the legal minimum liability is deducted from the total liability amount by resolution of the Board of Directors so that the Directors (excluding Executive Directors) to fully apply themselves to their expected roles.

⑦ Overview of limited liability agreements

As of the filing date, the Company has executed agreements with non-executive directors Tadashi Shimamoto, Masaki Yamauchi, Kahori Miyake, Masayuki Kawana, Susumu Murakoshi, Michiko Ohtsuka, and Akira Marumoto that limit their liability for damages under Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability for damages under these agreements is the minimum liability amount provided for by laws and regulations. The liability of the non-executive directors shall be limited only if they have acted in good faith and without gross negligence in performing their duties.

⑧ Outline of directors and officers liability insurance contract

As of the filing date, the Company has entered into a directors and officers liability insurance contract, whose outline is as follows.

1) Scope of the insured
   a. Directors, Executive Officers, Professional Officers and Special Audit & Supervisory Officers of the Company
   b. Directors and Audit & Supervisory Board Members of the Company's domestic subsidiaries
   c. Employees in management positions of the Company and its domestic subsidiaries
   d. Individuals occupying officer positions of companies other than the Company or its domestic subsidiaries based on a request or an instruction from the Company
   e. 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.

⑨ Overview of company indemnification agreements

As of the filing date, the Company has entered into an indemnity agreement, whose outline is as follows.
1) Names of company officers
Yasunori Ogawa, Eiichi Abe, Junkichi Yoshida, Yasunori Yoshino, Tadashi Shimamoto, Masaki Yamauchi, Kahori Miyake, Masayuki Kawana, Susumu Murakoshi, Michiko Ohtsuka, and 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.

⑩ Special resolution requirements of the general meeting of shareholders

The Company's Articles of Incorporation set forth the requirements for a special resolution of the general meeting of shareholders stipulated in Article 309, Paragraph 2 of the Companies Act as a two-thirds majority vote by at least one-third of shareholders with voting rights. This policy is intended to ensure smooth operation of the general meeting of shareholders by relaxing the quorum requirements for special resolutions at the general meeting of shareholders.

⑪ Basic policy regarding company control

The Company's board of directors agreed on a basic policy governing persons who control our financial and business policy decisions (hereinafter the "basic policy").

1) Overview

Corporate Purpose is at the heart of all Epson's corporate activities. We established the Corporate Purpose, "Our philosophy of efficient, compact and precise innovation enriches lives and helps create a better world," in September 2022 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. 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.
The Company believes that its shareholders should be determined through free trade on the market. Therefore, the decision as to whether to accept a takeover offer that would allow another party to acquire a controlling share of the Company and thus gain power over the Company's financial and business decisions (hereinafter referred to as "large-scale acquisitions") should ultimately be put before the shareholders.
However, shareholders' decisions on whether to allow large-scale acquisitions need to be made appropriately. In order to ensure this, the Company believes that information and opinions necessary for shareholders should be provided by both persons seeking to do large-scale acquisitions of the Company's shares and the Board of Directors of the Company, and time necessary to examine the information and opinions needs to be secured.
The Company believes that persons who control its financial and business policy decisions need to fully understand the Company's businesses and sources of corporate value, and to understand the importance of the Company's directors, managers, and employees working as a team to create value, pursuing the Company's tradition of creativity and challenge, and earning and keeping the trust of its customers.

2) Summary of measures in support of the basic policy

a. Specific actions in support of the basic policy

The Company has established "Epson 25 Renewed," with the goal of achieving sustainability and enriching communities, which the Company has set as its aspirational goal to pursue into the future.

With this Corporate Vision, 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.

b. Efforts to deter parties who are deemed inappropriate based on the basic policy in gaining control over the Company's financial and business policy decision making

The Company will request those who intend to conduct a large-scale acquisition of the Company's 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.

3) Decisions made by the board of directors of the Company regarding specific actions and the justification for those decisions

The above efforts are for contributing to maintenance and increase of the Company's corporate value and the common interests of its shareholders, do not undermine the common interests of its shareholders, and reflect the above basic policy. Moreover, the Company considers that these efforts are not for keeping its Directors in their posts.

(2) Officers

① **List of Officers**

a. The Company's officers as of the filing date of the Annual Securities Report (June 25, 2025, hereinafter referred to as the "filing date") are as follows.

There are nine male officers and two female officers (18.2% of the officers are women).

Position and current function	Name	Date of birth	Summary of career		Term of office	Number of shares held (Shares)
Chairman and Director	Yasunori Ogawa	April 11, 1962	Apr. 1988	Joined the Company	Note 1	84,746
			Apr. 2008	General Manager, VI Business Management Department of the Company		
			Oct. 2008	General Manager, VI Planning & Design Department of the Company		
			Apr. 2017	Chief Operating Officer, Visual Products Operations Division of the Company		
			Jun. 2017	Executive Officer of the Company		
			Jun. 2018	Director and Executive Officer of the Company		
			Oct. 2018	General Administrative Manager, Technology Development Division of the Company		
			Jun. 2019	Director and 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)		
President and Representative Director	Junkichi Yoshida	September 27,1964	Apr. 1988	Joined the Company	Note 1	14,800
			Apr. 2012	General Manager, Printer Strategic Planning Department of the Company		
			Apr. 2019	Deputy General Administrative Manager, DX Division of the Company, General Manager, P Strategic Planning Department of the Company		
			Jun. 2020	Executive Officer of the Company		
			Oct. 2020	Deputy General Administrative Manager, DX Division of the Company, Deputy Chief Operating Officer, Printing Solutions Operations Division of the Company		
			Apr. 2021	General Administrative Manager, Printing Solutions Division of the Company		
			Jun. 2024	Director and Executive Officer of the Company		
			Apr. 2025	President and Representative Director of the Company (current position)		

Position and current function	Name	Date of birth	Summary of career		Term of office	Number of shares held (Shares)
Director and Executive Officer General Administrative Manager, Corporate Strategy Division Chief Operating Officer, Manufacturing Solutions Operations Division	Yasunori Yoshino	January 4, 1979	Apr. 2001 Apr. 2016 Apr. 2020 Apr. 2021 Oct. 2023 Apr. 2024 Jun. 2024	Joined the Company General Manager, VP Production Control & Procurement Department of the Company Chief Operating Officer, Visual Products Operations Division of the Company Executive Officer of the Company, Chief Operating Officer, Visual Products Operations Division of the Company General Administrative Manager, Corporate Strategy Division of the Company; Chief Operating Officer, Visual Products Operations Division of the Company General Administrative Manager, Corporate Strategy Division of the Company, Chief Operating Officer, Manufacturing Solutions Operations Division of the Company (current position) Director and Executive Officer of the Company (current position)	Note 1	15,500
Director	Eiichi Abe	October 26, 1962	Apr. 1985 Dec. 2003 Jun. 2004 Apr. 2009 Jun. 2014 Jun. 2017 Apr. 2022 Apr. 2023 Jun. 2024 Apr. 2025	Joined Suwa Seikosha Co., Ltd. (now Seiko Epson Corporation) Director, PT. Indonesia Epson Industry Vice President, PT. Indonesia Epson Industry General Manager, Human Resources Department of the company President of PT. Indonesia Epson Industry Executive Officer of the Company Chief Human Resources Officer, General Administrative Manager, Human Resources Division of the Company, General Administrative Manager, Health Management Office of the Company General Administrative Manager, Human Capital & Well-Being Management Division of the Company Representative Director and Executive Officer of the Company Director of the Company (current position)	Note 1	20,475

Position and current function	Name	Date of birth	Summary of career		Term of office	Number of shares held (Shares)
Outside Director	Tadashi Shimamoto	February 8, 1954	Apr. 2002	Senior Managing Director of Nomura Research Institute, Ltd.	Note 1	6,000
			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)		
Outside Director	Masaki Yamauchi	January 11,1961	Apr. 2005	Executive Officer of Yamato Transport Co., Ltd. (now Yamato Holdings Co., Ltd.)	Note 1	2,400
			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)		

Position and current function	Name	Date of birth	Summary of career		Term of office	Number of shares held (Shares)
Outside Director	Kahori Miyake	July 19, 1968	Jul. 1991 Apr. 2008 Jun. 2013 Mar. 2014 Mar. 2017 Apr. 2019 Mar. 2021 Apr. 2022 Apr. 2023 Jun. 2023 Jun. 2024	Joined JUSCO Co., Ltd. (now AEON Co., Ltd.) President and Representative Director of Claire's Nippon Co., Ltd. Director of Research Institute for Quality Living Co., Ltd. Executive Officer of AEON RETAIL Co., Ltd. General Manager of Customer Service Department of AEON RETAIL Co., Ltd. Executive Officer; CSR & Communication Chief Officer of AEON Co., Ltd. Co-Chair of Japan Climate Leaders' Partnership (current position) Chief Officer of CSR of AEON Co., Ltd. Director, ESG Planning and Promotion Department of Sumitomo Mitsui Trust Bank, Limited 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) Outside Director (Audit and Supervisory Committee Member) of Members Co., Ltd. (current position) Outside Director of the Company (current position)	Note 1	100
Director, Full-Time Audit & Supervisory Committee Member	Masayuki Kawana	July 27, 1964	Apr. 1988 Mar. 1999 Oct. 2008 Jun. 2014 Jun. 2015 Jun. 2016 Oct. 2016 Jun. 2018 Apr. 2020 Jun. 2021	Joined Seiko Epson Cooperative Union Joined the Company General Manager, Human Resources Department of the Company Director of the Company, General Administrative Manager, Human Resources Division of the Company President of Orient Watch Co., Ltd. Director and Executive Officer of the Company General Administrative Manager, CSR Management Office of the Company Chairman of Epson Sales Japan Corporation General Administrative Manager, Health Management Office of the Company Director and Full-Time Audit & Supervisory Committee Member of the Company (current position)	Note 2	24,000

Position and current function	Name	Date of birth	Summary of career		Term of office	Number of shares held (Shares)
Outside Director, Audit & Supervisory Committee Member	Susumu Murakoshi	September 1, 1950	Apr. 1976 Apr. 1984 Mar. 1988 May 2001 Apr. 2008 Apr. 2014 May 2017 Apr. 2019 Jun. 2020 Nov. 2021	Registered as an attorney-at-law Attorney-at-law of Susumu Murakoshi Law Office Attorney-at-law of Shin-Chiyoda Sogo Law Office (to present) Chairman, Human Rights Protection Committee of Japan Federation of Bar Associations Vice President of Japan Federation of Bar Associations President of Dai-Ichi Tokyo Bar Association President of Japan Federation of Bar Associations President of Japan Attorneys Political Association Member (Chief investigator) of Compliance Team of the Ministry of Education, Culture, Sports, Science and Technology (current position) Outside Director and Audit & Supervisory Committee Member of the Company (current position) President of Japan CSR Diffusion Association (now Japan CSR Promotion Association) (current position)	Note 2	3,300
Outside Director, Audit & Supervisory Committee Member	Michiko Ohtsuka	November 26, 1958	Apr. 1981 Oct. 1986 Aug. 1990 May 2013 Apr. 2014 Apr. 2015 Jun. 2015 Jun. 2016 Jun. 2020	Joined SUMITOMO CORPORATION Joined Asahi Shinwa Audit & Accounting Office (now KPMG AZSA LLC) Registered as Certified Public Accountant Certified Public Accountant of Ohtsuka Certified Public Accountant Office (to present) Auditor (part-time) of Pharmaceuticals and Medical Devices Agency Auditor (part-time) of Japan National Tourism Organization Outside Audit & Supervisory Board Member of FUJI KOSAN COMPANY, LTD. Outside Director and Audit & Supervisory Committee Member of FUJI KOSAN COMPANY, LTD. Outside Director and Audit & Supervisory Committee Member of the Company (current position)	Note 2	2,700

Position and current function	Name	Date of birth	Summary of career		Term of office	Number of shares held (Shares)
Outside Director, Audit & Supervisory Committee Member	Akira Marumoto	August 18, 1957	Jun. 1999	Director of Mazda Motor Corporation, Assistant to Officer in charge of Quality Assurance of Mazda Motor Corporation, General Manager, Product Quality Division of Mazda Motor Corporation	Note 2	1,500
			Jun. 2002	Executive Officer; In charge of European R&D and Production Operations of Mazda Motor Corporation		
			Apr. 2006	Managing Executive Officer; In charge of Product Planning and Program Management of Mazda Motor Corporation		
			Apr. 2010	Senior Managing Executive Officer; In charge of Corporate Planning, Product Strategy and Product Profit Control of Mazda Motor Corporation, Assistant to Officer in charge of Cost Innovation of Mazda Motor Corporation		
			Jun. 2010	Director and Senior Managing Executive Officer of Mazda Motor Corporation		
			Jun. 2013	Representative Director, Executive Vice President of Mazda Motor Corporation, Assistant to President of Mazda Motor Corporation, Oversight of Operations in the Americas and Corporate Planning Domain of Mazda Motor Corporation		
			Jun. 2018	Representative Director, President and CEO of Mazda Motor Corporation		
			Jun. 2023	Senior Advisor of Mazda Motor Corporation (current position)		
			Jun. 2024	Outside Director and Audit & Supervisory Committee Member of the Company (current position)		
Total						175,521

(Notes)

1. Tadashi Shimamoto, Masaki Yamauchi, Kahori Miyake, Susumu Murakoshi, Michiko Ohtsuka, and Akira Marumoto are Outside Directors.
2. Audit & Supervisory Committee of the Company is as follows.

Chairperson: Masayuki Kawana	Member: Susumu Murakoshi
Member: Michiko Ohtsuka	Member: Akira Marumoto

   Masayuki Kawana is Full-Time Audit & Supervisory Committee Member.

3. The terms of office of the Directors stipulated in Note 1 shall expire at the conclusion of the Ordinary General Meeting of Shareholders of the fiscal year ending within one year from their election of office at the Ordinary General Meeting of Shareholders held on June 25, 2024.
4. The terms of office of the Audit & Supervisory Committee Members stipulated in Note 2 shall expire at the conclusion of the Ordinary General Meeting of Shareholders of the fiscal year ending within two years from their election of office at the Ordinary General Meeting of Shareholders held on June 25, 2024.
5. The Company has introduced an executive officer system to ensure business management based on swift decision making. The Company's Executive Officers (excluding Directors serving concurrently as Executive Officers) as of the filing date are as follows.

Executive Officer	Akihiro Fukaishi	Executive Officer	Tsutomu Norimatsu
Executive Officer	Keith Kratzberg	Executive Officer	Susumu Maruyama
Executive Officer	Isamu Otsuka	Executive Officer	Emile Pattiwael
Executive Officer	Satoru Hosono	Executive Officer	Takanori Inaho
Executive Officer	Akifumi Takei	Executive Officer	Haruo Kuribayashi
Executive Officer	Samba Moorthy	Executive Officer	Tsuyoshi Yamanaka
Executive Officer	Yoichi Yamada	Executive Officer	Masahiro Uchida
Executive Officer	Tomoo Takaso	Executive Officer	Shunya Fukuda
Executive Officer	Toshiaki Miyasaka	Executive Officer	Osamu Shigemura
Executive Officer	Masashi Hayashi	Executive Officer	Yushi Irie
Executive Officer	Masaharu Mizukami	Executive Officer	Yosuke Takakura
Executive Officer	Toshihiko Kobayashi	Professional Officer	Keijiro Naito
Executive Officer	Siew Jin Kiat	Professional Officer	Emiko Nemura

6. The Company has elected Special Audit & Supervisory Officer, a post to support the Audit & Supervisory Committee. The Special Audit & Supervisory Officer as of the filing date is as follows.

   Special Audit & Supervisory Officer Yoshihiro Mizoguchi

b. The Company has submitted a proposal (i.e., a matter requiring a resolution) entitled "Election of Seven Directors Who Are Not Audit & Supervisory Committee Members" to the Ordinary General Meeting of Shareholders scheduled for June 26, 2025. If the proposal is approved as originally proposed, the Company's officers and their terms of office will be as shown below. The officers' job titles include the details (such as their job titles) of the matters requiring resolutions to be adopted at the Board of Directors meeting scheduled to be held immediately after the Ordinary General Meeting of Shareholders.

There are nine male officers and two female officers (18.2% of the officers are women).

Position and current function	Name	Date of birth	Summary of career		Term of office	Number of shares held (Shares)
Chairman and Director	Yasunori Ogawa	April 11, 1962	Apr. 1988	Joined the Company	Note 1	84,746
			Apr. 2008	General Manager, VI Business Management Department of the Company		
			Oct. 2008	General Manager, VI Planning & Design Department of the Company		
			Apr. 2017	Chief Operating Officer, Visual Products Operations Division of the Company		
			Jun. 2017	Executive Officer of the Company		
			Jun. 2018	Director and Executive Officer of the Company		
			Oct. 2018	General Administrative Manager, Technology Development Division of the Company		
			Jun. 2019	Director and 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)		
President and Representative Director	Junkichi Yoshida	September 27,1964	Apr. 1988	Joined the Company	Note 1	14,800
			Apr. 2012	General Manager, Printer Strategic Planning Department of the Company		
			Apr. 2019	Deputy General Administrative Manager, DX Division of the Company, General Manager, P Strategic Planning Department of the Company		
			Jun. 2020	Executive Officer of the Company		
			Oct. 2020	Deputy General Administrative Manager, DX Division of the Company, Deputy Chief Operating Officer, Printing Solutions Operations Division of the Company		
			Apr. 2021	General Administrative Manager, Printing Solutions Division of the Company		
			Jun. 2024	Director and Executive Officer of the Company		
			Apr. 2025	President and Representative Director of the Company (current position)		

Position and current function	Name	Date of birth	Summary of career		Term of office	Number of shares held (Shares)
Director and Executive Officer General Administrative Manager, Corporate Strategy Division Chief Operating Officer, Manufacturing Solutions Operations Division	Yasunori Yoshino	January 4, 1979	Apr. 2001 Apr. 2016 Apr. 2020 Apr. 2021 Oct. 2023 Apr. 2024 Jun. 2024	Joined the Company General Manager, VP Production Control & Procurement Department of the Company Chief Operating Officer, Visual Products Operations Division of the Company Executive Officer of the Company, Chief Operating Officer, Visual Products Operations Division of the Company General Administrative Manager, Corporate Strategy Division of the Company; Chief Operating Officer, Visual Products Operations Division of the Company General Administrative Manager, Corporate Strategy Division of the Company, Chief Operating Officer, Manufacturing Solutions Operations Division of the Company (current position) Director and Executive Officer of the Company (current position)	Note 1	15,500
Director and Executive Officer General Administrative Manager, Sales & Marketing Division Chief Operating Officer, P Commercial & Industrial Solutions Operations Division	Akihiro Fukaishi	October 13, 1964	Apr. 1987 Apr. 2009 Oct. 2011 Apr. 2012 Jun. 2013 Apr. 2015 Jun. 2016 Apr. 2017 May 2022 Apr. 2024 Apr. 2025 Jun. 2025	Joined the Company General Manager, Business Systems Marketing Department of the Company Deputy Chief Operating Officer, Business Systems Operations Division of the Company, General Manager, Business Systems Operating Department of the Company Chief Operating Officer, Business Systems Operations Division of the Company Executive Officer of the Company, Chief Operating Officer, Business Systems Operations Division of the Company Deputy Chief Operating Officer, Professional Printing Operations Division of the Company Executive Officer of the Company President of Epson (China) Co., Ltd. Chairman and President of Epson (China) Co., Ltd. General Administrative Manager, Sales & Marketing Division of the Company (current position) Chief Operating Officer, P Commercial & Industrial Solutions Operations Division (current position) Director and Executive Officer of the Company (current position)	Note 1	9,046

Position and current function	Name	Date of birth	Summary of career		Term of office	Number of shares held (Shares)
Outside Director	Tadashi Shimamoto	February 8, 1954	Apr. 2002	Senior Managing Director of Nomura Research Institute, Ltd.	Note 1	6,000
			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)		
Outside Director	Masaki Yamauchi	January 11,1961	Apr. 2005	Executive Officer of Yamato Transport Co., Ltd. (now Yamato Holdings Co., Ltd.)	Note 1	2,400
			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)		

Position and current function	Name	Date of birth	Summary of career		Term of office	Number of shares held (Shares)
Outside Director	Kahori Miyake	July 19, 1968	Jul. 1991 Apr. 2008 Jun. 2013 Mar. 2014 Mar. 2017 Apr. 2019 Mar. 2021 Apr. 2022 Apr. 2023 Jun. 2023 Jun. 2024	Joined JUSCO Co., Ltd. (now AEON Co., Ltd.) President and Representative Director of Claire's Nippon Co., Ltd. Director of Research Institute for Quality Living Co., Ltd. Executive Officer of AEON RETAIL Co., Ltd. General Manager of Customer Service Department of AEON RETAIL Co., Ltd. Executive Officer; CSR & Communication Chief Officer of AEON Co., Ltd. Co-Chair of Japan Climate Leaders' Partnership (current position) Chief Officer of CSR of AEON Co., Ltd. Director, ESG Planning and Promotion Department of Sumitomo Mitsui Trust Bank, Limited 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) Outside Director (Audit and Supervisory Committee Member) of Members Co., Ltd. (current position) Outside Director of the Company (current position)	Note 1	100
Director, Full-Time Audit & Supervisory Committee Member	Masayuki Kawana	July 27, 1964	Apr. 1988 Mar. 1999 Oct. 2008 Jun. 2014 Jun. 2015 Jun. 2016 Oct. 2016 Jun. 2018 Apr. 2020 Jun. 2021	Joined Seiko Epson Cooperative Union Joined the Company General Manager, Human Resources Department of the Company Director of the Company, General Administrative Manager, Human Resources Division of the Company President of Orient Watch Co., Ltd. Director and Executive Officer of the Company General Administrative Manager, CSR Management Office of the Company Chairman of Epson Sales Japan Corporation General Administrative Manager, Health Management Office of the Company Director and Full-Time Audit & Supervisory Committee Member of the Company (current position)	Note 2	24,000

Position and current function	Name	Date of birth	Summary of career		Term of office	Number of shares held (Shares)
Outside Director, Audit & Supervisory Committee Member	Susumu Murakoshi	September 1, 1950	Apr. 1976 Apr. 1984 Mar. 1988 May 2001 Apr. 2008 Apr. 2014 May 2017 Apr. 2019 Jun. 2020 Nov. 2021	Registered as an attorney-at-law Attorney-at-law of Susumu Murakoshi Law Office Attorney-at-law of Shin-Chiyoda Sogo Law Office (to present) Chairman, Human Rights Protection Committee of Japan Federation of Bar Associations Vice President of Japan Federation of Bar Associations President of Dai-Ichi Tokyo Bar Association President of Japan Federation of Bar Associations President of Japan Attorneys Political Association Member (Chief investigator) of Compliance Team of the Ministry of Education, Culture, Sports, Science and Technology (current position) Outside Director and Audit & Supervisory Committee Member of the Company (current position) President of Japan CSR Diffusion Association (now Japan CSR Promotion Association) (current position)	Note 2	3,300
Outside Director, Audit & Supervisory Committee Member	Michiko Ohtsuka	November 26, 1958	Apr. 1981 Oct. 1986 Aug. 1990 May 2013 Apr. 2014 Apr. 2015 Jun. 2015 Jun. 2016 Jun. 2020	Joined SUMITOMO CORPORATION Joined Asahi Shinwa Audit & Accounting Office (now KPMG AZSA LLC) Registered as Certified Public Accountant Certified Public Accountant of Ohtsuka Certified Public Accountant Office (to present) Auditor (part-time) of Pharmaceuticals and Medical Devices Agency Auditor (part-time) of Japan National Tourism Organization Outside Audit & Supervisory Board Member of FUJI KOSAN COMPANY, LTD. Outside Director and Audit & Supervisory Committee Member of FUJI KOSAN COMPANY, LTD. Outside Director and Audit & Supervisory Committee Member of the Company (current position)	Note 2	2,700

Position and current function	Name	Date of birth	Summary of career		Term of office	Number of shares held (Shares)
Outside Director, Audit & Supervisory Committee Member	Akira Marumoto	August 18, 1957	Jun. 1999	Director of Mazda Motor Corporation, Assistant to Officer in charge of Quality Assurance of Mazda Motor Corporation, General Manager, Product Quality Division of Mazda Motor Corporation	Note 2	1,500
			Jun. 2002	Executive Officer; In charge of European R&D and Production Operations of Mazda Motor Corporation		
			Apr. 2006	Managing Executive Officer; In charge of Product Planning and Program Management of Mazda Motor Corporation		
			Apr. 2010	Senior Managing Executive Officer; In charge of Corporate Planning, Product Strategy and Product Profit Control of Mazda Motor Corporation, Assistant to Officer in charge of Cost Innovation of Mazda Motor Corporation		
			Jun. 2010	Director and Senior Managing Executive Officer of Mazda Motor Corporation		
			Jun. 2013	Representative Director, Executive Vice President of Mazda Motor Corporation, Assistant to President of Mazda Motor Corporation, Oversight of Operations in the Americas and Corporate Planning Domain of Mazda Motor Corporation		
			Jun. 2018	Representative Director, President and CEO of Mazda Motor Corporation		
			Jun. 2023	Senior Advisor of Mazda Motor Corporation (current position)		
			Jun. 2024	Outside Director and Audit & Supervisory Committee Member of the Company (current position)		
Total						164,092

(Notes)
1. Tadashi Shimamoto, Masaki Yamauchi, Kahori Miyake, Susumu Murakoshi, Michiko Ohtsuka, and Akira Marumoto are Outside Directors.
2. Audit & Supervisory Committee of the Company is as follows.
   Chairperson: Masayuki Kawana Member: Susumu Murakoshi
   Member: Michiko Ohtsuka Member: Akira Marumoto
   Masayuki Kawana is Full-Time Audit & Supervisory Committee Member.
3. The terms of office of the Directors stipulated in Note 1 shall expire at the conclusion of the Ordinary General Meeting of Shareholders of the fiscal year ending within one year from their election of office at the Ordinary General Meeting of Shareholders held on June 26, 2025.
4. The terms of office of the Audit & Supervisory Committee Members stipulated in Note 2 shall expire at the conclusion of the Ordinary General Meeting of Shareholders of the fiscal year ending within two years from their election of office at the Ordinary General Meeting of Shareholders held on June 25, 2024.
5. The Company has introduced an executive officer system to ensure business management based on swift decision making. The Company's Executive Officers (excluding Directors serving concurrently as Executive Officers) after the Ordinary General Meeting of Shareholders scheduled for June 26, 2025 are as follows.

Managing Executive Officer	Keith Kratzberg	Executive Officer	Susumu Maruyama
Executive Officer	Isamu Otsuka	Executive Officer	Emile Pattiwael
Executive Officer	Satoru Hosono	Executive Officer	Takanori Inaho
Executive Officer	Akifumi Takei	Executive Officer	Haruo Kuribayashi
Executive Officer	Samba Moorthy	Executive Officer	Tsuyoshi Yamanaka
Executive Officer	Yoichi Yamada	Executive Officer	Masahiro Uchida
Executive Officer	Tomoo Takaso	Executive Officer	Shunya Fukuda
Executive Officer	Toshiaki Miyasaka	Executive Officer	Osamu Shigemura
Executive Officer	Masashi Hayashi	Executive Officer	Yushi Irie
Executive Officer	Masaharu Mizukami	Executive Officer	Yosuke Takakura
Executive Officer	Toshihiko Kobayashi	Professional Officer	Keijiro Naito
Executive Officer	Siew Jin Kiat	Professional Officer	Emiko Nemura
Executive Officer	Tsutomu Norimatsu		

6. The Company has elected Special Audit & Supervisory Officer, a post to support the Audit & Supervisory Committee. The Special Audit & Supervisory Officer after the Ordinary General Meeting of Shareholders scheduled for June 26, 2025 is as follows.
   Special Audit & Supervisory Officer Yoshihiro Mizoguchi

② Outside Officers

The role of Outside Directors

To ensure that Outside Directors are independent from the Company's management team, have a broad view, and are able to objectively supervise the making of important decisions, the Company has set forth the role of Outside Directors in the Corporate Governance Policy as below. In principle, Independent Outside Directors should comprise at least one-third of the members of the Board of Directors.

a. Monitoring of the management
   - Monitoring of corporate executives through involvement in the officer election and dismissal process and the compensation determination process based on an evaluation of the business as a whole
   - Monitoring of the business as a whole through the exercise of voting rights on important business decisions made by the Board of Directors
b. Advisory function for improving business efficiency
c. Monitoring of conflicts of interest
   - Monitoring of conflicts of interest between the Company and its Directors and Executive Officers
   - Monitoring of conflicts of interest between the Company and related parties

Principle of independence

The Company's Board of Directors has established a "Criteria for Independence of Outside Directors" and, in compliance with this standard, elects director candidates who are unlikely to have conflicts of interest with general shareholders. All Outside Directors who are serving as of the filing date and all Outside Directors who will be appointed if the proposal (i.e., a matter requiring a resolution) entitled "Election of Seven Directors Who Are Not Audit & Supervisory Committee Members," which has been submitted to the Ordinary General Meeting of Shareholders scheduled for June 26, 2025, is approved as originally proposed, satisfy the independence requirements of the criteria.

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 compensation 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 with a relationship of reciprocal employment of Outside Director[8]; or
(11) The spouse or other immediate family member of a person to whom any of items (1) through (9) apply.

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, 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] "Reciprocal employment of Outside Director" means accepting an Outside Director from an entity that currently employs someone from the Company as an Outside Director.

Number of outside directors, selection criteria, and human, capital, business or other interests between outside directors and the Company

The Company has six outside directors (of whom three are Audit & Supervisory Committee members) as of the submission date and if the proposal (i.e., a matter requiring a resolution) entitled "Election of Seven Directors Who Are Not Audit & Supervisory Committee Members," which has been submitted to the Ordinary General Meeting of Shareholders scheduled for June 26, 2025, is approved as originally proposed.

a. Tadashi Shimamoto

Mr. Shimamoto has served as President, Member of the Board and Chairman, 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. The Company believes that he, as an Outside Director of the Company, 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.

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.

He owns a small number of the Company's shares, but there are no human, capital, business or other interests between him and the Company.

The Company has registered him as an Independent Director with the Tokyo Stock Exchange.

b. Masaki Yamauchi

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. The Company believes 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.

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.

He owns a small number of the Company's shares, but there are no human, capital, business or other interests between him and the Company.

The Company has registered him as an Independent Director with the Tokyo Stock Exchange.

c. Kahori Miyake

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.

The Company believes 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.

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.
She owns a small number of the Company's shares, but there are no human, capital, business or other interests between her and the Company.
The Company has registered her as an Independent Director with the Tokyo Stock Exchange.

d. Susumu Murakoshi (Outside Director who is an Audit & Supervisory Committee member)
Mr. Murakoshi has a high level of expertise as an attorney. Having served as the President of Japan Federation of Bar Associations and the President of Japan Attorneys Political Association, he has a wealth of experience in the legal community. The Company believes that he will continuously contribute to monitoring management appropriately to achieve sustained growth and increase medium- to long-term corporate value, as well to ensure soundness of the management. He has never been involved in corporate management except as an outside officer. However, given the reasons above, the Company believes that he can appropriately perform his duties as an Outside Director who is an Audit & Supervisory Committee member.
The Company has not entered into a consulting agreement, and has not conducted any consignment of business activities under any individual agreement, with Mr. Murakoshi who is an attorney-at-law, and the law office to which he belongs.
He owns a small number of the Company's shares, but there are no human, capital, business or other interests between him and the Company.
The Company has registered him as an Independent Director with the Tokyo Stock Exchange.

e. Michiko Ohtsuka (Outside Director who is an Audit & Supervisory Committee member)
Ms. Ohtsuka has a high level of expertise as a certified public accountant. She has a considerable insight and experience as an independent officer of a listed company. The Company believes that she will continuously contribute to monitoring management appropriately to achieve sustained growth and increase medium- to long-term corporate value, as well to ensure soundness of the management. She has never been involved in corporate management except as an outside officer. However, given the reasons above, the Company believes that she can appropriately perform her duties as an Outside Director who is an Audit & Supervisory Committee member.
The Company has not entered into a consulting agreement, and has not conducted any consignment of business activities under any individual agreement, with Ms. Ohtsuka who is a certified public accountant, and there is no transactional relationship.
She owns a small number of the Company's shares, but there are no human, capital, business or other interests between her and the Company.
The Company has registered her as an Independent Director with the Tokyo Stock Exchange.

f. Akira Marumoto (Outside Director who is an Audit & Supervisory Committee member)
Mr. Marumoto has served as Executive Vice President and President of Mazda Motor Corporation and has a wealth of experience and considerable insight in corporate management. He was in charge of a wide range of administrative areas, including corporate planning, production and sales operations in the U.S., general affairs, public relations, and human resources. After assuming the position of president, he responded to various management issues and, as one example, strengthened earning power by improving profitability through dealership reforms and putting a new plant into operation. The Company believes that he will be able to appropriately supervise and contribute to the soundness of the Company's management aimed at achieving sustainable growth and improving the Company's corporate value over the medium- to long-term.
Mr. Marumoto has been involved in business affairs at Mazda Motor Corporation for the past five years. The Company has had no business relationship with Mazda Motor Corporation for the past three years.
He owns a small number of the Company's shares, but there are no human, capital, business or other interests between him and the Company.
The Company has registered him as an Independent Director with the Tokyo Stock Exchange.

③ Interconnections between supervision or audits by Outside Directors and internal audits, Audit & Supervisory Committee audits, and accounting audits; as well as relationship of these supervision/audits to the internal control department

Interconnections among Audit & Supervisory Committee audits, internal audits, and accounting audits, and the relationship of these audits to the internal control department

In order to make Audit & Supervisory Committee audits systematic and efficient, the Company ensures close collaboration between internal audit departments and the Audit & Supervisory Committee. In relation to the structure of the Audit & Supervisory Committee Office and the coordination system with internal audit departments, if circumstances hindering the effectiveness of the audit by the Audit & Supervisory Committee are found, the Audit & Supervisory Committee requests the representative directors or the Board of Directors to rectify them. Furthermore, prior consent from the Audit & Supervisory Committee should be obtained for the appointment, dismissal, and personnel evaluation of the head of the internal audit control departments. As part of a structure that can continuously pursue the maintenance and improvement of efforts to strengthen coordination between the Audit & Supervisory Committee and internal audit departments, etc., we have put in place a structure in which the head of the internal audit control departments can attend, as an observer, meetings of a Compliance Committee, which is made up of Outside Directors and a Director who is a member of the Audit & Supervisory Committee.

The Company's internal audit departments regularly report their audit plans, audit results and improvement plans for audited companies based on the audit findings to the Audit & Supervisory Committee, as well as reporting important matters related to internal audits to the Board of Directors. In response, the Audit & Supervisory Committee can, when it deems necessary, ask internal audit departments to investigate affairs or can provide specific instructions, including reporting to the Board of Directors, regarding the performance of their duties. Through these measures, Epson has secured the effectiveness of systematic audit performed by the Audit & Supervisory Committee.

Internal audit departments are seen as a keystone for internal control functions built by the President and operations departments. On the other hand, to ensure the effectiveness and independence of audits by the Audit & Supervisory Committee and internal audit departments, if the instructions issued to internal audit departments by the Audit & Supervisory Committee and the President are in conflict, the instructions issued by the Audit & Supervisory Committee are given priority.

The division in charge of whistleblowing regularly keeps the Audit & Supervisory Committee updated on compliance violation matters. The division provides the Committee with detailed reports especially on matters of material importance immediately after it is notified of such matters, and the Committee examines whether it should deal with the matter based on the detailed report. Also, controls are in place to protect whistleblowers from reprisal for having made a report. Allegations shall be reported to the Board of Directors, the Audit & Supervisory Committee, the Compliance Committee composed primarily of Outside Directors, and the Corporate Strategy Council in a way that whistleblowers cannot be identified; and the identity of the reporter shall be protected even if the president or a Board of Directors, for example, is asked to correct the matter based on the report.

The Audit & Supervisory Committee and financial auditors work together to enhance the effectiveness of audit by sharing the results of their risk assessment at the beginning of each fiscal year and then confirm the audit plan of financial auditors, and also periodically discuss issues during the period. Financial auditors have the right to observe meetings of the Compliance Committee, which is made up of Outside Directors and a Director who is a member of the Audit & Supervisory Committee.

Cooperation between Outside Directors and internal control functions

Outside Directors who are Audit & Supervisory Committee members and those who are not work cooperatively by attending meetings of the Compliance Committee, regular meetings with Chairman of the Board of Directors and representative directors, and meetings solely of Outside Directors; and also work to enhance collaboration between the supervision or audits by Outside Directors and the internal control functions through on-site audits and on-site visits at subsidiaries both home and abroad.

(3) Internal audits

① **Audit & Supervisory Committee audits**

Structure of the Audit & Supervisory Committee

As of the filing date of the Annual Securities Report (June 25, 2025, hereinafter referred to as the “filing date”), the Company’s Audit & Supervisory Committee is composed of four Directors, three of whom are Outside Directors. The three Audit & Supervisory Committee members who are Outside Directors have experienced serving as an attorney-at-law, certified public accountant and corporate manager, and each of them has a high level of expertise, a wealth of experience and considerable insight and has executed balanced audit and supervisory activities as the Audit & Supervisory Committee. Masayuki Kawana was selected to serve as a Full-Time Audit & Supervisory Committee member to help ensure that the Audit & Supervisory Committee works effectively, as it was concluded that it would be necessary for someone to prepare an environment to facilitate audits, attend important internal meetings to smoothly collect internal information, work closely with groups such as the internal audit department, and monitor the daily internal control system.

Audit & Supervisory Committee member Michiko Ohtsuka is a certified public accountant and has an appreciable degree of knowledge and insight into finance and accounting.

In addition, the Company set up an Audit & Supervisory Committee Office headed by the Special Audit & Supervisory Officer as an organization dedicated to supporting the Audit & Supervisory Committee. The Audit & Supervisory Committee Office is independent from executive management and supports the Audit & Supervisory Committee, with a direct reporting line to it.

Activities of the Audit & Supervisory Committee

All Audit & Supervisory Committee members properly check and monitor the demonstrating of functions by the Board of Directors, decision-making on important matters, such as business strategies and corporate governance, and execution of business affairs by attending important meetings such as meetings of the Board of Directors, the Director Nomination Committee and the Director Compensation Committee, and regularly discussing with Chairman of the Board of Directors and representative directors, among others. Moreover, Audit & Supervisory Committee members audit and supervise the state of legal compliance and results of execution of operations through regular hearing and conformation letters for execution of duties for each Director and Executive Officer.

In addition, Audit & Supervisory Committee members confirm the status of improvement and operation of the internal control system and other matters (including internal control over compliance system, risk management system, and financial reporting) through regular hearing from internal audit departments, supervisory departments for internal control, Head Office supervisory departments, audit & supervisory board members of the Group’s subsidiaries, and others. In addition, the Audit & Supervisory Committee or individual Audit & Supervisory Committee members conduct on-site inspection of or remote interviews with business offices and subsidiaries in Japan and overseas, and if it is considered necessary, they ask internal audit departments and the financial auditor for inspection and provide specific directions on the execution of the duties. Through these measures, the Company has secured the effectiveness of systematic audit performed by the Audit & Supervisory Committee.

As for appropriateness of audits of the financial auditor, the Audit & Supervisory Committee confirms the audit plan of the financial auditor after risk assessment is shared between each other at the beginning of the fiscal year, and checks the implementation of audits by regularly holding discussion during the fiscal year, while increasing effectiveness of audits of the both.

With regard to the effectiveness assessment of the Audit & Supervisory Committee, which has been implemented each year since FY2017 after the transition to a company with an Audit & Supervisory Committee, reporting to and sharing with the Board of Directors have been regularized from FY2019. In FY2024, the assessment result that effectiveness of the Audit & Supervisory Committee was ensured was shared at the Board of Directors meeting, and the recommendations for the Board of Directors on improvement in the Company’s internal control and governance system, which were extracted in the effectiveness assessment of the Audit & Supervisory Committee, were made.

Holding and attendance of the Audit & Supervisory Committee meeting

Continuing from the last fiscal year, in FY2024, the Audit & Supervisory Committee conducted discussions and examinations throughout the fiscal year. It focused on confirming responses for sustainable business succession, watching over the Board of Directors’ monitoring function, confirming steady progress in key measures under “Epson 25 Renewed,” watching over the formulation of the long-term vision for the next period and others, from the perspective of important audit and supervision.

The Audit & Supervisory Committee meeting was held 16 times in FY2024 and five times in FY2025 from April 2025 to the filing date. The status of attendance by each Audit & Supervisory Committee member is as shown in the following table.

Status of attendance at meetings by each Director

Name	Title	Attendance at meetings of the Audit & Supervisory Committee (Attendance rate)	
		FY2024	FY2025[1]
Masayuki Kawana	Director, Full-Time Audit & Supervisory Committee Member	16/16 (100%)	5/5 (100%)
Yoshio Shirai[2]	Outside Director, Audit & Supervisory Committee Member	5/5 (100%)	—
Susumu Murakoshi	Outside Director, Audit & Supervisory Committee Member	16/16 (100%)	5/5 (100%)
Michiko Ohtsuka	Outside Director, Audit & Supervisory Committee Member	16/16 (100%)	5/5 (100%)
Akira Marumoto[3]	Outside Director, Audit & Supervisory Committee Member	11/11 (100%)	5/5 (100%)

1 Attendance at meetings (attendance rate) in FY2025 is for the period from April 2025 to the filing date.
2 Aggregated for the period up to his retirement at the Ordinary General Meeting of Shareholders held on June 25, 2024.
3 Aggregated for the period from his appointment at the Ordinary General Meeting of Shareholders held on June 25, 2024.

② Internal audits

The Company's internal compliance system guards against potential legal and internal regulatory violations in departmental operations. Internal audit departments serve as monitoring organizations that are independent from the management and supervisory functions of the operations divisions and the Head Office. They audit internal controls and the implementation of controls in all Epson Group companies, including subsidiaries.
Internal audit departments conduct internal audits based on an annual audit plan. After conducting internal audits, they report their observations, including recommendations for improvements based on the facts, to the president and to the Audit & Supervisory Committee in a timely manner. Internal audit departments also regularly report the internal audit situation to the president and Audit & Supervisory Committee.

③ Interconnections among Audit & Supervisory Committee audits, internal audits, and accounting audits, and the relationship of these audits to the internal control department

In order to make Audit & Supervisory Committee audits systematic and efficient, the Company ensures close collaboration between internal audit departments and the Audit & Supervisory Committee. In relation to the structure of the Audit & Supervisory Committee Office and the coordination system with internal audit departments, if circumstances hindering the effectiveness of the audit by the Audit & Supervisory Committee are found, the Audit & Supervisory Committee requests the representative directors or the Board of Directors to rectify them. Furthermore, prior consent from the Audit & Supervisory Committee should be obtained for the appointment, dismissal, and personnel evaluation of the head of the internal audit control departments. As part of a structure that can continuously pursue the maintenance and improvement of efforts to strengthen coordination between the Audit & Supervisory Committee and internal audit departments, etc., we have put in place a structure in which the head of the internal audit control departments can attend, as an observer, meetings of a Compliance Committee, which is made up of Outside Directors and a Director who is a member of the Audit & Supervisory Committee.
The Company's internal audit departments regularly report their audit plans, audit results and improvement plans

for audited companies based on the audit findings to the Audit & Supervisory Committee, as well as reporting important matters related to internal audits to the Board of Directors. In response, the Audit & Supervisory Committee can, when it deems necessary, ask internal audit departments to investigate affairs or can provide specific instructions, including reporting to the Board of Directors, regarding the performance of their duties. Through these measures, the Company has secured the effectiveness of systematic audit performed by the Audit & Supervisory Committee.

Internal audit departments are seen as a keystone for internal control functions built by the President and operations departments. On the other hand, to ensure the effectiveness and independence of audits by the Audit & Supervisory Committee and internal audit departments, if the instructions issued to internal audit departments by the Audit & Supervisory Committee and the President are in conflict, the instructions issued by the Audit & Supervisory Committee are given priority.

The division in charge of whistleblowing regularly keeps the Audit & Supervisory Committee updated on compliance violation matters. The division provides the Committee with detailed reports especially on matters of material importance immediately after it is notified of such matters, and the Committee examines whether it should deal with the matter based on the detailed report. Also, controls are in place to protect whistleblowers from reprisal for having made a report. Allegations shall be reported to the Board of Directors, the Audit & Supervisory Committee, the Compliance Committee composed primarily of Outside Directors, and the Corporate Strategy Council in a way that whistleblowers cannot be identified; and the identity of the reporter shall be protected even if the president or a Board of Directors, for example, is asked to correct the matter based on the report.

The Audit & Supervisory Committee and financial auditors enhance the effectiveness of audits by sharing the results of their risk assessment at the beginning of each fiscal year and then confirming the audit plan of financial auditors, and also periodically discuss issues during the period. Financial auditors have the right to observe meetings of the Compliance Committee, which is made up of Outside Directors and a Director who is a member of the Audit & Supervisory Committee.

④ **Accounting audits**

a. Name of accounting firm
Ernst & Young ShinNihon LLC

b. Continuous audit period
41 years
(Note) The Company entered into an auditing agreement with Misuzu Audit Corporation (then named Chuo Audit Corporation) from 1984 to 2007 (including the period from July 1, 2006 to August 31, 2006 when a temporary accounting firm was selected to substitute for Misuzu Audit Corporation (then named ChuoAoyama Audit Corporation)). Accompanying Misuzu Audit Corporation's dissolution, the Company entered into an auditing agreement with Ernst & Young ShinNihon LLC (then named Ernst & Young ShinNihon) from 2007. However, the certified public accountants who had been executing the auditing operations for the Company also transferred to Ernst & Young ShinNihon LLC (then named Ernst & Young ShinNihon), and they have been performing audit work for the Company continuously since their aforesaid relocation. Accordingly, as it can be considered that the same accounting firm has been continuously executing the Company's audit work, the audit period of the accounting firm before the relocation of said certified public accountants has been included in the continuous audit period.

c. Certified public accountants performing audits

Name of CPA		No. of successive years performing audits
Designated and Engagement Partner, Certified Public Accountant	Takuya Tanaka	2
Designated and Engagement Partner, Certified Public Accountant	Ryuichi Minami	5
Designated and Engagement Partner, Certified Public Accountant	Takehiro Kaneko	1

d. Composition of auditing team
The auditing team comprises 51 staff including 12 certified public accountants, 12 accountant examination passers, and 27 other accounting staff.

e. Policy and reasons for selection of audit firm
The Audit & Supervisory Committee has established the "Policies on Dismissal / Non-reappointment of Financial Auditors" and "Standards in Relation to Selection / Non-reappointment and Procedures for the Reappointment of Financial Auditors" prescribing details of the procedures whereby Epson can maintain and further strengthen its optimal financial audit system.
As a result of evaluations in accordance with these standards, the Committee concluded that the accounting auditor has established systems for the proper performance of its duties, including an audit quality management system, a governance system that supports the management of audit quality, and a global audit system, and that the accounting auditor is conducting appropriate audits as a professional expert while maintaining an independent position. The Committee has determined that it is appropriate to reappoint EY Ernst & Young ShinNihon LLC, the current financial auditor, as financial auditor for the next fiscal year.
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.

f. Evaluation of financial auditor by the Audit & Supervisory Committee
The Audit & Supervisory Committee evaluates the Financial Auditor's ability to perform audits based on seven evaluation items: (1) quality management by the audit firm, (2) the audit team, (3) audit fees, (4) communication with the Audit & Supervisory Committee, (5) relationship with management, (6) group audits, and (7) fraud risks, based on the Practical Guidelines for Auditors Concerning the Evaluation of Accounting Auditors and the Establishment of Selection Standards, announced by the Japan Audit & Supervisory Board Members Association, and through interviews with the executors. As a result of the evaluation, the Audit & Supervisory Committee determined that there was no problem with the Company's financial auditor, Ernst & Young ShinNihon LLC, based on the above criteria.

⑤ Details of audit remuneration

a. Remuneration for audits by certified public accountants

(Millions of yen)

Category	Previous fiscal year		Fiscal year under review	
	Remuneration for audit certification work	Remuneration for non-audit work	Remuneration for audit certification work	Remuneration for non-audit work
Filing company	171	–	227	2
Consolidated subsidiaries	42	–	37	–
Total	213	–	264	2

b. Remuneration for audits by certified public accountants belonging to the Ernst & Young network (excluding a.)

(Millions of yen)

Category	Previous fiscal year		Fiscal year under review	
	Remuneration for audit certification work	Remuneration for non-audit work	Remuneration for audit certification work	Remuneration for non-audit work
Filing company	–	32	–	49
Consolidated subsidiaries	771	377	874	239
Total	771	410	874	288

Details of the non-audit services performed for the Company and its consolidated subsidiaries consist mainly of various consultancy services, mostly tax related.

c. Description of other fees for important audit certificate services

Other than the items applicable to a. and b. above, there were no significant items applicable to fees for audit certificate services of the Company and its consolidated subsidiaries in the previous fiscal year or fiscal year under review.

d. Governing policy for audit remuneration and reason for the Audit & Supervisory Committee consenting to the fees, etc. of the Financial Auditor

Taking into consideration the "Practical Guidelines for Auditors Concerning the Evaluation of Accounting Auditors and the Establishment of Selection Standards" 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.

(4) Officer compensation, etc.

The Company revised its officer compensation system based on the resolution of the Board of Directors on April 28 and May 19, 2022 and the resolution at the Ordinary General Meeting of Shareholders on June 28, 2022. The new system has been adopted effective from FY2022 (June 28, 2022 for restricted stock compensation). With the introduction of the new system, no additional contribution was made to the former performance-linked stock compensation plan (BIP trust), and the plan was terminated on August 20, 2024, upon completion of the delivery and payment of the Company's common shares pertaining to the points already granted and the cash equivalent to an amount obtained through the conversion of the Company's common shares into cash.

① Amount of officer compensation, etc. and policies for determining the method of calculating the amount

With the aim of ensuring transparency and objectivity, compensation of officers is determined through resolutions at the General Meeting of Shareholders and the Board of Directors' meeting for Directors who are not Audit & Supervisory Committee members, or through resolutions at the General Meeting of Shareholders and discussions by Audit & Supervisory Committee members for Directors who are Audit & Supervisory Committee members, after going through fair, transparent and rigorous reporting by the Director Compensation Committee which is chaired by an Outside Director, and the majority of whose members are Outside Directors.
With regard to compensation of the Directors who are not Audit & Supervisory Committee members, the Audit & Supervisory Committee shares and discusses what have been examined by the Director Compensation Committee to confirm whether there are special items to be stated at the General Meeting of Shareholders.
Matters related to the compensation, including the individual amounts, of the Directors who are not Audit & Supervisory Committee members are left to the discretion of the Director Compensation Committee.
The overview of the Director Compensation Committee is as follows.

Composition

The Committee consists of all Outside Directors and President and Representative Director. Outside Directors shall select the committee chair from among themselves. Directors who are full-time members of the Audit & Supervisory Committee can attend meetings of the Committee as observers.

Activities of the Director Compensation Committee

The Committee met seven times during the fiscal year under review (FY2024) and three times during the current period (the period from April 2025 to the filing date of the Annual Securities Report). 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 to be 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, the procedure for liquidating the former BIP trust, etc.

Policies

1) 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.

<Outline of contents of the decision-making policies>

i) Basic stance

The Company's officer compensation shall consist of base compensation, which is comprised of fixed compensation, bonuses, which is performance-linked compensation, and stock compensation, 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 base compensation to non-executive officers and therefore does not pay bonuses and stock compensation.

Compensation for executive officers

(a) Compensation shall provide an incentive to improve business performance and reflect the commitment thereof in order to promote the Epson Group's sustainable growth and corporate value in the medium and long term.

(b) Compensation shall be sufficient to attract and retain qualified persons both from within the Company and from outside.
(c) Compensation shall be commensurate with period performance so that directors and executive officers can demonstrate their management capabilities to the fullest during their tenure.
(d) Compensation shall clearly reflect the linkage between officer compensation and the value of the Company's shares and strengthen awareness of the need to share profits with shareholders.
(e) A mechanism to suppress fraud shall be embedded.
(f) The process for determining compensation shall be highly transparent, objective and fair.

Compensation for non-executive officers
(a) The composition of compensation shall guarantee independence so that these officers can suitably exert their general management supervisory function, etc.
(b) Compensation shall be sufficient to attract and retain qualified persons both from within the Company and from outside.

ii) Decision-making policies on base compensation for individual Directors who are not Audit & Supervisory Committee members

Base compensation

Base compensation is a monetary compensation that is determined in accordance with the position and the magnitude of roles including the contents of operations commissioned and delegated ("Role Grade"). It is paid monthly during the terms of office. Depending on the operating performance of the company and other reasons, the Board of Directors may take measures to increase or decrease the amount.

iii) Decision-making policies on performance-linked compensation for Directors who are not Audit & Supervisory Committee members

Bonuses
Bonus is an annually paid variable performance-linked compensation for officers with executive duties that is determined by the achievement level of the annual operating performance targets and personal goals.

[Details of performance indicators and reasons for selection thereof]
In consideration of the nature of bonuses as a short-term incentive, the amount of annual company-wide ROE among others is set as a performance indicator, taking into account factors such as the achievement level of personal goals.

[Calculation method]
The amount of bonuses payable is calculated by multiplying the annual total compensation calculated based on position and Role Grade by the ratio of bonus (25% to 30%) by position and Role Grade to derive the base bonus amount, and taking the base bonus amount and multiplying it by a coefficient (0% to 200%) corresponding to the achievement level against the company-wide ROE target and other performance indicators and a coefficient (60% to 140%) corresponding to the achievement level of personal goals.

Standard bonus (Total compensation for the year x bonus ratio) × Degree of achievement with respect to the corporate ROE target (0% - 200%) × Degree of achievement of personal objectives (60% - 140%)

[Results of performance indicators]
The company-wide ROE used as a performance indicator is 6.5% (actual result for FY2024). Company-wide ROE is calculated excluding treasury shares acquired in or after FY2022.

iv) Decision-making policies on non-monetary compensation for Directors who are not Audit & Supervisory Committee members

Restricted stock compensation

The restricted stock compensation is a stock compensation aimed at further promoting sharing of value with shareholders and providing officers with a greater incentive than before to increase the stock price, sustain growth, and increase medium- to long-term corporate value. It is paid to Directors with executive duties once a year.

Pursuant to the resolution of the Board of Directors of the Company, the Company will pay monetary compensation claims up to the aforesaid annual amount of 200 million yen as compensation, etc., for restricted stock. In turn, Eligible Directors will pay all monetary compensation claims provided by the Company as in-kind contributions and will receive an allotment of restricted stock.

The aforesaid monetary compensation claims will be paid on condition that Eligible Directors have agreed to the aforesaid in-kind contributions and have concluded a restricted stock allotment agreement.

The total number of restricted stock shares to be allotted to Eligible Directors will not exceed 200,000 shares annually.

The restricted stock allotment agreement will include the following:

a) Nature of restrictions on transfer

Eligible Directors shall not transfer, pledge, grant security interests, gift during their lifetime, or bequeath, to any third party, or otherwise dispose of restricted stock (hereafter “the Allotted Stock”) during the period from the date of allotment to the date on which they resign or retire from their position as either a director, executive officer, or employee of the Company (in the event they resign or retire before three months elapse from the end of the fiscal year including the date of delivery of restricted stock (excluding cases of conclusion of term of office, mandatory retirement, or other extenuating circumstances that the Company’s Board of Directors deem reasonable, or cases of retirement or resignation due to death), the day these three months elapse).

b) Gratis acquisition of restricted stock

If an Eligible Director resigns or retires from his or her position as a director, executive officer, or employee of the Company during the Restricted Period, the Company will rightfully acquire the Allotted Stock without compensation, unless there are extenuating circumstances that the Company’s Board of Directors deem reasonable.

c) Lifting of the Transfer Restrictions

The Company will lift Transfer Restrictions for all the Allotted Stock upon the end of the final day of the Transfer Restriction Period, provided that the Eligible Director holds the position of director, executive officer or employee of the Company continuously from the date the Transfer Restriction Period starts to the date of the first General Meeting of Shareholders thereafter.

d) Malus and clawback provisions

The Company will establish provisions to acquire without contribution some or all of the Allotted Stock allotted to Eligible Directors or common shares of the Company for which Transfer Restrictions have been lifted, or to be paid an amount equivalent to the value of the Allotted Stock or common shares 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.

e) Treatment in organizational restructuring, etc.

If, during the Transfer Restriction Period, matters concerning organizational restructuring, etc., are approved at a General Meeting of Shareholders, the Company will, by resolution of the Board of Directors, lift the Transfer Restrictions prior to the effective date of the organizational restructuring, etc., for the number of Allotted Stock that is reasonably determined based on the period from the date the Transfer Restriction Period starts to the date the organizational restructuring, etc., is approved.

In such cases, the Company will rightfully acquire the Allotted Stock to which Transfer Restrictions still apply immediately after the Transfer Restrictions are lifted pursuant to the aforesaid provisions.

* The Company plans to also allocate restricted stock like the restricted stock described above to Executive Officers who are not Directors of the Company.

[Details of performance indicators and reasons for selection thereof]
To share the benefits and risks of changes in the stock price with general shareholders and to enhance the incentive to increase the stock price, sustain growth, and increase medium- to long-term corporate value, the achievement levels against the indicators including the company-wide ROIC and sustainability goals are set as indicators.

[Calculation method]
The number of shares to be allotted during the target period is calculated by multiplying the amount of annual total compensation calculated based on the position and Role Grade of each Director by the ratio of stock compensation (20% to 25%) commensurate with position and Role Grade by the coefficient (80% to 120% for each) corresponding to the achievement levels against the indicators including the company-wide ROIC and sustainability goals to derive the base compensation amount, and dividing the base compensation amount by the value of restricted stock per share determined by the Board of Directors.
The amount of monetary compensation claim paid to each Director as compensation, etc. concerning restricted stock is calculated by multiplying the number of shares to be allotted by the closing price of the common stock of the Company on the Tokyo Stock Exchange on the business day immediately preceding the date of the Board of Directors' resolution regarding the issuance or disposal.

Standard stock compensation (Total compensation for the year x stock compensation ratio) × (Degree of achievement with respect to the corporate ROIC target (80% - 120%) × 50% + Degree of achievement of sustainability objectives (80% - 120%) × 50%)

(Note) The number of shares corresponding to the base compensation amount calculated by the above formula will be allotted to eligible Directors.

[Results of performance indicators]
The company-wide ROIC used as a performance indicator is 4.4% (actual result for FY2023). Company-wide ROIC is calculated excluding treasury shares acquired in or after FY2022. In addition, the achievement rate for sustainability goals, etc. is 80%. For FY2024, the achievement rate for sustainability goals was determined based on the achievement rates for the following five KPI targets for the fiscal year.

- Scope 1 and 2 GHG emissions reduction ratio
- Scope 3 GHG emissions (per unit of business profit) reduction ratio
- CSR risk levels of suppliers
- Female manager ratio, 1 or more female executive officers by FY2025 (in Japan)
- Number of serious compliance violations

v) Decision-making policies on the ratio of compensation for individual Directors who are not Audit & Supervisory Committee members
With regard to the policies on decisions on the ratio of compensation by category for Directors who are not Audit & Supervisory Committee members (excluding the Chairman and Directors without the right of representation and Outside Directors), the total annual compensation is used as the basis to calculate bonuses, which are calculated by multiplying the base bonus amount, which ranges between 25% and 30% of bonuses, by a coefficient corresponding to the achievement levels of performance indicators. In addition, stock compensation is calculated by multiplying the total annual compensation by the ratio of stock compensation ranging from 20% to 25% and subsequently multiplying the amount derived by a coefficient corresponding to the achievement level against the company-wide ROIC target, sustainability goals, etc. It is designed so that the ratio of "bonuses" and "stock compensation" increases, commensurate to the position and Role Grade. For FY2024, the composition ratio of the total amount of compensation for Directors who are not Audit & Supervisory Committee members (excluding Chairman and Director without the right of representation and Outside Directors) was as follows: approximately 55.8% as base compensation, approximately 21.8% as bonuses, and approximately 22.4% as stock compensation.

vi) Matters regarding delegation of decisions on compensation for individual Directors who are not Audit & Supervisory Committee members
Decisions on the amounts of compensation for the fiscal year ended March 2025 are left to the discretion of the Director Compensation Committee. To ensure that the said authority is exercised appropriately, Outside Directors account for the majority of members of the Director Compensation Committee and the chairperson of the Committee is selected among the Outside Directors by the members.

vii) Other important matters regarding decisions on the details of compensation for individual Directors who are not Audit & Supervisory Committee members
The Company establishes provisions (malus and clawback clauses) to acquire without contribution some or all of the allotted shares to eligible Directors or ordinary shares 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 ordinary shares of the Company for which transfer restrictions have been lifted. This applies in cases where the Company's Board of Directors recognizes that eligible Directors have violated laws, regulations, or internal rules, etc. in any material aspect and when certain circumstances determined by the Board of Directors have occurred, including serious accounting irregularities or large losses.

<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 whose members are 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.

2) 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 non-executive officers," 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 whose members are Outside Directors.

3) Resolutions by the General Meeting of Shareholders on compensation for Directors

Base compensation
Upon the resolution at the Ordinary General Meeting of Shareholders of June 28, 2016, the maximum base compensation was set at 62 million yen per month for Directors who are not Audit & Supervisory Committee members (including 10 million yen per month for Outside Directors). At the conclusion of the said Ordinary General Meeting of Shareholders, the number of Directors who are not Audit & Supervisory Committee members was eight (including two Outside Directors).

In addition, upon the resolution at the said Ordinary General Meeting of Shareholders, the maximum base compensation was set at 20 million yen per month for Directors who are Audit & Supervisory Committee members. At the conclusion of the said Ordinary General Meeting of Shareholders, the number of Directors who are Audit & Supervisory Committee members was four.

Restricted stock compensation
Upon the resolution at the Ordinary General Meeting of Shareholders on June 28, 2022 with respect to restricted stock compensation for Directors who are not Audit & Supervisory Committee members (excluding persons in positions independent from business execution, such as Outside Directors, as well as those residing overseas), the total number of monetary compensation claims paid as compensation, etc. concerning restricted stock under a framework separate from the aforementioned amounts of compensation of Directors (base compensation) and performance-linked stock compensation (officer compensation BIP trust), is set to be no more than an annual amount of 200 million yen. At the conclusion of the said Ordinary General Meeting of Shareholders, the number of Directors who are not Audit & Supervisory Committee members was three.

② Total amount of compensation, total compensation by type, and number of officers to be paid by each category

Category	Total compensation (millions of yen)	Total compensation by type (millions of yen)				Number of individuals
		Base compensation	Performance-linked compensation	Restricted stock compensation (non-monetary)	Bonuses for retiring executives	
		Fixed (monetary)	Bonus (monetary)			
Directors who are not Audit & Supervisory Committee members (amount accounted for by Outside Directors)	266 (44)	162 (44)	39 (–)	40 (–)	24 (–)	10 (4)
Directors who are Audit & Supervisory Committee members (amount accounted for by Outside Directors)	81 (48)	81 (48)	– (–)	– (–)	– (–)	5 (4)
Total	348	244	39	40	24	15

(Notes)
1. The Company has introduced an officer stock ownership plan 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. Epson 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 business operations 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. The bonuses for retiring executives above were paid to one eligible Director who retired at the conclusion of

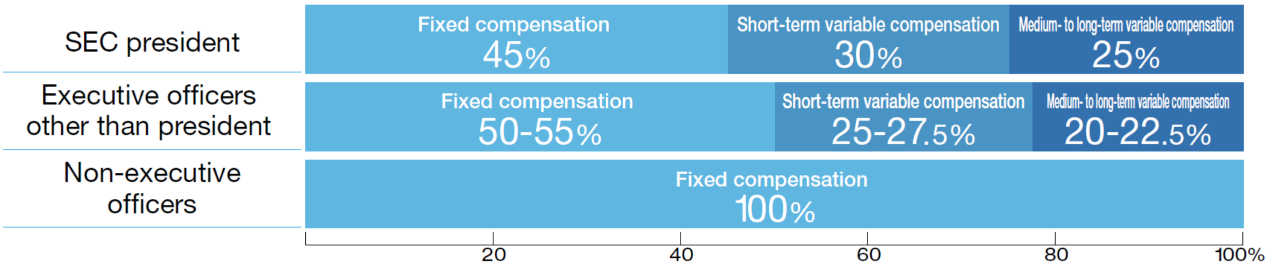
the Ordinary General Meeting of Shareholders held on June 25, 2024 based on a resolution at the Ordinary General Meeting of Shareholders held on June 23, 2006 to abolish bonuses for retiring executives.

4. Stock options are not granted.

③ Total compensation paid to persons whose total consolidated compensation is 100 million yen or more

Not applicable.

<Reference: Composition ratios of compensation (FY2024)>



(Note) The composition ratios of compensation are changed according to the position and the magnitude of roles including the contents of operations commissioned and delegated.

(5) Securities held by the Company

① **Criteria for and approach to classification of investment securities**

The Company has classified its investment equity securities held only for earning capital or income gains into stocks held purely for investment purposes and those held for other purposes as stocks held for cross-shareholding purposes.

The Company currently holds no securities classified as stocks held purely for investment purposes.

② **Stocks held for reasons other than pure investment**

a. Method of examining the rationale of shareholding policy and shareholding, and deliberations on whether or not the Company should hold specific shares at the Board of Directors' or other meetings

The Company may acquire and hold shares in companies, including the suppliers of key components and parts, major buyers of its products, major providers of funds and major providers of financial services, when it judges that such acquisition/holding of shares will help maintain and strengthen steady business relationships with these companies and ultimately enhance its corporate value over the medium- to long-term. Such acquisition/holding of shares, however, is preceded by a screening process to confirm the creditworthiness and safety of investing in these companies (equity securities held based on this policy is referred to as "stocks held for cross-shareholding purposes").

Every year, the Board of Directors evaluates on an individual basis, both quantitatively and comprehensively, the risks of the stocks it invests in for cross-shareholding purposes, as well as the profits obtainable by maintaining and strengthening trading relationships with the companies in comparison through comparing them against the internal hurdle rate specified based on the cost of capital, and it examines the rationality of holding such stocks for cross-shareholding purposes from a medium- to long-term perspective. When it deems that holding of the stocks for cross-shareholding purposes as unreasonable, the Company reduces the shareholding.

b. Balance sheet total of stocks held for reasons other than pure investment

	Number of issues	Balance sheet total (millions of yen)
Unlisted stocks	8	1,118
Stocks other than unlisted stocks	10	5,827

Issues for which the number of shares held by Epson increased during the current fiscal year

	Number of issues	Total acquisition price to increase shares (millions of yen)	Reasons for the increase of the number of shares
Unlisted stocks	2	587	Initial capital contribution to develop and strengthen new businesses, etc.
Stocks other than unlisted stocks	–	–	–

Issues for which the number of shared held by Epson decreased during the current fiscal year

	Number of issues	Total sale proceeds from decreasing shares (millions of yen)
Unlisted stocks	–	–
Stocks other than unlisted stocks	3	5,708

c. Number of special investment securities / equity securities deemed to be held for each issue and information including amounts recorded on the balance sheet

Special investment securities

Company	FY2024 Stocks (shares) Balance sheet total (millions of yen)	FY2023 Stocks (shares) Balance sheet total (millions of yen)	Reasons for holding shares, outline of business tie-ups, quantitative effect of holding shares, and reasons for the increase of the number of shares	Shares held by the Company
Mizuho Financial Group, Inc.	390,288 1,581	1,500,888 4,571	To maintain and strengthen the business relationship with a source of steady funding and a provider of financial services. The effect of holding the shares was examined at the Board of Directors' meeting (held in May 2025) based on the method in ② a. above but its quantitative results are not disclosed here as the results fall under insider information on business operation (the same applies hereunder).	Yes
Seiko Group Corporation	328,816 1,359	328,816 1,371	To maintain and strengthen the business relationship with a major buyer of the Company's products. The Company has a transactional relationship primarily with the Manufacturing-related and wearables business segment.	Yes
NGK Insulators, Ltd.	628,500 1,153	1,257,000 2,564	To maintain and strengthen the business relationship with a supplier of key parts used in the Company's products. The Company has a transactional relationship primarily with the Manufacturing-related and wearables business segment.	Yes
Otsuka Corporation	240,000 776	120,000 767	To maintain and strengthen the business relationship with a major buyer of the Company's products. The Company has a transactional relationship primarily with the Printing Solutions business segment.	None
Marubun Corporation	332,640 329	332,640 514	To maintain and strengthen the business relationship with a major buyer of the Company's products. The Company has a transactional relationship primarily with the Manufacturing-related and wearables business segment.	Yes
The Hachijuni Bank, Ltd.	244,700 258	489,500 509	To maintain and strengthen the business relationship with a source of steady funding and a provider of financial services.	Yes

Company	FY2024	FY2023	Reasons for holding shares, outline of business tie-ups, quantitative effect of holding shares, and reasons for the increase of the number of shares	Shares held by the Company
	Stocks (shares)	Stocks (shares)		
	Balance sheet total (millions of yen)	Balance sheet total (millions of yen)		
King Jim Co., Ltd.	221,980	221,980	To maintain and strengthen the business relationship with a major buyer of the Company’s products. The Company has a transactional relationship primarily with the Printing Solutions business segment.	None
	191	199		
Joshin Denki Co., Ltd.	65,000	65,000	To maintain and strengthen the business relationship with a major buyer of the Company’s products. The Company has a transactional relationship primarily with the Printing Solutions business segment.	None
	138	151		
Nippon BS Broadcasting Corporation	33,200	33,200	To maintain and strengthen the business relationship with a company whose parent company is a major buyer of the Company’s products. The Company has a transactional relationship primarily with the Printing Solutions business segment.	None
	29	30		
Pixelworks, Inc.	100,000	100,000	To maintain and strengthen the business relationship with a supplier of key parts used in the Company’s products. The Company has a transactional relationship primarily with the Visual Communications business segment.	None
	9	39		

(Note) Otsuka Corporation executed a 2-for-1 stock split of common shares with the effective date of April 1, 2024.

③ Stocks held purely for investment purposes

None

V. Financial Information

1. Methods for preparing consolidated financial statements

(1) The Company's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS") as issued by the International Accounting Standards Board which are applied based on the provision of Article 312 of Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Order No. 28 of 1976).

(2) Figures less than one million yen are rounded down in the Company's consolidated financial statements.

2. Note on independent audit

In accordance with the provision of Article 193-2 Paragraph 1 of the Financial Instruments and Exchange Law, the Company received audit of its consolidated financial statements of the consolidated fiscal year (from April 1, 2024 to March 31, 2025) from Ernst & Young ShinNihon LLC.

3. Remarkable efforts to ensure fair presentation of consolidated financial statements and arrangements of internal system to prepare consolidated financial statements fairly in accordance with IFRS

To ensure the appropriateness of its consolidated financial statements, the Company takes special measures and has arranged a structure that enables the appropriate preparation of consolidated financial statements based on IFRS. Details are as follows.

(1) In order to arrange a structure that enables details regarding accounting standards, etc., to be properly understood and changes to accounting standards, etc., to be handled with accuracy, the Company has joined the Financial Accounting Standards Foundation and receives information regarding accounting standards. It also participates in seminars, etc. organized by the Financial Accounting Standards Foundation, audit corporation and others.

(2) When applying IFRS, the Company obtains press releases and statements of standards issued by the International Accounting Standards Board as needed to properly understand the latest standards. Also, to ensure the appropriate preparation of consolidated financial statements based on IFRS, the Company has created Group standards in compliance with IFRS and applies consistent accounting treatments across the entire Group based on these.

Consolidated financial statements, etc.

(1) Consolidated financial statements

Consolidated Statement of Financial Position

Years ended March 31,2024 and 2025

	Notes	Millions of yen		Thousands of U.S. dollars
		March 31, 2024	March 31, 2025	March 31, 2025
Assets				
Current assets				
Cash and cash equivalents	8, 35	328,481	267,000	1,788,525
Trade and other receivables	9, 35	212,781	210,091	1,407,314
Inventories	10	358,189	369,781	2,477,013
Income tax receivables		10,116	11,276	75,533
Other financial assets	11, 35	1,995	2,451	16,418
Other current assets	12	21,923	20,254	135,673
Total current assets		933,487	880,855	5,900,492
Non-current assets				
Property, plant and equipment	13, 16, 21	377,333	379,712	2,543,537
Goodwill and intangible assets	14, 16	27,066	122,417	820,022
Investment property	15, 16	1,103	1,110	7,435
Investments accounted for using equity method		2,244	2,185	14,636
Net defined benefit assets	23	4,543	177	1,185
Other financial assets	11, 35	29,369	23,990	160,699
Other non-current assets	12	1,827	5,522	36,989
Deferred tax assets	17	36,117	40,490	271,226
Total non-current assets		479,606	575,605	3,855,745
Total assets		1,413,094	1,456,461	9,756,244

	Notes	Millions of yen		Thousands of U.S. dollars
		March 31, 2024	March 31, 2025	March 31, 2025
Liabilities and equity				
Liabilities				
Current liabilities				
Trade and other payables	18, 35	159,827	158,085	1,058,947
Income tax payables		8,279	17,345	116,187
Bonds issued, borrowings and lease liabilities	19, 21, 35	29,688	80,214	537,321
Other financial liabilities	35	2,731	1,471	9,853
Provisions	20	12,703	13,228	88,609
Other current liabilities	22, 26	159,163	173,772	1,164,028
Total current liabilities		372,395	444,117	2,974,960
Non-current liabilities				
Bonds issued, borrowings and lease liabilities	19, 21, 35	175,095	144,494	967,907
Other financial liabilities	35	5,256	5,362	35,917
Net defined benefit liabilities	23	13,836	15,765	105,603
Provisions	20	8,856	11,356	76,069
Other non-current liabilities	22, 26	17,365	20,880	139,866
Deferred tax liabilities	17	9,154	9,592	64,252
Total non-current liabilities		229,564	207,451	1,389,630
Total liabilities		601,960	651,569	4,364,597
Equity				
Share capital	24	53,204	53,204	356,392
Capital surplus	24	84,042	83,904	562,039
Treasury shares	24	(55,455)	(70,260)	(470,643)
Other components of equity	24	172,175	165,194	1,106,567
Retained earnings	24	557,025	572,710	3,836,353
Equity attributable to owners of the parent company		810,992	804,752	5,390,709
Non-controlling interests		141	139	931
Total equity		811,134	804,891	5,391,640
Total liabilities and equity		1,413,094	1,456,461	9,756,244

Consolidated Statement of Comprehensive Income

Years ended March 31, 2024 and 2025

	Notes	Millions of yen Year ended March 31, 2024	Millions of yen Year ended March 31, 2025	Thousands of U.S. dollars Year ended March 31, 2025
Revenue	6, 26	1,313,998	1,362,944	9,129,812
Cost of sales	10, 13, 14, 28	(857,331)	(869,917)	(5,827,223)
Gross profit		456,666	493,026	3,302,582
Selling, general and administrative expenses	13, 14, 27, 28	(391,945)	(403,437)	(2,702,461)
Other operating income	29	2,497	4,494	30,103
Other operating expense	13, 16, 30	(9,685)	(18,975)	(127,105)
Profit from operating activities		57,533	75,108	503,118
Finance income	31	15,252	6,180	41,397
Finance costs	31	(2,714)	(2,900)	(19,425)
Share of profit (loss) of investments accounted for using equity method		23	7	46
Profit before tax		70,094	78,395	525,136
Income taxes	17	(17,473)	(23,214)	(155,501)
Profit for the period		52,620	55,181	369,635
Profit for the period attributable to:				
Owners of the parent company		52,616	55,177	369,608
Non-controlling interests		4	3	20
Profit for the period		52,620	55,181	369,635

	Notes	Millions of yen		Thousands of U.S. dollars
		Year ended March 31,		Year ended March 31,
		2024	2025	2025
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss, net of tax				
Remeasurement of net defined benefit liabilities (assets)	32	3,392	(2,680)	(17,952)
Net gain (loss) on revaluation of financial assets measured at FVTOCI (Note)	32	3,029	(306)	(2,049)
Subtotal		6,421	(2,986)	(20,002)
Items that may be reclassified subsequently to profit or loss, net of tax				
Exchange differences on translation of foreign operations	32	49,580	(4,472)	(29,956)
Net changes in fair value of cash flow hedges	32	637	293	1,962
Share of other comprehensive income of investments accounted for using equity method	32	64	(15)	(100)
Subtotal		50,283	(4,194)	(28,093)
Total other comprehensive income, net of tax		56,704	(7,181)	(48,102)
Total comprehensive income for the period		109,325	47,999	321,525
Total comprehensive income for the period attributable to:				
Owners of the parent company		109,308	48,000	321,532
Non-controlling interests		16	(1)	(6)
Total comprehensive income for the period		109,325	47,999	321,525

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

	Notes	Yen		U.S. dollars
		Year ended March 31,		Year ended March 31,
		2024	2025	2025
Earnings per share for the period:				
Basic earnings per share for the period	33	158.68	168.75	1.13
Diluted earnings per share for the period	33	158.66	168.75	1.13

Consolidated Statement of Changes in Equity

Years ended March 31, 2024 and 2025

		Millions of yen											
		Equity attributable to owners of the parent company											
					Other components of equity								
	Notes	Share capital	Capital surplus	Treasury shares	Remeasurement of net defined benefit liabilities (assets)	Net gain (loss) on revaluation of financial assets measured at FVTOCI (Note)	Exchange differences on translation of foreign operations	Net changes in fair value of cash flow hedges	Total other components of equity	Retained earnings	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
As of April 1, 2023		53,204	83,979	(55,586)	-	5,711	114,972	(1,227)	119,455	526,299	727,352	125	727,477
Profit for the period		-	-	-	-	-	-	-	-	52,616	52,616	4	52,620
Other comprehensive income		-	-	-	3,392	3,029	49,633	637	56,692	-	56,692	12	56,704
Total comprehensive income for the period		-	-	-	3,392	3,029	49,633	637	56,692	52,616	109,308	16	109,325
Acquisition of treasury shares	24	-	-	(1)	-	-	-	-	-	-	(1)	-	(1)
Cancellation of treasury shares		-	-	-	-	-	-	-	-	-	-	-	-
Dividends	25	-	-	-	-	-	-	-	-	(25,862)	(25,862)	(0)	(25,862)
Share-based payment transactions	34	-	62	132	-	-	-	-	-	-	195	-	195
Transfer from other components of equity to retained earnings		-	-	-	(3,392)	(580)	-	-	(3,972)	3,972	-	-	-
Total transactions with the owners		-	62	131	(3,392)	(580)	-	-	(3,972)	(21,889)	(25,668)	(0)	(25,668)
As of March 31, 2024		53,204	84,042	(55,455)	-	8,159	164,605	(589)	172,175	557,025	810,992	141	811,134

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

		Millions of yen											
		Equity attributable to owners of the parent company											
					Other components of equity								
	Notes	Share capital	Capital surplus	Treasury shares	Remeasurement of net defined benefit liabilities (assets)	Net gain (loss) on revaluation of financial assets measured at FVTOCI (Note)	Exchange differences on translation of foreign operations	Net changes in fair value of cash flow hedges	Total other components of equity	Retained earnings	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
As of April 1, 2024		53,204	84,042	(55,455)	-	8,159	164,605	(589)	172,175	557,025	810,992	141	811,134
Profit for the period		-	-	-	-	-	-	-	-	55,177	55,177	3	55,181
Other comprehensive income		-	-	-	(2,680)	(306)	(4,483)	293	(7,176)	-	(7,176)	(4)	(7,181)
Total comprehensive income for the period		-	-	-	(2,680)	(306)	(4,483)	293	(7,176)	55,177	48,000	(1)	47,999
Acquisition of treasury shares	24	-	-	(30,022)	-	-	-	-	-	-	(30,022)	-	(30,022)
Cancellation of treasury shares	24	-	(175)	15,100	-	-	-	-	-	(14,924)	-	-	-
Dividends	25	-	-	-	-	-	-	-	-	(24,372)	(24,372)	(0)	(24,373)
Share-based payment transactions	34	-	37	116	-	-	-	-	-	-	153	-	153
Transfer from other components of equity to retained earnings		-	-	-	2,680	(2,484)	-	-	195	(195)	-	-	-
Total transactions with the owners		-	(138)	(14,805)	2,680	(2,484)	-	-	195	(39,493)	(54,241)	(0)	(54,242)
As of March 31, 2025		53,204	83,904	(70,260)	-	5,368	160,122	(296)	165,194	572,710	804,752	139	804,891

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

		Thousands of U.S. dollars											
		Equity attributable to owners of the parent company											
					Other components of equity								
	Notes	Share capital	Capital surplus	Treasury shares	Remeasurement of net defined benefit liabilities (assets)	Net gain (loss) on revaluation of financial assets measured at FVTOCI (Note)	Exchange differences on translation of foreign operations	Net changes in fair value of cash flow hedges	Total other components of equity	Retained earnings	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
As of April 1, 2024		356,392	562,963	(371,470)	-	54,653	1,102,622	(3,945)	1,153,330	3,731,285	5,432,508	944	5,433,459
Profit for the period		-	-	-	-	-	-	-	-	369,608	369,608	20	369,635
Other comprehensive income		-	-	-	(17,952)	(2,049)	(30,029)	1,962	(48,069)	-	(48,069)	(26)	(48,102)
Total comprehensive income for the period		-	-	-	(17,952)	(2,049)	(30,029)	1,962	(48,069)	369,608	321,532	(6)	321,525
Acquisition of treasury shares	24	-	-	(201,105)	-	-	-	-	-	-	(201,105)	-	(201,105)
Cancellation of treasury shares	24	-	(1,172)	101,148	-	-	-	-	-	(99,969)	-	-	-
Dividends	25	-	-	-	-	-	-	-	-	(163,258)	(163,258)	(0)	(163,264)
Share-based payment transactions	34	-	247	777	-	-	-	-	-	-	1,024	-	1,024
Transfer from other components of equity to retained earnings		-	-	-	17,952	(16,639)	-	-	1,306	(1,306)	-	-	-
Total transactions with the owners		-	(924)	(99,172)	17,952	(16,639)	-	-	1,306	(264,547)	(363,338)	(0)	(363,345)
As of March 31, 2025		356,392	562,039	(470,643)	-	35,958	1,072,592	(1,982)	1,106,567	3,836,353	5,390,709	931	5,391,640

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

Consolidated Statement of Cash Flows

Years ended March 31, 2024 and 2025

		Millions of yen		Thousands of U.S. dollars
		Year ended March 31,		Year ended March 31,
	Notes	2024	2025	2025
Cash flows from operating activities				
Profit for the period		52,620	55,181	369,635
Depreciation and amortization		68,682	72,142	483,250
Impairment loss (reversal of impairment loss)		1,339	1,256	8,413
Finance (income) costs		(12,537)	(3,280)	(21,971)
Share of (profit) loss of investments accounted for using equity method		(23)	(7)	(46)
Loss (gain) on sale and disposal of property, plant and equipment, intangible assets and investment property		532	92	616
Income taxes		17,473	23,214	155,501
Decrease (increase) in trade receivables		4,370	3,500	23,445
Decrease (increase) in inventories		71,097	(15,780)	(105,703)
Increase (decrease) in trade payables		(7,921)	2,562	17,161
Increase (decrease) in net defined benefit liabilities		663	1,648	11,039
Other		(10,957)	17,241	115,490
Subtotal		185,340	157,773	1,056,857
Interest and dividends income received		4,931	6,187	41,444
Interest expenses paid		(1,821)	(1,543)	(10,335)
Income taxes paid		(22,879)	(24,341)	(163,050)
Net cash from (used in) operating activities		165,570	138,075	924,908
Cash flows from investing activities				
Purchase of investment securities		(1,371)	(1,092)	(7,314)
Proceeds from sale of investment securities		1,004	5,708	38,235
Purchase of property, plant and equipment		(49,570)	(59,369)	(397,688)
Proceeds from sale of property, plant and equipment		404	621	4,159
Purchase of intangible assets		(7,023)	(10,897)	(72,994)
Proceeds from sale of intangible assets		15	13	87
Proceeds from sale of investment property		-	88	589
Payments for acquisition of subsidiaries	7	-	(85,483)	(572,616)
Other		(2,440)	(375)	(2,511)
Net cash from (used in) investing activities		(58,981)	(150,787)	(1,010,061)
Cash flows from financing activities				
Net increase (decrease) in current borrowings	19	502	(567)	(3,798)
Repayment of non-current borrowings	19	-	(9,000)	(60,287)
Proceeds from issuance of bonds issued	19	-	39,823	266,758
Redemption of bonds issued	19	(30,000)	(10,000)	(66,985)
Payment of lease liabilities	19	(10,033)	(10,989)	(73,610)
Dividends paid	25	(25,862)	(24,372)	(163,258)
Dividends paid to non-controlling interests		(0)	(0)	(0)
Purchase of treasury shares	24	(1)	(30,022)	(201,105)
Net cash from (used in) financing activities		(65,395)	(45,129)	(302,300)
Effect of exchange rate changes on cash and cash equivalents		19,907	(3,640)	(24,382)
Net increase (decrease) in cash and cash equivalents		61,100	(61,481)	(411,836)
Cash and cash equivalents at beginning of period	8	267,380	328,481	2,200,361
Cash and cash equivalents at end of period	8	328,481	267,000	1,788,525

Notes to Consolidated Financial Statements

1. Reporting Entity

Seiko Epson Corporation (the "Company") is a stock corporation domiciled in Japan. The addresses of the Company's registered head office and principal business offices are available on the Company's website (https://corporate.epson/en). The details of businesses and principal business activities of the Company and its affiliates ("Epson") are stated in "6. Segment Information."

2. Basis of Preparation

(1) Compliance with IFRS
Epson's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board which are applied based on the provision of Article 312 of Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements, as Epson meets the criteria of a "Specified Companies applying Designated IFRS" defined under Article 1-2 of Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements.

(2) Basis of Measurement
Except for the financial instruments stated in "3. Material Accounting Policies," Epson's consolidated financial statements are prepared on the cost basis.

(3) Functional Currency and Presentation Currency
Epson's consolidated financial statements are presented in Japanese yen ("yen" or "¥"), which is the functional currency of the Company. The units are in millions of yen unless otherwise noted, and figures less than one million yen are rounded down.
The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥149.285 to U.S. $1 at the end of the reporting period.

(4) Reporting Period of Subsidiaries
The fiscal year end 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.

3. Material Accounting Policies

(1) Basis of Consolidation
Consolidated financial statements of Epson include financial statements of the Company and subsidiaries, and interests in investments in associates and joint ventures.

(A) Subsidiaries
A subsidiary is an entity that is controlled by Epson. Epson controls the entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The acquisition date of a subsidiary is the date on which Epson obtains control of the subsidiary, and the subsidiary is included in the consolidation from the date of acquisition until the date on which Epson loses control.
All intergroup balances, transactions, unrealized profit or loss arising from intergroup transaction are eliminated on consolidation. Comprehensive income for subsidiaries is attributed to the owners of the parent company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(B) Associates
An associate is an entity over which Epson has significant influence that is the power to participate in the financial and operating policy decisions of the entity. Investments in associates are accounted for using equity method from the date on which Epson has the significant influence until the date on which it ceases to have the significant influence.

(C) Joint ventures
A joint venture is a joint arrangement whereby Epson and the other parties that have joint control of the arrangement have rights to the net assets of the arrangement. The joint control is the contractually agreed sharing of control of an

arrangement, which exists only when decisions about the relevant activities, that significantly affect the returns of the arrangement, require the unanimous consent of the parties sharing control. Epson accounts for that investment using equity method.

(2) Business Combinations

Each business combination is accounted for by applying the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by Epson, the liabilities incurred by Epson to former owners of the acquiree and the equity interests issued by Epson. Goodwill is recognized in the consolidated statement of financial position, as the excess of the transferred consideration over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If the difference is a negative monetary value, the resulting gain is immediately recognized as profit. Acquisition-related costs incurred are recognized as expenses except for the costs to issue debt or equity securities.

(3) 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.

(4) Financial Instruments

(A) Financial assets

(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 is 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.

(B) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are measured at fair value at initial recognition. However, financial liabilities measured subsequently at amortized cost are measured at their fair value less transaction costs that are directly attributable to the issuance of the financial liabilities.

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

(ii) Classification and subsequent measurement

Financial liabilities are classified into financial liabilities measured subsequently at fair value through profit or loss and financial liabilities measured at amortized cost at initial recognition.

After initial recognition, financial liabilities are measured based on the classification as follows:

(a) Financial liabilities measured at fair value through profit or loss

The financial liabilities measured at fair value through profit or loss are measured at fair value and include financial liabilities designated as measured at fair value through profit or loss at initial recognition.

(b) Financial liabilities measured at amortized cost

The financial liabilities measured at amortized cost are measured at amortized cost using the effective interest method.

(iii) Derecognition

Financial liabilities are derecognized when the obligation is discharged, canceled or expired.

(C) Offsetting a financial asset and a financial liability
A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when there is a legally enforceable right to set off the recognized amounts and Epson intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

(D) Derivatives accounting
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.

(E) 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.

(i) 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.

(ii) 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 equity through 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 equity through other comprehensive income continue to be recognized in equity until the future cash flows occur.

(iii) 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.

(F) Fair value of financial instruments
Fair value of financial instruments that are traded in an active market as of the end of the fiscal year refers to quoted market prices or dealer quotations.
If there is no active market, fair value of financial instruments is determined using appropriate valuation models.

(5) Cash and Cash Equivalents
Cash and cash equivalents consist of cash on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value as such that has a short maturity of three months or less from the date of acquisition.

(6) 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.

(7) Property, Plant and Equipment

The cost of property, plant and equipment includes any costs directly attributable to the acquisition of the asset and dismantlement, removal and restoration costs, as well as borrowing costs eligible for capitalization.
After recognition as an asset, property, plant and equipment is measured by using the cost model and is carried at its cost less any accumulated depreciation and any accumulated impairment losses.
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.

(8) Goodwill and Intangible Assets

(A) 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.

(B) Intangible assets
The cost of a separately acquired intangible asset is measured initially at cost, and the cost of intangible asset acquired in a business combination is its fair value at the acquisition date. The cost of internally generated intangible asset is the sum of expenditure incurred from the date when the intangible asset first meets the recognition criteria.
After initial recognition, an intangible asset is measured by using the cost model and is carried at its cost less any accumulated amortization and any accumulated impairment losses.
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 and tested for impairment annually and whenever there is an indication that the intangible asset may be impaired.

(9) Investment Property

Investment property is property held to earn rentals or for capital appreciation or both.
After recognition as an asset, investment property is measured by using the cost model and is carried at its cost less any accumulated depreciation and any accumulated impairment losses.
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.

(10) Leases

(A) Lease as lessee
At inception of a contract, Epson assesses whether the contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, and recognizes lease liabilities and right-of-use assets at the commencement date.
Lease liabilities are measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Right-of-use assets are measured at the amount of the initial measurement of lease liabilities adjusted for any initial direct costs, the prepaid lease payments, restoration costs and other costs. Right-of-use assets are usually depreciated using the straight-line method over the lease term. Interest expenses on lease liabilities are presented in the consolidated statement of comprehensive income separately from the depreciation expenses for right-of-use assets. Epson presents right-of-use assets as "Property, plant and equipment" in the consolidated statement of financial position.
Epson does not recognize lease liabilities and right-of-use assets to either short-term leases that have a lease term of 12 months or less, or low-value leases. Epson recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(B) Lease as lessor
Depending on the economic substance of the lease transaction, Epson makes an overall assessment as to whether it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. If it does, the lease is classified as a finance lease. If not, it is classified as an operating lease.
At the commencement date of the lease, assets held under a finance lease are recognized as a receivable on the consolidated statement of financial position, at an amount equal to the net investment in the lease.
Income from operating leases is recognized primarily on a straight-line basis over the lease term.

(11) Impairment of Non-financial Assets

Epson assesses whether there is any indication that property, plant and equipment, goodwill, intangible assets, investment property and right-of-use assets ("asset") may be impaired. If any such indication exists, or irrespective of whether there is any indication of impairment, where impairment testing is required, the recoverable amount of the asset is estimated. If it is not possible to estimate the recoverable amount for each asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. The recoverable amount is measured at the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use. If carrying amount of an asset or cash-generating unit exceeds its recoverable amount, an impairment loss is recognized and the carrying amount of the asset is reduced to its recoverable amount. The impairment loss is recognized in profit or loss. In determining an asset's value in use, an estimate of the future cash flows expected to derive from the asset are discounted to the present value, using pretax discount rates that reflect current market assessments of the time value of money and the risks specific to the asset.
An impairment loss for goodwill is recognized in profit or loss and not reversed in a subsequent period. Epson assesses whether there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated. If the recoverable amount exceeds the carrying amount of the asset, an impairment loss is reversed to the carrying amount that would have been determined (net of amortization or depreciation) if no impairment loss had been recognized for the asset in prior years.

(12) 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.

(13) Share-based Payment

The Company has employed a framework referred to as a restricted stock compensation plan and BIP (Board Incentive Plan) trust as equity-settled share-based payment plan for the Company's directors and executive officers who have been engaged by the Company (excluding outside directors and persons such as Audit and Supervisory Committee members who are not directly engaged in the operations of the Company, and persons residing outside Japan).
The Company measures the service received at the fair value of its shares granted at the grant date and recognizes the consideration as expenses over the vesting period while the corresponding amount is recognized as an increase in equity.
The BIP trust has been terminated following the completion of the delivery, etc. in August 2024 pertaining to the points already granted.

(14) 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.

(15) 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.

(16) Government Grants

A government grant is recognized at fair value when there is reasonable assurance that Epson will comply with the conditions attaching to it, and that the grant will be received.
Grants related to assets are deducted in calculating the carrying amount of the asset.
Grants related to income are recognized in profit or loss on a systematic basis over the periods in which Epson recognizes as expenses the related costs for which the grants are intended to compensate.

(17) Income Taxes

Income taxes are presented as the total of current tax expense and deferred tax expense.
Current tax is the amount of income taxes payable or recoverable and is recognized as an expense or income and included in profit or loss for the period, except to the extent that the tax arises from a transaction which is recognized either in other comprehensive income or directly in equity, or a business combination. For the calculation of the tax amount, Epson uses the tax rates and tax laws that have been enacted or substantively enacted by the end of the fiscal year.
Deferred tax expense is calculated based on a temporary difference that is the difference between the carrying amount of the assets or liabilities in the consolidated financial statements and their tax bases. A deferred tax asset is recognized for all deductible temporary differences, the carryforward of unused tax credits and unused tax losses to the extent that it is probable that future taxable profit will be available against which they can be utilized. A deferred tax liability is recognized for all taxable temporary differences.
A deferred tax liability is not recognized for taxable temporary differences when the deferred tax liability arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and affects neither accounting profit nor taxable profit or loss at the time of the transaction and affects neither accounting profit nor taxable profit or loss at the time of the transaction and does not give rise to equal

amounts of taxable and deductible temporary differences at the time of the transaction.
Also a deferred tax liability is not recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures to the extent that the timing of the reversal of the temporary difference is controlled and it is probable that the temporary difference will not reverse in the foreseeable future.
A deferred tax asset is not recognized for deductible temporary differences arising from investments in subsidiaries and associates, and interests in joint ventures to the extent that it is not probable that the temporary difference will reverse in the foreseeable future and that taxable profit will be available against which the temporary difference can be utilized.
Deferred tax assets and liabilities are measured at the tax rates and tax laws that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the fiscal year.
Assets and liabilities are recognized as estimated amounts if uncertain tax position of income taxes arising from interpretation of tax laws and regulations is probable.
Epson applies the exception to recognition and disclosure with respect to deferred tax assets and liabilities for income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules (“global minimum tax”) published by the OECD.

(18) Earnings per Share
Basic earnings per share are calculated by dividing profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the period, adjusting by the number of treasury shares. For the purpose of the calculation, the shares of the Company held by BIP trust are excluded because the shares are accounted as treasury shares. For the purpose of calculating diluted earnings per share, the rights for the treasury shares held by the trust to be received by eligible officers are adjusted.

(19) Non-current Assets Held for Sale and Discontinued Operations
Epson classifies a non-current asset or disposal group as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The non-current asset or disposal group as held for sale is available for immediate sale in its present condition and its sale is highly probable when Epson management commits to a plan to sell the asset or disposal group.
Epson measures the non-current asset or disposal group classified as held for sale at the lower of its carrying amount and fair value less costs to sell. The non-current asset is not depreciated or amortized while it is classified as held for sale or while it is part of a disposal group classified as held for sale.
A discontinued operation is a component of an entity, that is a cash-generating unit or a group of cash-generating units, that either has been disposed of, or is classified as held for sale, and (a) represents a separate major line of business or geographical area of operations, (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or (c) is a subsidiary acquired exclusively with a view to resale.

(20) Treasury Shares
Treasury shares are measured at their cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale or cancellation of the treasury shares. Any difference between the carrying amount and the consideration paid is recognized in equity.

(21) Borrowing Costs
Borrowing costs are interest and other costs incurred in connection with the borrowing of funds.
The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, that necessarily takes a substantial period of time to get ready for their intended use or sale, are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period when they are incurred.

4. Significant Accounting Estimates and Judgments

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 are 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 with 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 content and amounts related to impairment of non-financial assets are stated in “13. Property, Plant and Equipment,” “14. Goodwill and Intangible Assets,” “15. Investment Property,” “16. Impairment of Non-financial Assets” and “21. Lease.”

(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.
These actuarial assumptions and related sensitivity analysis are stated in “23. Post-employment Benefits.”

(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.
The nature and amount of recognized provisions are stated in “20. Provisions.”

(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 content and amounts related to income taxes are stated in "17. Income Taxes."

(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 "39. Contingencies."

5. New Standards and Interpretations Not Yet Applied

The new or amended standards and interpretations that have been issued as of the date of approval of the consolidated financial statements but have not yet been applied by Epson are principally as follows. Epson currently evaluates the impacts that application of the standard below will have on the consolidated financial statements.

IFRS		Date of mandatory application (from the fiscal year beginning on or after)	Reporting periods of application by Epson (The reporting period ending)	Description of new and revised standards
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027	March 31, 2028	New standard replacing IAS 1, the current accounting standard for presentation and disclosure in financial statements

6. Segment Information

(1) Outline of Reportable Segments

The reportable segments of Epson are determined based on the operating segments that are components of Epson for which discrete financial information is available and whose operating results are regularly reviewed by the Board of Directors in deciding how to allocate resources and in assessing performance.

The reportable segments of Epson are composed of three segments: “Printing Solutions,” “Visual Communications” and “Manufacturing-related & Wearables.” They are determined by types of products, nature of products, and markets.

Epson conducts development, manufacturing and sales within its reportable segments as follows:

Reportable segments	Main products
Printing Solutions	Office/ Home inkjet printers, serial impact dot matrix printers, page printers, color image scanners, dry process office papermaking systems, commercial and industrial inkjet printers, inkjet printheads, printers for use in POS systems, label printers, printer consumables, digital printing software solutions, and others
Visual Communications	3LCD projectors, smart glasses, and others
Manufacturing-related & Wearables	Industrial robots, wristwatches, watch movements, quartz crystal devices, semiconductors, metal powders, surface finishing, PC, and others

(2) Revenues and Performances of Reportable Segments

Revenues and performances of reportable segments are as follows. Transfer prices between the segments are based on prevailing market prices.

FY2023: Year ended March 31, 2024

Millions of yen

	Reportable segments				Adjustments (Note 2)	Consolidated
	Printing Solutions	Visual Communications	Manufacturing-related & Wearables	Subtotal		
Revenue						
External revenues	918,630	217,462	170,803	1,306,895	7,102	1,313,998
Intersegment revenues	26	0	9,111	9,138	(9,138)	-
Total revenue	918,656	217,462	179,914	1,316,034	(2,035)	1,313,998
Segment profit (loss) (Business profit) (Note 1)	96,109	31,592	(1,579)	126,122	(61,400)	64,721
			Other operating income (expense)			(7,188)
			Profit from operating activities			57,533
			Finance income (costs)			12,537
			Share of profit of investments accounted for using equity method			23
			Profit before tax			70,094

Other items

	Reportable segments				Adjustments (Note 3)	Consolidated
	Printing Solutions	Visual Communications	Manufacturing-related & Wearables	Subtotal		
Depreciation and amortization	(41,855)	(9,456)	(10,378)	(61,690)	(6,991)	(68,681)
Impairment losses of assets other than financial assets	(159)	(63)	(Note 4) (1,067)	(1,290)	(49)	(1,339)
Segment assets	628,868	147,622	172,479	948,970	464,124	1,413,094
Capital expenditures	44,109	6,023	12,355	62,488	7,545	70,033

(Note 1) Segment profit (loss) (Business profit) is calculated by subtracting Cost of sales and Selling, general and administrative expenses from Revenue.

(Note 2) “Adjustments” of (¥61,400) million in Segment profit (loss) (Business profit) comprises ¥497 million in eliminated intersegment transactions and (¥61,898) million in Corporate and Other. Corporate and Other mainly includes expenses related to research and development for basic technology, as well as revenues and expenses related to new businesses and general corporate functions that are not attributed to reportable segments.

(Note 3) “Adjustments” of ¥464,124 million in Segment assets includes the elimination of intersegment transactions of (¥6,523) million and other amounts mainly consisting of corporate assets that are not attributed to reportable segments.

(Note 4) Epson recognizes an impairment loss of (¥606) million in the manufacturing solutions business because it is expected to take time to improve its profitability, due to changes in the market environment, such as economic stagnation and the rise of local manufacturers in China, as well as continued investments in human capital for its business growth.

FY2024: Year ended March 31, 2025

Millions of yen

	Reportable segments				Adjustments (Note 2)	Consolidated
	Printing Solutions	Visual Communications	Manufacturing-related & Wearables	Subtotal		
Revenue						
External revenues	980,078	203,782	172,210	1,356,070	6,873	1,362,944
Intersegment revenues	70	0	9,253	9,323	(9,323)	-
Total revenue	980,148	203,782	181,463	1,365,394	(2,450)	1,362,944
Segment profit (loss) (Business profit) (Note 1)	124,847	29,021	(3,221)	150,646	(61,057)	89,589
			Other operating income (expense)			(14,481)
			Profit from operating activities			75,108
			Finance income (costs)			3,280
			Share of profit of investments accounted for using equity method			7
			Profit before tax			78,395

Other items

	Reportable segments				Adjustments (Note 3)	Consolidated
	Printing Solutions	Visual Communications	Manufacturing-related & Wearables	Subtotal		
Depreciation and amortization	(45,160)	(9,293)	(10,859)	(65,313)	(6,708)	(72,021)
Impairment losses of assets other than financial assets	(92)	(29)	(Note 4) (792)	(913)	(343)	(1,256)
Segment assets	753,144	153,773	179,415	1,086,333	370,128	1,456,461
Capital expenditures	46,429	9,066	12,598	68,094	7,726	75,821

(Note 1) Segment profit (loss) (Business profit) is calculated by subtracting Cost of sales and Selling, general and administrative expenses from Revenue.

(Note 2) “Adjustments” of (¥61,057) million in Segment profit (loss) (Business profit) comprises ¥487 million in eliminated intersegment transactions and (¥61,545) million in Corporate and Other. Corporate and Other mainly includes expenses related to research and development for basic technology, as well as revenues and expenses related to new businesses and general corporate functions that are not attributed to reportable segments.

(Note 3) “Adjustments” of ¥370,128 million in Segment assets includes the elimination of intersegment transactions of (¥5,962) million and other amounts mainly consisting of corporate assets that are not attributed to reportable segments.

(Note 4) Epson recognizes an impairment loss of (¥777) million in the manufacturing solutions business due to the continued decline in profitability mainly caused by the slow recovery of markets in China and other major sales regions.

FY2024: Year ended March 31, 2025

Thousands of U.S. dollars

	Reportable segments				Adjustments (Note 2)	Consolidated
	Printing Solutions	Visual Communications	Manufacturing-related & Wearables	Subtotal		
Revenue						
External revenues	6,565,147	1,365,053	1,153,565	9,083,765	46,039	9,129,812
Intersegment revenues	468	0	61,982	62,451	(62,451)	-
Total revenue	6,565,616	1,365,053	1,215,547	9,146,223	(16,411)	9,129,812
Segment profit (loss) (Business profit) (Note 1)	836,299	194,399	(21,576)	1,009,116	(408,996)	600,120
			Other operating income (expense)			(97,002)
			Profit from operating activities			503,118
			Finance income (costs)			21,971
			Share of profit of investments accounted for using equity method			46
			Profit before tax			525,136

Other items

	Reportable segments				Adjustments (Note 3)	Consolidated
	Printing Solutions	Visual Communications	Manufacturing-related & Wearables	Subtotal		
Depreciation and amortization	(302,508)	(62,250)	(72,740)	(437,505)	(44,934)	(482,439)
Impairment losses of assets other than financial assets	(616)	(194)	(Note 4) (5,305)	(6,115)	(2,297)	(8,413)
Segment assets	5,045,007	1,030,063	1,201,828	7,276,906	2,479,338	9,756,244
Capital expenditures	311,009	60,729	84,388	456,134	51,753	507,894

(Note 1) Segment profit (loss) (Business profit) is calculated by subtracting Cost of sales and Selling, general and administrative expenses from Revenue.

(Note 2) "Adjustments" of ($408,996) thousand in Segment profit (loss) (Business profit) comprises $3,262 thousand in eliminated intersegment transactions and of ($412,265) thousand in Corporate and Other. Corporate and Other mainly includes expenses related to research and development for basic technology, as well as revenues and expenses related to new businesses and general corporate functions that are not attributed to reportable segments.

(Note 3) "Adjustments" of $2,479,338 thousand in Segment assets includes the elimination of intersegment transactions of ($39,937) thousand and other amounts mainly consisting of corporate assets that are not attributed to reportable segments.

(Note 4) Epson recognizes an impairment loss of ($5,204) thousand in the manufacturing solutions business due to the continued decline in profitability mainly caused by the slow recovery of markets in China and other major sales regions.

(3) Geographic Information

The regional breakdowns of non-current assets and external revenues as of each fiscal year end are as follows:

Non-current Assets

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2024	2025	2025
Japan	214,342	224,835	1,506,078
The United States	26,000	120,200	805,171
The Philippines	47,844	46,899	314,157
Indonesia	33,637	33,306	223,103
China	30,619	28,468	190,695
Other	54,887	55,051	368,764
Total	407,331	508,762	3,407,991

(Note) Non-current assets, excluding Investments accounted for using equity method, Other financial assets, Deferred tax assets and retirement benefits assets, are segmented by the location of the assets.

External Revenue

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31,		Year ended March 31,
	2024	2025	2025
Japan	223,396	225,920	1,513,346
The United States	287,541	288,339	1,931,466
China	167,545	182,176	1,220,323
Other	635,514	666,507	4,464,661
Total	1,313,998	1,362,944	9,129,812

(Note) Revenues are segmented by country based on the location of the customers.

(4) Information about Major Customers

Epson has no transactions with a single external customer amounting to 10% or more of total external revenues.

7. Business Combinations

FY2023: Year ended March 31, 2024
Not applicable.

FY2024: Year ended March 31, 2025
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 digital front end ("DFE")[1] 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.
[1]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	Thousands of U.S. dollars
Fair value of the consideration for the acquisition (cash)	86,170	577,218
Fair values of the assets acquired and the liabilities assumed		
Current assets		
Cash and cash equivalents	687	4,601
Other current assets	5,664	37,940
Non-current assets		
Property, plant and equipment	1,816	12,164
Intangible assets (Note 1)	56,004	375,148
Other non-current assets	8,808	59,001
Current liabilities	(7,016)	(46,997)
Non-current liabilities	(16,206)	(108,557)
Fair values of the assets acquired and the liabilities assumed (net)	49,758	333,308
Goodwill (Note 2)	36,412	243,909

(Note 1) Intangible assets mainly include 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 ($9,404 thousand) 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	Thousands of U.S. dollars
Acquisition consideration in cash	86,170	577,218
Cash and cash equivalents received on acquisition date	(687)	(4,601)
Expenditures for acquisition of the subsidiary	85,483	572,616

(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.

8. Cash and Cash Equivalents

The breakdown of “Cash and cash equivalents” is as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2024	2025	2025
Cash and deposits	257,355	256,876	1,720,708
Short-term investments	71,125	10,123	67,809
Total	328,481	267,000	1,788,525

9. Trade and Other Receivables

The breakdown of "Trade and other receivables" is as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2024	2025	2025
Notes and trade receivables	192,250	190,722	1,277,569
Other receivables	21,540	20,344	136,276
Allowance account for credit losses	(1,009)	(975)	(6,531)
Total	212,781	210,091	1,407,314

Trade and other receivables are presented net of the allowance account for credit losses in the consolidated statement of financial position.
Trade and other receivables are classified as financial assets measured at amortized cost.

10. Inventories

The breakdown of "Inventories" is as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2024	2025	2025
Merchandise and finished goods	199,920	211,673	1,417,912
Work in process	82,367	85,090	569,983
Raw materials	58,287	54,232	363,278
Supplies	17,614	18,784	125,826
Total	358,189	369,781	2,477,013

The amount of inventories includes in cost of sales recognized as an expense totaled (¥822,184) million and (¥842,639) million (($5,644,498) thousand) for the years ended March 31, 2024 and 2025, respectively.
Losses recognized as cost of sales as a result of valuations for the years ended March 31, 2024 and 2025 are (¥47,488) million and (¥43,057) million (($288,421) thousand), respectively. In addition, Epson has no inventories pledged as collateral.

11. Other Financial Assets

(1) The Breakdown of "Other financial assets"

The breakdown of "Other financial assets" is as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2024	2025	2025
Derivative assets	649	1,265	8,473
Equity securities	20,153	15,080	101,014
Bonds receivable	151	161	1,078
Time deposits	467	0	0
Other	9,982	9,970	66,785
Allowance account for credit losses	(38)	(37)	(247)
Total	31,365	26,442	177,124
Current assets	1,995	2,451	16,418
Non-current assets	29,369	23,990	160,699
Total	31,365	26,442	177,124

Derivative assets are classified as financial assets measured at fair value through profit or loss, excluding a case where hedge accounting is applied. Equity securities are classified as financial assets measured at fair value through other comprehensive income, and bonds receivables and time deposits are classified as financial assets measured at amortized cost.

(2) Financial Assets Measured at Fair Value Through Other Comprehensive Income

Financial assets measured at fair value through other comprehensive income are as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2024	2025	2025
Listed stocks	12,623	7,912	52,999
Unlisted stocks	7,529	7,168	48,015

Equity securities are held mainly for strengthening relationships with investees. Therefore, they are designated as financial assets measured at fair value through other comprehensive income.
Dividends received from financial assets measured at fair value through other comprehensive income are stated in "31. Financial Incomes and Finance Costs."

(3) Derecognition of Financial Assets Measured at Fair Value Through Other Comprehensive Income

To review its business relationship and for other purposes, Epson derecognizes the equity financial assets measured at fair value through other comprehensive income by selling a portion of those assets.
The fair values at the time of derecognition and the cumulative amount of gains (losses) recognized in other comprehensive income are as follows:

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31,		Year ended March 31,
	2024	2025	2025
Fair Value	1,004	5,708	38,235
Cumulative gains (losses) (Before Tax)	889	3,885	26,024

(4) Reclassification to Retained Earnings

When the equity financial assets measured at fair value through other comprehensive income are derecognized or their fair value declines significantly, the cumulative amount of gains (losses) recognized in other comprehensive income are reclassified to retained earnings. The cumulative gains (losses) in other comprehensive income reclassified to retained earnings, after tax, are ¥580 million and ¥2,484 million ($16,639 thousand) for the years ended March 31, 2024 and 2025, respectively.

12. Other Assets

The breakdown of “Other assets” is as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2024	2025	2025
Prepaid expense	14,496	14,572	97,611
Advances to suppliers	2,891	1,163	7,790
Other	6,362	10,040	67,253
Total	23,750	25,776	172,663
Current assets	21,923	20,254	135,673
Non-current assets	1,827	5,522	36,989
Total	23,750	25,776	172,663

13. Property, Plant and Equipment

The schedules of the cost, accumulated depreciation and accumulated impairment losses, and carrying amount of "Property, plant and equipment" are as follows:

Cost	Land, buildings and structures	Machinery, equipment and vehicles	Tools, furniture and fixtures	Construction in progress	Other	Total
	Millions of yen					
As of April 1, 2023	632,258	565,691	248,535	12,179	39	1,458,704
Individual acquisition	12,621	6,849	5,168	38,777	22	63,439
Acquisition through business combinations	-	-	-	-	-	-
Transfer from (to) investment property	(28)	-	-	-	-	(28)
Sale or disposal	(18,214)	(12,122)	(9,855)	(243)	(19)	(40,455)
Exchange differences on translation of foreign operations	21,535	19,569	23,910	925	4	65,944
Transfer from construction in progress	12,114	15,518	11,264	(38,897)	-	-
Other	(63)	(251)	32	(81)	(13)	(375)
As of March 31, 2024	660,224	595,255	279,054	12,659	34	1,547,229
Individual acquisition	10,589	6,316	5,532	46,496	1	68,935
Acquisition through business combinations	3,220	-	1,595	-	-	4,816
Transfer from (to) investment property	(942)	-	-	-	-	(942)
Sale or disposal	(9,023)	(14,013)	(11,892)	(98)	(5)	(35,032)
Exchange differences on translation of foreign operations	(1,360)	312	(2,679)	30	(0)	(3,697)
Transfer from construction in progress	15,271	17,739	10,886	(43,897)	-	-
Other	(67)	108	(358)	(329)	-	(647)
As of March 31, 2025	677,913	605,718	282,138	14,861	29	1,580,661

Cost	Land, buildings and structures	Machinery, equipment and vehicles	Tools, furniture and fixtures	Construction in progress	Other	Total
	Thousands of U.S. dollars					
As of March 31, 2024	4,422,574	3,987,373	1,869,270	84,797	227	10,364,262
Individual acquisition	70,931	42,308	37,056	311,457	6	461,767
Acquisition through business combinations	21,569	-	10,684	-	-	32,260
Transfer from (to) investment property	(6,310)	-	-	-	-	(6,310)
Sale or disposal	(60,441)	(93,867)	(79,659)	(656)	(33)	(234,665)
Exchange differences on translation of foreign operations	(9,110)	2,089	(17,945)	200	(0)	(24,764)
Transfer from construction in progress	102,294	118,826	72,920	(294,048)	-	-
Other	(448)	723	(2,398)	(2,203)	-	(4,333)
As of March 31, 2025	4,541,065	4,057,460	1,889,928	99,547	194	10,588,210

Accumulated Depreciation and Accumulated Impairment Losses	Millions of yen					
	Land, buildings and structures	Machinery, equipment and vehicles	Tools, furniture and fixtures	Construction in progress	Other	Total
As of April 1, 2023	(405,400)	(473,390)	(218,731)	(275)	(39)	(1,097,838)
Depreciation expense (Note)	(22,534)	(23,608)	(16,436)	-	(3)	(62,583)
Impairment losses	(551)	(423)	(346)	(9)	-	(1,331)
Acquisition through business combinations	-	-	-	-	-	-
Transfer to (from) investment property	20	-	-	-	-	20
Sale or disposal	15,889	11,777	9,720	97	14	37,500
Exchange differences on translation of foreign operations	(9,981)	(14,748)	(21,337)	(2)	(3)	(46,074)
Transfer from construction in progress	-	(148)	(6)	154	-	-
Other	(6)	369	48	0	-	411
As of March 31, 2024	(422,565)	(500,172)	(247,089)	(36)	(32)	(1,169,895)
Depreciation expense (Note)	(24,237)	(24,174)	(16,761)	-	(1)	(65,174)
Impairment losses	(284)	(64)	(101)	(231)	-	(682)
Acquisition through business combinations	(1,658)	-	(1,341)	-	-	(2,999)
Transfer to (from) investment property	692	-	-	-	-	692
Sale or disposal	8,038	13,738	11,630	69	5	33,483
Exchange differences on translation of foreign operations	815	(258)	2,459	0	0	3,017
Transfer from construction in progress	-	-	(9)	9	-	-
Other	176	71	362	-	-	609
As of March 31, 2025	(439,022)	(510,859)	(250,851)	(187)	(27)	(1,200,949)

Accumulated Depreciation and Accumulated Impairment Losses	Thousands of U.S. dollars					
	Land, buildings and structures	Machinery, equipment and vehicles	Tools, furniture and fixtures	Construction in progress	Other	Total
As of March 31, 2024	(2,830,592)	(3,350,450)	(1,655,149)	(241)	(214)	(7,836,654)
Depreciation expense (Note)	(162,353)	(161,931)	(112,275)	-	(6)	(436,574)
Impairment losses	(1,902)	(428)	(676)	(1,547)	-	(4,568)
Acquisition through business combinations	(11,106)	-	(8,982)	-	-	(20,089)
Transfer to (from) investment property	4,635	-	-	-	-	4,635
Sale or disposal	53,843	92,025	77,904	462	33	224,289
Exchange differences on translation of foreign operations	5,459	(1,728)	16,471	0	0	20,209
Transfer from construction in progress	-	-	(60)	60	-	-
Other	1,178	475	2,424	-	-	4,079
As of March 31, 2025	(2,940,831)	(3,422,038)	(1,680,349)	(1,252)	(180)	(8,044,672)

(Note) Depreciation expense for Property, plant and equipment is included in Cost of sales, Selling, general and administrative expenses and Other operating expense in the consolidated statement of comprehensive income.

Carrying Amount	Land, buildings and structures	Machinery, equipment and vehicles	Tools, furniture and fixtures	Construction in progress	Other	Total
	Millions of yen					
As of April 1, 2023	226,857	92,301	29,803	11,903	0	360,866
As of March 31, 2024	237,659	95,083	31,965	12,623	2	377,333
As of March 31, 2025	238,890	94,859	31,286	14,674	1	379,712

Carrying Amount	Land, buildings and structures	Machinery, equipment and vehicles	Tools, furniture and fixtures	Construction in progress	Other	Total
	Thousands of U.S. dollars					
As of March 31, 2024	1,591,981	636,922	214,120	84,556	13	2,527,601
As of March 31, 2025	1,600,227	635,422	209,572	98,295	6	2,543,537

14. Goodwill and Intangible Assets

The schedules of the cost, accumulated amortization and accumulated impairment losses, and carrying amount of "Goodwill and intangible assets" are as follows:

Millions of yen

Cost	Goodwill	Intangible assets				
		Software	Customer-related intangible assets	Technology-based intangible assets	Other	Total
As of April 1, 2023	5,387	61,091	678	-	31,758	93,528
Individual acquisition	-	6,531	-	-	308	6,840
Acquisition through business combinations	-	-	-	-	-	-
Sale or disposal	-	(3,213)	-	-	(1,187)	(4,401)
Exchange differences on translation of foreign operations	442	2,564	82	-	252	2,900
Other	-	3	-	-	8	11
As of March 31, 2024	5,830	66,977	761	-	31,140	98,879
Individual acquisition	-	8,279	-	-	2,953	11,233
Acquisition through business combinations	36,412	113	46,350	9,113	528	56,106
Sale or disposal	-	(7,327)	-	-	(779)	(8,107)
Exchange differences on translation of foreign operations	(348)	(383)	(398)	(77)	(31)	(890)
Other	-	82	-	-	46	128
As of March 31, 2025	41,894	67,742	46,713	9,036	33,857	157,349

Thousands of U.S. dollars

Cost	Goodwill	Intangible assets				
		Software	Customer-related intangible assets	Technology-based intangible assets	Other	Total
As of March 31, 2024	39,052	448,651	5,097	-	208,594	662,350
Individual acquisition	-	55,457	-	-	19,780	75,245
Acquisition through business combinations	243,909	756	310,479	61,044	3,536	375,831
Sale or disposal	-	(49,080)	-	-	(5,218)	(54,305)
Exchange differences on translation of foreign operations	(2,331)	(2,565)	(2,666)	(515)	(207)	(5,961)
Other	-	549	-	-	308	857
As of March 31, 2025	280,631	453,776	312,911	60,528	226,794	1,054,017

Millions of yen

Accumulated Amortization and Accumulated Impairment Losses	Goodwill	Intangible assets: Software	Customer-related intangible assets	Technology-based intangible assets	Other	Total
As of April 1, 2023	-	(45,549)	(467)	-	(27,473)	(73,491)
Amortization expense (Note)	-	(4,287)	(69)	-	(1,740)	(6,097)
Impairment losses	-	(8)	-	-	-	(8)
Acquisition through business combinations	-	-	-	-	-	-
Sale or disposal	-	3,117	-	-	1,185	4,303
Exchange differences on translation of foreign operations	-	(2,025)	(59)	-	(241)	(2,326)
Other	-	(14)	-	-	(8)	(23)
As of March 31, 2024	-	(48,767)	(597)	-	(28,279)	(77,643)
Amortization expense (Note)	-	(3,553)	(1,078)	(357)	(1,974)	(6,964)
Impairment losses	-	(4)	-	-	(336)	(341)
Acquisition through business combinations	-	(102)	-	-	-	(102)
Sale or disposal	-	7,144	-	-	775	7,919
Exchange differences on translation of foreign operations	-	305	27	7	29	369
Other	-	(16)	-	-	(46)	(63)
As of March 31, 2025	-	(44,995)	(1,648)	(350)	(29,832)	(76,826)

Thousands of U.S. dollars

Accumulated Amortization and Accumulated Impairment Losses	Goodwill	Intangible assets: Software	Customer-related intangible assets	Technology-based intangible assets	Other	Total
As of March 31, 2024	-	(326,670)	(3,999)	-	(189,429)	(520,099)
Amortization expense (Note)	-	(23,800)	(7,221)	(2,391)	(13,223)	(46,649)
Impairment losses	-	(26)	-	-	(2,250)	(2,284)
Acquisition through business combinations	-	(683)	-	-	-	(683)
Sale or disposal	-	47,854	-	-	5,191	53,046
Exchange differences on translation of foreign operations	-	2,043	180	46	194	2,471
Other	-	(107)	-	-	(308)	(422)
As of March 31, 2025	-	(301,403)	(11,039)	(2,344)	(199,832)	(514,626)

(Note) Amortization expense for Intangible assets is included in Cost of sales and Selling, general and administrative expenses in the consolidated statement of comprehensive income.

		Millions of yen				
		Intangible assets				
Carrying Amount	Goodwill	Software	Customer-related intangible assets (Note)	Technology-based intangible assets (Note)	Other	Total
As of April 1, 2023	5,387	15,541	211	-	4,284	20,037
As of March 31, 2024	5,830	18,210	163	-	2,861	21,236
As of March 31, 2025	41,894	22,747	45,064	8,686	4,025	80,522

		Thousands of U.S. dollars				
		Intangible assets				
Carrying Amount	Goodwill	Software	Customer-related intangible assets (Note)	Technology-based intangible assets (Note)	Other	Total
As of March 31, 2024	39,052	121,981	1,091	-	19,164	142,251
As of March 31, 2025	280,631	152,372	301,865	58,184	26,961	539,384

(Note) Significant intangible assets are customer-related intangible assets and technology-based intangible assets recognized in the current fiscal year as a result of the business combination with Fiery. The carrying amounts of these assets are ¥44,973 million ($301,255 thousand) and ¥8,686 million ($58,184 thousand), and the remaining amortization years of these assets are 15.0 to 15.8 years and 8.3 years, respectively.

15. Investment Property

(1) Schedule of Investment Property

The schedule of the carrying amount of “Investment property” is as follows:

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31,		Year ended March 31,
	2024	2025	2025
Balance at the beginning of the year	1,097	1,103	7,388
Transfer from (to) property, plant and equipment	7	249	1,667
Depreciation expense	(1)	(2)	(13)
Impairment losses	-	(233)	(1,560)
Sale or disposal	-	(7)	(46)
Exchange differences on translation of foreign operations	0	0	0
Balance at the end of the year	1,103	1,110	7,435
Breakdown of “Balance at the beginning of the year”			
Cost	3,096	3,125	20,933
Accumulated depreciation and accumulated impairment losses	(1,999)	(2,021)	(13,537)
Total	1,097	1,103	7,388
Breakdown of “Balance at the end of the year”			
Cost	3,125	4,036	27,035
Accumulated depreciation and accumulated impairment losses	(2,021)	(2,926)	(19,600)
Total	1,103	1,110	7,435

(2) Fair Value

The carrying amount and the fair value of “Investment property” are as follows:

	Millions of yen				Thousands of U.S. dollars	
	March 31, 2024		March 31, 2025		March 31, 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Investment property	1,103	2,557	1,110	2,330	7,435	15,607

The fair value of investment property is determined on the basis of a valuation conducted by an external real estate appraiser. The valuation is made in accordance with the income approach using Level 3 inputs which include the future cash flow.

16. Impairment of Non-financial Assets

(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.

Total amount of impairment losses recognized for the year ended March 31, 2024 is ¥1,339 million, mainly comprised "Land, buildings and structures" of ¥551 million, "Machinery and equipment" of ¥423 million and "Tools, furniture and fixtures" of ¥346 million.
Impairment loss recognized in the year ended March 31, 2024, 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 because it is expected to take time to improve its profitability, due to changes in the market environment, such as economic stagnation and the rise of local manufacturers in China, as well as continued investments in human capital for its business growth. An impairment loss of ¥606 million is recognized. The recoverable amount of ¥5,044 million 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.

Total amount of impairment losses recognized for the year ended March 31, 2025 is ¥1,256 million ($8,413 thousand), mainly comprised "Other" intangible assets of ¥336 million ($2,250 thousand), "Buildings and structures" of ¥284 million ($1,902 thousand), "Investment property" of ¥233 million ($1,560 thousand) and "Construction in progress" of ¥231 million ($1,547 thousand).
Impairment loss recognized in the year ended March 31, 2025, 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 mainly caused by the slow recovery of markets in China and other major sales regions. An impairment loss of ¥777 million ($5,204 thousand) is recognized. The recoverable amount of ¥4,070 million ($27,263 thousand) 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.

Impairment losses are recognized as "Other operating expense" in the consolidated statement of comprehensive income.

(2) Impairment Test of Goodwill

Goodwill arising from business combinations is allocated on the acquisition date to the cash-generating unit that is expected to benefit from the business combination, and the total carrying amount of goodwill as of March 31, 2025 is ¥41,894 million ($280,631 thousand), compared to ¥5,830 million as of March 31, 2024.
The significant component of this goodwill is the goodwill relates to the Fiery business resulting from the business combination in the current fiscal year, with a carrying amount of ¥36,103 million ($241,839 thousand) as of March 31, 2025.
The impairment test is performed by comparing the carrying amount of the cash-generating unit, including the goodwill with its recoverable amount, and if the recoverable amount falls below the carrying amount, an impairment loss is recognized. The recoverable amount is determined based on the value in use, which is calculated by discounting the estimated future cash flows to the present value using a discount rate that takes into account the weighted average cost of capital.
In measuring the future cash flows, Epson bases cash flow projections on the business plans and other forecasts approved by management. These plans are formulated using assumptions such as revenue growth rates and gross profit ratios, based on past experience and external information. The maximum period for the formulation is five years, and in case further estimates are required in subsequent periods, long-term growth rate and other factors are set taking future uncertainties into consideration.
The pretax discount rate and long-term growth rate used to calculate the value in use for the year ended March 31, 2025 are 14.0% and 2.1%, respectively.
As a result of the impairment test performed for the year ended March 31, 2025, no impairment loss on goodwill related to the Fiery business is recognized since the recoverable amount exceeds the carrying amount. Even if the key assumptions used to calculate the value in use were to change within a reasonably foreseeable range, it is considered unlikely that the recoverable amount would fall below the carrying amount.

17. Income Taxes

(1) Deferred Tax Assets and Deferred Tax Liabilities

The breakdown of "Deferred tax assets" and "Deferred tax liabilities" by major causes of their occurrence are as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2024	2025	2025
Inventories	22,826	25,467	170,593
Fixed assets	7,385	15,305	102,522
Accrued bonus	6,716	8,311	55,672
Lease liabilities	8,080	7,575	50,741
Post-employment benefits	7,306	6,583	44,096
Carryforward of unused tax losses	3,230	1,884	12,620
Other	27,144	32,501	217,711
Total deferred tax assets	82,691	97,630	653,983
Undistributed profit	(24,198)	(23,359)	(156,472)
Fixed assets	(6,284)	(19,298)	(129,269)
Post-employment benefits	(13,114)	(12,091)	(80,992)
Right-of-use assets	(7,750)	(7,226)	(48,404)
Other	(4,379)	(4,756)	(31,858)
Total deferred tax liabilities	(55,727)	(66,732)	(447,010)
Net deferred tax assets	26,963	30,898	206,973

The schedule of the net amount of deferred tax assets and liabilities are as follows:

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31,		Year ended March 31,
	2024	2025	2025
Balance at the beginning of the year	24,888	26,963	180,614
Recognized through profit or loss	5,170	8,436	56,509
Recognized in other comprehensive income	(5,479)	1,526	10,222
Changes from business combinations	-	(5,397)	(36,152)
Other (Note)	2,383	(630)	(4,220)
Balance at the end of the year	26,963	30,898	206,973

(Note) "Other" includes exchange differences on transaction of foreign operations.

Epson assesses its ability to utilize carryforward of unused tax losses in future periods based on the Mid-Range Business Plan and financial forecasts approved by the Board of Directors annually. This takes account of Epson's medium and long-term strategy and financial plans and the expected future economic outlook. The ability to utilize deductible temporary differences and carryforward of unused tax losses in future periods for recognizing deferred tax assets also takes account of material tax adjusting items, the expected future taxable income and the period (if any) in which carryforward of unused tax losses might expire. Epson believes that the recognized deferred tax assets are probable and the tax benefits can be realized based on the prior taxable income and the expected future taxable income when the deferred tax assets can be recognized.

Epson does not recognize deferred tax assets for some carryforward of unused tax losses and some deductible temporary differences. Epson reduces the amount of the deferred tax assets to the extent that it is no longer probable that the tax benefits can be realized based on an individual analysis of each company's condition as a result of assessing the recoverability of the deferred tax assets.

The amounts of carryforward of unused tax losses, for which deferred tax assets have not been recognized, as of March 31, 2024 and 2025, are ¥15,643 million and ¥13,546 million ($90,739 thousand), respectively. The amounts of deductible temporary differences, for which deferred tax assets have not been recognized, as of March 31, 2024 and 2025, are ¥75,181 million and ¥83,609 million ($560,062 thousand), respectively. The deductible temporary differences are not expired under present tax laws. The expiration schedule of carryforward of unused tax losses is as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2024	2025	2025
1st year	-	-	-
2nd year	-	-	-
3rd year	-	-	-
4th year	-	-	-
5th year and thereafter or indefinite periods	15,643	13,546	90,739
Total	15,643	13,546	90,739

Epson has no taxable temporary differences associated with investments in subsidiaries for which deferred tax liabilities have not been recognized as of March 31, 2024 and 2025.

(2) Tax Expense

"Tax expense" recognized as an expense is as follows:

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31,		Year ended March 31,
	2024	2025	2025
Current tax expense	(22,644)	(31,650)	(212,010)
Deferred tax expense	5,170	8,436	56,509
Total	(17,473)	(23,214)	(155,501)

Deferred tax expense increase by ¥79 million and decrease by ¥264 million ($1,768 thousand) due to the effect of changes in applicable tax rates for the year ended March 31, 2024 and 2025, respectively.
Current tax expense and deferred tax expense include the benefit arising from a previously unrecognized tax loss, tax credit or temporary difference of a prior period, and expenses or benefits arising from write-downs of deferred tax assets or the reversal of previous write-downs of deferred tax assets. Due to these effects, the current tax expense and the deferred tax expense increase by ¥17 million and increase by ¥668 million ($4,474 thousand) for the years ended March 31, 2024 and 2025, respectively.

(3) Reconciliation of the Effective Tax Rate

The breakdown of major items that caused differences between the effective statutory tax rate and the actual tax rate is as follows.
Epson is subject mainly to corporate tax, inhabitant tax, and enterprise tax, and the effective statutory tax rates calculated based on these taxes are 30.5% for the years ended March 31, 2024 and 2025 respectively. Foreign subsidiaries are subject to income tax at their locations.

	%	
	Year ended March 31, 2024	Year ended March 31, 2025
Effective statutory tax rate	30.5	30.5
Different tax rates applied to foreign subsidiaries	(2.9)	(1.4)
Expenses not deductible for tax purposes	1.2	4.0
Reassessment of recoverability of deferred tax assets	0.0	0.9
Tax credits	(2.2)	(5.5)
Changes in applicable tax rates	0.1	(0.3)
Other	(1.7)	1.5
Actual tax rate	24.9	29.6

(4) Global Minimum Tax

In Japan, where the Company is located, a tax reform act “Act for Partial Revision of the Income Tax Act, etc. (Act No. 3 of 2023)” that includes the relevant regulations for the global minimum tax was enacted in March 2023. As a result, if the tax burden in certain overseas subsidiaries falls below the minimum tax rate (15%), the Company, as a parent company, is subject to additional taxation for the shortfall.
The additional corporate income tax arising from this rule has been recorded as a current tax expense, but the impact on the consolidated financial statements is insignificant.

18. Trade and Other Payables

The breakdown of “Trade and other payables” is as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2024	2025	2025
Notes and trade payables	89,461	92,979	622,828
Other payables	70,366	65,106	436,118
Total	159,827	158,085	1,058,947

Trade and other payables are classified as financial liabilities measured at amortized cost.

19. Bonds issued, Borrowings and Lease liabilities

(1) Breakdown of Bonds issued, Borrowings and Lease liabilities

The breakdown of "Bonds issued, borrowings and lease liabilities" is as follows:

	Millions of yen		Thousands of U.S. dollars	%	Due
	March 31,		March 31,	Average interest rate (Note 1)	
	2024	2025	2025		
Current borrowings	589	-	-	-	-
Current portion of non-current borrowings	8,998	29,997	200,937	0.26	-
Current portion of bonds issued (Note 2)	9,996	39,989	267,870	(Note 2)	(Note 2)
Non-current borrowings	39,481	9,494	63,596	0.63	2027
Bonds issued (Note 2)	109,784	109,707	734,882	(Note 2)	(Note 2)
Lease liabilities	35,932	35,520	237,934	2.42	2025 to 2068
Total	204,783	224,709	1,505,234		
Current liabilities	29,688	80,214	537,321		
Non-current liabilities	175,095	144,494	967,907		
Total	204,783	224,709	1,505,234		

(Note 1) Average interest rates are the weighted average interest rates for the balances at the end of the reporting period.

(Note 2) The summary of issuing conditions of the bonds issued is as follows:

Company	Name of bonds issued	Issue date	% interest rate	Collateral	Maturity date	Millions of yen March 31, 2024	Millions of yen March 31, 2025	Thousands of U.S. dollars March 31, 2025
The Company	The 15th Series unsecured straight bonds issued (with inter-bond pari passu clause)	Sep 21, 2016	0.340	Non	Sep 18, 2026	10,000	10,000	66,985
The Company	The 16th Series unsecured straight bonds issued (with inter-bond pari passu clause)	Sep 6, 2017	0.260	Non	Sep 6, 2024	10,000 (10,000)	-	-
The Company	The 17th Series unsecured straight bonds issued (with inter-bond pari passu clause)	Sep 6, 2017	0.360	Non	Sep 6, 2027	10,000	10,000	66,985
The Company	The 18th Series unsecured straight bonds issued (with inter-bond pari passu clause)	Jul 19, 2019	0.200	Non	Jul 17, 2026	10,000	10,000	66,985
The Company	The 19th Series unsecured straight bonds issued (with inter-bond pari passu clause)	Jul 19, 2019	0.300	Non	Jul 19, 2029	20,000	20,000	133,971
The Company	The 21st Series unsecured straight bonds issued (with inter-bond pari passu clause) (Green bonds)	Jul 16, 2020	0.230	Non	Jul 16, 2025	40,000	40,000 (40,000)	267,943 (267,943)
The Company	The 22nd Series unsecured straight bonds issued (with inter-bond pari passu clause) (Green bonds)	Jul 16, 2020	0.450	Non	Jul 16, 2030	20,000	20,000	133,971
The Company	The 23rd Series unsecured straight bonds issued (with inter-bond pari passu clause)	Dec 12, 2024	0.921	Non	Dec 10, 2027	-	20,000	133,971
The Company	The 24th Series unsecured straight bonds issued (with inter-bond pari passu clause)	Dec 12, 2024	1.039	Non	Dec 12, 2029	-	20,000	133,971
						120,000 (10,000)	150,000 (40,000)	1,004,789 (267,943)

*The figures in parentheses represent the current portion of bonds issued.

Bonds issued, borrowings and lease liabilities are classified as financial liabilities measured at amortized cost. There are no financial covenants on bonds issued and borrowings that have a significant impact on Epson's financing activities.

(2) Reconciliation of Liabilities arising from Financing Activities

The schedule of "Liabilities arising from Financing Activities" is as follows:

	Millions of yen				
	Current borrowings	Non-current borrowings	Bonds issued	Lease liabilities	Total
As of April 1, 2023	-	48,467	149,689	35,124	233,281
Changes from cash flows	502	-	(30,000)	(10,033)	(39,531)
Non-cash changes					
New leases	-	-	-	9,637	9,637
Foreign exchange movement	87	-	-	3,353	3,440
Other	-	12	91	(2,150)	(2,045)
As of March 31, 2024	589	48,480	119,781	35,932	204,783
Changes from cash flows	(567)	(9,000)	29,823	(10,989)	9,266
Non-cash changes					
New leases	-	-	-	10,477	10,477
Foreign exchange movement	(21)	-	-	(524)	(546)
Other	-	11	91	624	727
As of March 31, 2025	-	39,492	149,696	35,520	224,709

	Thousands of U.S. dollars				
	Current borrowings	Non-current borrowings	Bonds issued	Lease liabilities	Total
As of March 31, 2024	3,945	324,747	802,364	240,693	1,371,758
Changes from cash flows	(3,798)	(60,287)	199,772	(73,610)	62,069
Non-cash changes					
New leases	-	-	-	70,181	70,181
Foreign exchange movement	(140)	-	-	(3,510)	(3,657)
Other	-	73	609	4,179	4,869
As of March 31, 2025	-	264,540	1,002,753	237,934	1,505,234

"Non-current borrowings" and "Bonds issued" in the tables above include their current portion.

20. Provisions

The breakdown and the schedule of “Provisions” are as follows:

FY2023: Year ended March 31, 2024

	Millions of yen				
	Provision for product warranties	Asset retirement obligations	Provision for loss on litigation	Other provisions	Total
As of April 1, 2023	13,636	3,790	565	1,586	19,579
Arising during the year	4,448	160	247	1,563	6,419
Increase due to business combinations	-	-	-	-	-
Utilized	(3,769)	(113)	(162)	(604)	(4,649)
Unused amounts reversed	(1,101)	-	(77)	(110)	(1,289)
Exchange differences on translation of foreign operations	1,354	104	71	(30)	1,500
As of March 31, 2024	14,567	3,942	645	2,404	21,560
Current liabilities	10,708	133	543	1,318	12,703
Non-current liabilities	3,858	3,809	101	1,086	8,856
Total	14,567	3,942	645	2,404	21,560

FY2024: Year ended March 31, 2025

	Millions of yen				
	Provision for product warranties	Asset retirement obligations	Provision for loss on litigation	Other provisions	Total
As of April 1, 2024	14,567	3,942	645	2,404	21,560
Arising during the year	5,428	358	112	5,063	10,962
Increase due to business combinations	234	-	-	-	234
Utilized	(4,347)	(251)	(172)	(2,233)	(7,003)
Unused amounts reversed	(819)	-	-	(58)	(877)
Exchange differences on translation of foreign operations	(210)	(12)	(5)	(62)	(291)
As of March 31, 2025	14,853	4,036	580	5,114	24,584
Current liabilities	10,965	513	460	1,289	13,228
Non-current liabilities	3,888	3,523	119	3,824	11,356
Total	14,853	4,036	580	5,114	24,584

FY2024: Year ended March 31, 2025

	Thousands of U.S. dollars				
	Provision for product warranties	Asset retirement obligations	Provision for loss on litigation	Other provisions	Total
As of April 1, 2024	97,578	26,405	4,320	16,103	144,421
Arising during the year	36,359	2,398	750	33,914	73,430
Increase due to business combinations	1,567	-	-	-	1,567
Utilized	(29,118)	(1,681)	(1,152)	(14,957)	(46,910)
Unused amounts reversed	(5,486)	-	-	(388)	(5,874)
Exchange differences on translation of foreign operations	(1,406)	(80)	(33)	(415)	(1,949)
As of March 31, 2025	99,494	27,035	3,885	34,256	164,678
Current liabilities	73,450	3,436	3,081	8,634	88,609
Non-current liabilities	26,044	23,599	797	25,615	76,069
Total	99,494	27,035	3,885	34,256	164,678

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. Most of these expenditures are expected to be paid in the next fiscal year.

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. These expenditures are expected to be paid mainly after five years or more. However, they may be affected by future business plans.

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. Most of these expenditures are expected to be paid in the next fiscal year.

21. Lease

(1) Lease as lessee

Epson enters into contracts mainly for real estate of business office and warehouse and other as a lessee. Extension and termination options are mainly included in leases of real estate, and these options are used by the lessee as necessary to utilize real estate.

The schedule of the carrying amount of “Right-of-use asset” is as follows:

	Millions of yen			
	Land, buildings and structures	Machinery, equipment and vehicles	Tools, furniture and fixtures	Total
As of March 31, 2023	37,158	2,346	695	40,200
Individual acquisition	7,785	1,616	222	9,624
Acquisition through business combinations	-	-	-	-
Depreciation	(9,218)	(1,218)	(371)	(10,808)
Exchange differences on translation of foreign operations	3,744	232	15	3,992
Other	(2,009)	(79)	(13)	(2,102)
As of March 31, 2024	37,461	2,896	549	40,907
Individual acquisition	8,526	1,570	368	10,465
Acquisition through business combinations	1,440	-	-	1,440
Depreciation	(9,857)	(1,355)	(338)	(11,551)
Exchange differences on translation of foreign operations	(420)	(8)	0	(428)
Other	(728)	(51)	-	(780)
As of March 31, 2025	36,421	3,051	579	40,051

	Thousands of U.S. dollars			
	Land, buildings and structures	Machinery, equipment and vehicles	Tools, furniture and fixtures	Total
As of March 31, 2024	250,936	19,399	3,677	274,019
Individual acquisition	57,112	10,516	2,465	70,100
Acquisition through business combinations	9,645	-	-	9,645
Depreciation	(66,028)	(9,076)	(2,264)	(77,375)
Exchange differences on translation of foreign operations	(2,813)	(53)	0	(2,866)
Other	(4,876)	(341)	-	(5,224)
As of March 31, 2025	243,969	20,437	3,878	268,285

The breakdown of profit or loss related to lease transactions is as follows:

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31,		Year ended March 31,
	2024	2025	2025
Interest expenses paid for lease liabilities	(821)	(927)	(6,209)
Short-term leases	(6,114)	(6,278)	(42,053)
Low-value leases	(59)	(127)	(850)
Variable leases	(595)	(710)	(4,756)

The maturity analysis of lease liabilities is stated in "35. Financial Instruments (4) Liquidity Risk."

(2) Lease as lessor

(A) Finance lease
Epson, as a lessor of finance leases, mainly leases Epson products to third parties.
Income from finance leases is ¥2,811 million and ¥4,373 million ($29,292 thousand) for the years ended March 31, 2024 and 2025, respectively. The lease receipt periods are mainly one year, therefore, the amount of lease receivables longer than one year is immaterial. There are no significant changes in the carrying amount of the net investment in the lease. In addition, there are no material amounts related to unearned finance income or discounted unguaranteed residual values.

(B) Operating lease
Epson, as a lessor of operating leases, mainly leases Epson products and certain properties to third parties.
Income from operating leases is ¥1,002 million and ¥2,002 million ($13,410 thousand) for the years ended March 31, 2024 and 2025, respectively.
The information on maturity analysis of future lease payments receivable is omitted, as the amount is not material.

22. Other Liabilities

The breakdown of "Other liabilities" is as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2024	2025	2025
Accrued expense	27,094	29,662	198,693
Accrued bonus	29,775	36,039	241,410
Accrued employee's unused paid vacations	31,381	31,587	211,588
Contract liabilities	30,742	35,045	234,752
Refund liabilities	37,811	41,847	280,316
Other	19,723	20,469	137,113
Total	176,529	194,652	1,303,895
Current liabilities	159,163	173,772	1,164,028
Non-current liabilities	17,365	20,880	139,866
Total	176,529	194,652	1,303,895

23. Post-employment Benefits

The Company and some Japanese subsidiaries have the following defined benefit plans: defined benefit corporate pension plans and lump-sum severance plans. In addition, they also have defined contribution plans.
Some overseas subsidiaries have defined benefit plans and defined contribution plans.
Epson's major defined benefit plans are administrated by the Corporate Pension Fund (the "Fund") in accordance with the Defined-Benefit Corporate Pension Act (Act No. 50 of 2001).
The benefits of defined benefit plans are determined based on conditions, such as years of service, the salary proportional method based on average employee salaries for services or final base salaries for retirement benefits and a funded method based on the points employees have earned for each year of service.
The Fund has a Board of Representatives consisting of representatives of the Company and its Japanese subsidiaries and representatives of the plan participants in accordance with the rules of the Fund. The Board of Representatives is responsible for changes in the rules of the Fund, dismissal of the board members including members who execute operations related to the administration and investment of pension reserves for the Fund, and resolutions of the business report and the closing of account.

The decision to implement pension buy-out for the primary pension plan for the subsidiaries located in the U.K. was made. In the year ended March 31, 2024, in preparation for the pension buy-out, a portion of plan assets held by the pension plan had been contributed to the insurance company and Epson concluded an insurance agreement with the insurance company that ensures the receipt of an amount of money equivalent to pension benefits for pensioners in the future (pension buy-in). The pension buy-out is scheduled to be implemented during the fiscal year 2025.
With the implementation of pension buy-in, the pension plan was released from the risk of management of plan assets and the risk of increase in defined benefit obligations due to a rise in longevity of pensioners and other factors. However, if the insurance company does not pay employee benefits stipulated in the insurance policy to employees, Epson continues to have legal or constructive obligations to make an additional payment.

(1) Reconciliation of Defined Benefit Obligations and Plan Assets

The reconciliation of the defined benefit obligations and plan assets to the net defined benefit liabilities (assets) recognized in the consolidated statement of financial position are as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2024	2025	2025
Funded defined benefit obligations	279,112	257,068	1,721,994
Plan assets	(298,065)	(294,192)	(1,970,673)
Subtotal	(18,952)	(37,124)	(248,678)
Unfunded defined benefit obligations	9,382	10,094	67,615
Effect of the asset ceiling	18,863	42,618	285,480
Net defined benefit liabilities (assets) recognized in the consolidated statement of financial position	9,293	15,588	104,417

Net defined benefit liabilities	13,836	15,765	105,603
Net defined benefit assets	(4,543)	(177)	(1,185)
Net defined benefit liabilities (assets) recognized in the consolidated statement of financial position	9,293	15,588	104,417

(2) Schedule of Defined Benefit Obligations

The schedule of the defined benefit obligations is as follows:

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31,		Year ended March 31,
	2024	2025	2025
Balance at the beginning of the year	295,666	288,494	1,932,504
Service cost	9,066	8,485	56,837
Interest cost	5,227	5,807	38,898
Remeasurement			
Actuarial gains and losses arising from changes in demographic assumptions	141	(196)	(1,312)
Actuarial gains and losses arising from changes in financial assumptions	(11,849)	(23,061)	(154,476)
Past service cost and losses (gains) arising from settlements	-	811	5,432
Exchange differences on translation of foreign operations	3,706	(498)	(3,335)
Benefits paid	(13,464)	(13,015)	(87,182)
Effect of business combinations	-	334	2,237
Balance at the end of the year	288,494	267,162	1,789,610

(3) Schedule of Plan Assets

The schedule of the plan assets is as follows.

Epson's major defined benefit plans are regulated by maintaining a balance between the pension obligations and plan assets through reviewing the financial condition of the fund that affects future benefits.

Epson plans to pay contributions of ¥5,742 million ($38,463 thousand) for the year ending March 31, 2026.

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31,		Year ended March 31,
	2024	2025	2025
Balance at the beginning of the year	283,950	298,065	1,996,617
Interest income	4,457	5,377	36,018
Remeasurement			
Return on plan assets (Note)	8,364	(3,823)	(25,608)
Exchange differences on translation of foreign operations	2,908	64	428
Contributions by the employer	10,469	5,790	38,784
Contributions by plan participants	1,079	1,070	7,167
Benefits paid	(13,164)	(12,363)	(82,814)
Effect of business combinations	-	11	73
Balance at the end of the year	298,065	294,192	1,970,673

(Note) Return on plan assets for the year ended March 31, 2024 included the difference of (¥4,270) million from the remeasurement of plan assets at fair value due to the pension buy-in.

(4) Effect of Asset Ceiling

The effect of the asset ceiling is as follows:

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31,		Year ended March 31,
	2024	2025	2025
Balance at the beginning of the year	-	18,863	126,355
Interest income	-	324	2,170
Remeasurement			
Effect of changes in the asset ceiling	18,863	23,430	156,948
Balance at the end of the year	18,863	42,618	285,480

(5) Breakdown of Plan Assets

The breakdown of plan assets by major category is as follows.
In plan assets, there are no transferable financial instruments, real estate held by Epson or other assets used by Epson.

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2024	2025	2025
Investments quoted in active markets			
Equity securities	15,237	7,841	52,523
Bonds receivable	188	197	1,319
Alternative investments (Note 1)	428	458	3,067
Cash and deposits	1,874	1,872	12,539
Other	3,835	3,540	23,713
Total	21,563	13,910	93,177
Investments unquoted in active markets			
Pooled funds (Equity securities)	45,103	45,460	304,518
Pooled funds (Bonds receivable)	47,252	54,998	368,409
General accounts of life insurance companies (Note 2)	135,648	131,977	884,060
Alternative investments (Note 1)	31,689	33,134	221,951
Other (Note 3)	16,808	14,710	98,536
Total	276,501	280,282	1,877,496

(Note 1) Alternative investments are the investments through hedge funds, multi-asset funds, securitization funds and other funds.
(Note 2) A certain interest rate and principal for the general accounts of life insurance companies are guaranteed by life insurance companies.
(Note 3) The amounts of ¥16,808 million shown in “Other” for the year ended March 31, 2024 and ¥14,710 million ($98,536 thousand) for the year ended March 31, 2025 are both related to insurance contracts for pension buy-in.

The investment strategy for Epson’s plan assets is as follows:
Epson’s plan assets under defined benefit plans are managed in accordance with the rules of the Fund for securing stable returns in the medium and long-term in order to ensure the redemption of the defined benefit obligations. Epson sets the asset mix policy through performing pension ALM, which is combined management of assets and liabilities by an external agency to secure stable returns. Epson invests plan assets consistently with the asset mix policy.

(6) Matters Related to Actuarial Assumptions

The major item of actuarial assumptions is as follows:

	%	
	March 31, 2024	March 31, 2025
Discount rate	2.2	2.8

The valuation of defined benefit obligations reflects judgments on uncertain future events. The sensitivities of defined benefit obligations due to changes of 1% in the discount rate as of March 31, 2025 are as follows. Each of these sensitivities assumes that other variables remain fixed. Negative figures show a decrease in the defined benefit obligations, while positive figures show an increase.

	Millions of yen	Thousands of U.S. dollars
	March 31, 2025	March 31, 2025
Discount rate (1% increase)	(30,425)	(203,804)
Discount rate (1% decrease)	35,014	234,544

The weighted-average duration of the defined benefit obligations on March 31, 2025 is 13.0 years.

(7) Defined Contribution Plans

Expenses for the defined contribution plans are ¥24,477 million and ¥24,384 million ($163,338 thousand) for the years ended March 31, 2024 and 2025, respectively.

24. Equity and Other Equity Items

(1) Share Capital and Capital Surplus

The schedule of the number of authorized shares, issued shares, the amount of “Share capital” and “Capital surplus” is as follows:

	a share	a share	Millions of yen		Thousands of U.S. dollars	
	Number of authorized shares (Note 1)	Number of ordinary shares issued (Note 1)	Share capital	Capital surplus	Share capital	Capital surplus
As of April 1, 2023	1,214,916,736	385,022,278	53,204	83,979		
Increase (decrease)	-	-	-	62		
As of March 31, 2024	1,214,916,736	385,022,278	53,204	84,042	356,392	562,963
Increase (decrease) (Note 2)	-	(11,449,126)	-	(138)	-	(924)
As of March 31, 2025	1,214,916,736	373,573,152	53,204	83,904	356,392	562,039

(Note 1) The shares issued by the Company are ordinary shares with no par value that have no restriction on any content of rights.
(Note 2) The decrease in the number of shares issued during the year ended March 31, 2025 is due to the cancellation of treasury shares.

(2) Treasury Shares

The schedule of the number of treasury shares and the corresponding amount is as follows:

	a share	Millions of yen	Thousands of U.S. dollars
	Number of treasury shares	Amount	Amount
As of April 1, 2023	53,506,635	55,586	
Increase (decrease) (Note 1)	(107,723)	(131)	
As of March 31, 2024 (Note 3)	53,398,912	55,455	371,470
Increase (decrease) (Note 2)	(169,663)	14,805	99,172
As of March 31, 2025	53,229,249	70,260	470,643

(Note 1) Net decrease in the number of treasury shares during the year ended March 31, 2024 resulted from:

the disposal of treasury shares as restricted stock compensation	(75,422) shares
the delivery to beneficiaries of BIP trust	(33,085) shares
the purchase of odd shares	784 shares

(Note 2) Net decrease in the number of treasury shares during the year ended March 31, 2025 resulted from:

the cancellation of treasury shares by resolution of the Board of Directors[1&2]	(11,449,126) shares
the repurchase of treasury shares by resolution of the Board of Directors[3]	11,372,200 shares
the disposal of treasury shares as restricted stock compensation	(61,091) shares
the delivery to beneficiaries of BIP trust	(32,244) shares
the purchase of odd shares	598 shares

(Note 3) The number of treasury shares as of March 31, 2024 includes 109,170 shares held by BIP trust.

[1] Cancellation of treasury shares
At a meeting of its Board of Directors held on September 27, 2024, the Company resolved on a cancellation of treasury shares pursuant to Article 178 of the Companies Act of Japan, and implemented the cancellation of treasury shares.

Class of shares to be cancelled	Ordinary shares
Total number of retirement shares	76,926 shares
Date of cancellation	October 2, 2024

[2] Cancellation of treasury shares
At a meeting of its Board of Directors held on March 13, 2025, the Company resolved on a cancellation of treasury shares pursuant to Article 178 of the Companies Act of Japan, and implemented the cancellation of treasury shares.

Class of shares to be cancelled	Ordinary shares
Total number of retirement shares	11,372,200 shares
Date of cancellation	March 28, 2025

[3] Repurchase of treasury shares
At a meeting of its Board of Directors held on April 26, 2024, the Company resolved on a share repurchase and its specific repurchase procedures pursuant to Article 156 of the Companies Act of Japan as applied pursuant to Article 165, Paragraph 3 of the same act, and implemented the share repurchase. Details of the share repurchase undertaken are as follows.

Details of the resolution at Board of Directors held on April 26, 2024 is as follows:

Class of shares to be repurchased	Ordinary shares
Total number of repurchasable shares	17 million (maximum) (5.12% of the total number of issued shares (excluding treasury share))
Total repurchase amount	30,000 million yen (maximum)
Repurchase period	July 18, 2024 to March 31, 2025
Repurchase method	Purchase on the Tokyo Stock Exchange (By securities company using discretionary method)

Total number of shares repurchased based on resolution of aforementioned Board of Directors' meeting is as follows:

Class of shares to be repurchased	Ordinary shares
Total number of repurchasable shares	11,372,200 shares
Total repurchase amount	29,999,999,800 yen
Repurchase period	July 18, 2024 to February 17, 2025
Repurchase method	Purchase on the Tokyo Stock Exchange (By securities company using discretionary method)

(3) Capital Surplus
The Companies Act of Japan provides that no less than 50% of the paid-in amount or proceeds of issuance of shares shall be incorporated in share capital, and that the remaining shall be incorporated in legal capital surplus. Legal capital surplus may be incorporated in share capital upon approval of the shareholders' meeting.

(4) Retained Earnings
The Companies Act of Japan provides that earnings in an amount equal to 10% of dividends from retained earnings shall be appropriated as a legal capital surplus or legal retained earnings until an aggregated amount of legal capital surplus and legal retained earnings equals 25% of share capital. Legal retained earnings may be used to eliminate or reduce a deficit and be reversed upon approval of the shareholders' meeting.

(5) Other Components of Equity

(A) Remeasurement of net defined benefit liabilities (assets)
This comprises actuarial gains and losses in the present value of the defined benefit obligation and the return on plan assets excluding amounts included in net interest on the net defined benefit liabilities (assets). The amount is recognized as other comprehensive income and is transferred immediately from other components of equity to retained earnings.

(B) Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income
This is the valuation difference in fair value of financial assets measured at fair value through other comprehensive income.

(C) Exchange differences on translation of foreign operations
This is a foreign currency translation difference that occurs when Epson consolidates financial statements of foreign operations prepared in foreign currencies.

(D) Net changes in fair value of cash flow hedges
Epson uses derivatives for hedging to avoid the risk of fluctuation in future cash flows. This is the effective portion of changes in fair value of derivative transactions designated as cash flow hedges.

25. Dividends

Dividends paid are as follows:

FY2023: Year ended March 31, 2024

(Resolution)	Class of shares	Millions of yen Total dividends	Yen Dividends per share	Basis date	Effective date
Annual Shareholders Meeting (June 27, 2023)	Ordinary shares	(Note1) 13,597	41	March 31, 2023	June 28, 2023
Board of Directors Meeting (October 27, 2023)	Ordinary shares	(Note2) 12,274	37	September 30, 2023	November 30, 2023

(Note 1) The amount of dividends includes dividends of ¥5 million corresponding to the Company’s shares held by BIP trust.
(Note 2) The amount of dividends includes dividends of ¥4 million corresponding to the Company’s shares held by BIP trust.

FY2024: Year ended March 31, 2025

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

(Note) The amount of dividends includes dividends of ¥4 million corresponding to the Company’s shares held by BIP trust.

FY2024: Year ended March 31, 2025

(Resolution)	Class of shares	Thousands of U.S. dollars Total dividends	U.S. dollars Dividends per share	Basis date	Effective date
Annual Shareholders Meeting (June 25, 2024)	Ordinary shares	(Note) 82,218	0.24	March 31, 2024	June 26, 2024
Board of Directors Meeting (November 1, 2024)	Ordinary shares	81,066	0.24	September 30, 2024	November 29, 2024

(Note) The amount of dividends includes dividends of $26 thousand corresponding to the Company’s shares held by BIP trust.

Dividends whose effective dates fall in the next year are as follows:

FY2023: Year ended March 31, 2024

(Resolution)	Class of shares	Millions of yen Total dividends	Yen Dividends per share	Basis date	Effective date
Annual Shareholders Meeting (June 25, 2024)	Ordinary shares	(Note) 12,274	37	March 31, 2024	June 26, 2024

(Note) The amount of dividends includes dividends of ¥4 million corresponding to the Company’s shares held by BIP trust.

FY2024: Year ended March 31, 2025
The following matters are scheduled to be proposed at the Annual Shareholders Meeting held on June 26, 2025.

(Resolution)	Class of shares	Millions of yen Total dividends	Yen Dividends per share	Basis date	Effective date
Annual Shareholders Meeting (June 26, 2025)	Ordinary shares	11,852	37	March 31, 2025	June 27, 2025

FY2024: Year ended March 31, 2025

(Resolution)	Class of shares	Thousands of U.S. dollars Total dividends	U.S. dollars Dividends per share	Basis date	Effective date
Annual Shareholders Meeting (June 26, 2025)	Ordinary shares	79,391	0.24	March 31, 2025	June 27, 2025

26. Revenue

(1) Disaggregation of Revenue

The revenue of the reportable segments stated in “6. Segment Information” are disaggregated by each business. The relationship between the disaggregated revenue and the reportable segments is as follows:

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31,		Year ended March 31,
	2024	2025	2025
Printing Solutions Segment	918,656	980,148	6,565,616
Office and Home Printing business	650,833	680,478	4,558,247
Commercial and Industrial Printing business	267,936	299,760	2,007,971
Inter-segment revenue	(113)	(89)	(596)
Visual Communications Segment	217,462	203,782	1,365,053
Manufacturing-related & Wearables Segment	179,914	181,463	1,215,547
Manufacturing solutions business	24,770	22,093	147,992
Wearable products business	34,753	39,348	263,576
Microdevices business and other	104,333	103,701	694,651
PC business	19,639	20,722	138,808
Inter-segment revenue	(3,582)	(4,401)	(29,480)
Others (Note 1)	(2,035)	(2,450)	(16,411)
Total	1,313,998	1,362,944	9,129,812
Revenue recognized from contracts with customers	1,310,348	1,357,525	9,093,512
Revenue recognized from other sources (Note 2)	3,649	5,418	36,292
Total	1,313,998	1,362,944	9,129,812

(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			Thousands of U.S. dollars
	April 1, 2023	March 31, 2024	March 31, 2025	March 31, 2025
Receivables from contracts with customers	201,801	212,781	210,091	1,407,314
Contract liabilities	28,415	30,742	35,045	234,752
Current liabilities	14,814	15,364	16,606	111,236
Non-current liabilities	13,601	15,377	18,439	123,515

Contract liabilities are included in “Other current liabilities” and “Other non-current liabilities” in the consolidated statement of financial position.
Amount of revenue recognized from performance obligations satisfied (or partially satisfied) in previous periods is not material for the years ended March 31, 2024 and 2025.

(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.

27. Selling, General and Administrative Expenses

The breakdown of “Selling, general and administrative expenses” is as follows:

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31,		Year ended March 31,
	2024	2025	2025
Employee benefit expense	(147,294)	(156,858)	(1,050,728)
Research and development expense	(44,286)	(42,814)	(286,793)
Promotion expense	(33,707)	(33,433)	(223,954)
Transportation expense	(22,984)	(23,770)	(159,225)
Advertising expense	(27,261)	(23,502)	(157,430)
Depreciation and amortization	(17,189)	(19,705)	(131,995)
Service contract expense	(17,883)	(17,527)	(117,406)
Other	(81,338)	(85,823)	(574,893)
Total	(391,945)	(403,437)	(2,702,461)

28. Employee Benefit Expenses

The employee benefit expenses included in Cost of sales and Selling, general and administrative expenses in the consolidated statement of comprehensive income are as follows:

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31,		Year ended March 31,
	2024	2025	2025
Salaries and wages	(258,419)	(278,316)	(1,864,326)
Legal welfare expense	(26,951)	(29,418)	(197,059)
Welfare expense	(13,316)	(14,340)	(96,057)
Expenses of post-employment benefits			
Expense for defined contribution plans	(24,477)	(24,384)	(163,338)
Expense for defined benefit plans	(8,955)	(9,101)	(60,963)
Total	(332,120)	(355,561)	(2,381,759)

29. Other Operating Income

Other operating income in the consolidated statement of comprehensive income for the year ended March 31, 2024 includes government grant income of ¥424 million and foreign exchange gain of ¥42 million. In addition, gain on sale of scrap and other items are included but there are no individually material items.

Other operating income in the consolidated statement of comprehensive income for the year ended March 31, 2025 includes rental income of ¥958 million ($6,417 thousand) and government grant income of ¥677 million ($4,534 thousand). In addition, gain on sale of scrap and other items are included but there are no individually material items.

30. Other Operating Expense

Other operating expense in the consolidated statement of comprehensive income for the year ended March 31, 2024 includes expenses related to a pension buy-out for the primary pension plan for the subsidiaries located in the U.K. of ¥4,829 million and impairment loss of ¥1,339 million.

Other operating expense in the consolidated statement of comprehensive income for the year ended March 31, 2025 includes foreign exchange loss of ¥9,520 million ($63,770 thousand) and business restructuring expenses of ¥3,453 million ($23,130 thousand). These business restructuring expenses are mainly expenses related to the winding down of a manufacturing site in Singapore.

31. Finance Income and Finance Costs

The breakdowns of "Finance income" and "Finance costs" are as follows:

Finance Income	Millions of yen Year ended March 31,		Thousands of U.S. dollars Year ended March 31,
	2024	2025	2025
Interest income	4,559	5,726	38,356
Dividend income	405	453	3,034
Foreign exchange gain (Note 1)	10,287	-	-
Total	15,252	6,180	41,397

Finance Costs	Millions of yen Year ended March 31,		Thousands of U.S. dollars Year ended March 31,
	2024	2025	2025
Interest expense	(1,540)	(1,724)	(11,548)
Employee benefit expense (Note 2)	(769)	(754)	(5,050)
Foreign exchange loss (Note 1)	-	(311)	(2,083)
Other	(403)	(109)	(730)
Total	(2,714)	(2,900)	(19,425)

(Note 1) The increase or decrease in the fair value of currency derivatives is included in the foreign exchange gain (loss).
(Note 2) The employee benefit expense is the net amount of interest cost and interest income related to employee benefits.

32. Other Comprehensive Income

The amount arising during the year, reclassification adjustments to profit or loss and tax effects for each component of "Other comprehensive income" are as follows:

FY2023: Year ended March 31, 2024

	Millions of yen				
	Amount arising	Reclassification adjustments	Before tax effects	Tax effects	Net of tax effects
Remeasurement of net defined benefit liabilities (assets)	5,313	-	5,313	(1,921)	3,392
Net gain (loss) on revaluation of financial assets measured at FVTOCI (Note)	3,658	-	3,658	(629)	3,029
Exchange differences on translation of foreign operations	49,580	-	49,580	-	49,580
Net changes in fair value of cash flow hedges	(6,146)	7,066	920	(282)	637
Share of other comprehensive income of investments accounted for using equity method	64	-	64	-	64
Total	52,470	7,066	59,537	(2,832)	56,704

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

FY2024: Year ended March 31, 2025

	Millions of yen				
	Amount arising	Reclassification adjustments	Before tax effects	Tax effects	Net of tax effects
Remeasurement of net defined benefit liabilities (assets)	(3,677)	-	(3,677)	997	(2,680)
Net gain (loss) on revaluation of financial assets measured at FVTOCI (Note)	(575)	-	(575)	268	(306)
Exchange differences on translation of foreign operations	(4,472)	-	(4,472)	-	(4,472)
Net changes in fair value of cash flow hedges	(1,271)	1,693	421	(128)	293
Share of other comprehensive income of investments accounted for using equity method	(15)	-	(15)	-	(15)
Total	(10,012)	1,693	(8,318)	1,137	(7,181)

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

FY2024: Year ended March 31, 2025

	Thousands of U.S. dollars				
	Amount arising	Reclassification adjustments	Before tax effects	Tax effects	Net of tax effects
Remeasurement of net defined benefit liabilities (assets)	(24,630)	-	(24,630)	6,678	(17,952)
Net gain (loss) on revaluation of financial assets measured at FVTOCI (Note)	(3,851)	-	(3,851)	1,795	(2,049)
Exchange differences on translation of foreign operations	(29,956)	-	(29,956)	-	(29,956)
Net changes in fair value of cash flow hedges	(8,513)	11,340	2,820	(857)	1,962
Share of other comprehensive income of investments accounted for using equity method	(100)	-	(100)	-	(100)
Total	(67,066)	11,340	(55,718)	7,616	(48,102)

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

"Reclassification adjustments" shows the amounts of hedging instruments that are reclassified to profit or loss when the transactions of the hedged items affect profit or loss. It is mainly treated as "Revenue" in the consolidated statement of comprehensive income.

33. Earnings per Share

(1) Basis of Calculating Basic Earnings per Share

	Millions of yen				Thousands of U.S. dollars	
	Year ended March 31,				Year ended March 31,	
	2024		2025		2025	
Profit for the period attributable to owners of the parent company		52,616		55,177		369,608
Profit for the period not attributable to owners of the parent company		-		-		-
Profit used for calculation of basic earnings per share		52,616		55,177		369,608
Weighted-average number of ordinary shares outstanding (Thousands of Shares)		331,589		326,977		326,977
Basic earnings per share	(Yen)	158.68	(Yen)	168.75	($)	1.13

(2) Basis of Calculating Diluted Earnings per Share

	Millions of yen				Thousands of U.S. dollars	
	Year ended March 31,				Year ended March 31,	
	2024		2025		2025	
Profit used for calculation of basic earnings per share		52,616		55,177		369,608
Adjustments		-		-		-
Profit used for calculation of diluted earnings per share		52,616		55,177		369,608
Weighted-average number of ordinary shares outstanding (Thousands of Shares)		331,589		326,977		326,977
Effect of dilutive potential ordinary shares						
BIP trust for eligible officers (Thousands of Shares)		44		10		10
Weighted-average number of ordinary shares diluted (Thousands of Shares)		331,634		326,987		326,987
Diluted earnings per share	(Yen)	158.66	(Yen)	168.75	($)	1.13

(Note) For the purpose of calculation of basic earnings per share and diluted earnings per share, the shares of the Company held by BIP trust are accounted as treasury shares and the number of those shares are deducted from weighted-average number of ordinary shares outstanding during the period.

34. Share-based Payment

(1) Restricted Stock Compensation Plan

(A) Summary of restricted stock compensation plan
The Company has employed a framework referred to as a restricted stock compensation plan as equity-settled share-based payment plan for the Company's directors and executive officers who have been engaged by the Company (collectively referred to hereafter as "Eligible Officer(s) for RS," excluding outside directors and persons such as Audit and Supervisory Committee members who are not directly engaged in the operations of the Company, and persons residing outside Japan) with the aim of further promoting sharing of value with shareholders and providing officers with a greater incentive than before to increase the stock price, sustain growth, and increase medium- to long-term corporate value.
The plan pre-delivers restricted stock to Eligible Officers for RS under condition on the execution of their duties for a certain period.
Once a year, Eligible Officers for RS shall receive monetary remuneration claim in respect of restricted stock under the resolution of the board of directors of the Company and then will receive a delivery of restricted stock by in-kind contribution of the relevant monetary remuneration claims to the Company.
Eligible Officers for RS shall not transfer, pledge, grant security interests, gift during their lifetime, or bequeath, to any third party, or otherwise dispose of restricted stock during the period from the date of allotment to the date on which they resign or retire from their position as either a director, executive officer, or employee of the Company.
If an Eligible Officer for RS resigns or retires from his or her position as a director, executive officer, or employee of the Company during the period of executing his or her duties, or if any prescribed events occur, the Company will acquire the allotted stock without compensation, unless there are extenuating circumstances that the Company's Board of Directors deem reasonable.

(B) Number of shares granted during the year and fair value

	Year ended March 31,		Year ended March 31,
	2024	2025	2025
Grant date	July 19, 2023	July 17, 2024	July 17, 2024
Number of granted shares	75,422	61,091	61,091
Fair value at the grant date (Note)	¥2,214.5	¥2,450.5	$16

(Note) The fair value at the grant date is calculated based on the closing price of the Company's ordinary share at the Tokyo Stock Exchange as of the previous business day of the resolution of the share allotment by the Board of Directors.

(2) Performance-Linked Stock Compensation Plan

Summary of Performance-Linked Stock Compensation Plan
The Company has employed a framework referred to as BIP (Board Incentive Plan) trust as performance-linked equity-settled share-based payment plan for the Company's directors and executive officers who have been engaged by the Company (collectively referred to hereafter as "Eligible Officers for BIP," and excluding outside directors and persons such as Audit and Supervisory Committee members who are not directly engaged in the operations of the Company, and persons residing outside Japan). The plan is intended to heighten directors' sense of shared interest with shareholders and to show a commitment to sustaining growth and increasing corporate value over the medium and long-term.
The Eligible Officers for BIP are awarded a specific number of points each year based on their position and other factors (1 point = 1 share). Such points fluctuate depending on the levels of achievement of the medium and long-term operating performance targets of Epson. The vesting condition is basically for the Eligible Officers for BIP to render services for three years to a vesting date after a grant date of points.
No additional contributions had been made under the performance-linked stock compensation plan since the fiscal year ended March 2023 due to the introduction of the restricted stock compensation plan. The BIP trust was terminated following the completion in August 2024 of the delivery of the Company's common shares and the payment of cash equivalent to the value of such shares pertaining to the points already granted.

(3) Stock Compensation Expenses

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31,		Year ended March 31,
	2024	2025	2025
Restricted stock compensation	169	149	998
Performance-linked stock compensation	26	4	26
Total	195	153	1,024

35. 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 manages net interest-bearing debt, where cash and cash equivalents are deducted from interest-bearing debt, and capital (equity attributable to owners of the parent company). The amounts are as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2024	2025	2025
Interest-bearing debt	204,783	224,709	1,505,234
Cash and cash equivalents	(328,481)	(267,000)	(1,788,525)
Net interest-bearing debt	(123,697)	(42,290)	(283,283)
Capital (equity attributable to owners of the parent company)	810,992	804,752	5,390,709

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.

The carrying amount of the financial asset presented in consolidated statement of financial position is the maximum exposure related to the credit risk. Epson does not have an important exposure for a specific counterparty and there is no over-concentrated credit risk with specific controls. There are no collateral or other credit enhancements related to credit risk exposures.
For impairment of financial assets, Epson recognizes a loss allowance for expected credit losses. Epson assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. Epson determines whether the credit risk of financial instruments has increased significantly based on fluctuations in the risk of default, taking into consideration internal credit ratings, the financial condition of counterparties, and the existence of contractual breaches such as overdues.
The loss allowance for items such as trade receivables, which account for the majority of Epson's financial assets, is calculated by comprehensively measuring the lifetime expected credit losses based on historical experience rates. However, when a counterparty is in serious financial difficulty, or when objective evidence such as bankruptcy or extreme delinquency exists, Epson deems the financial assets to be credit-impaired and measures the expected credit loss individually. Epson directly reduces the gross carrying amount of a financial asset when Epson has no reasonable expectations of recovering a financial asset in its entirety or portion thereof.

The loss allowance for these financial assets is included in trade and other receivables or other financial assets in the consolidated statement of financial position.
The schedule for the allowance account for credit losses of "Trade and other receivables" and "Other financial assets" is as follows. There is no significant change in the total carrying amount in the previous or current consolidated fiscal year that would affect changes in the loss allowance.

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2024	2025	2025
Balance as of April 1	1,104	1,047	7,013
Addition	487	283	1,895
Decrease (utilized)	(358)	(93)	(622)
Decrease (reversal)	(323)	(199)	(1,333)
Other	137	(24)	(160)
Balance as of March 31	1,047	1,012	6,778

(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.
The financial liability balance (including derivative financial instruments) by maturity is as follows:

FY2023: As of March 31, 2024

Millions of yen

	Carrying amount	Contractual cash flow	Due within 1 year	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Non-derivative financial liabilities								
Trade and other payables	159,827	159,827	159,827	-	-	-	-	-
Borrowings	49,070	49,089	9,589	30,000	500	9,000	-	-
Bonds issued	119,781	120,000	10,000	40,000	20,000	10,000	-	40,000
Lease liabilities	35,932	38,702	10,711	8,295	5,900	3,922	2,755	7,116
Other	5,406	5,237	150	742	18	1,664	428	2,233
Total	370,017	372,857	190,278	79,037	26,419	24,587	3,183	49,349
Derivative financial liabilities								
Foreign exchange forward contract	2,581	2,581	2,581	-	-	-	-	-
Total	2,581	2,581	2,581	-	-	-	-	-

FY2024: As of March 31, 2025

Millions of yen

	Carrying amount	Contractual cash flow	Due within 1 year	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Non-derivative financial liabilities								
Trade and other payables	158,085	158,085	158,085	-	-	-	-	-
Borrowings	39,492	39,500	30,000	500	9,000	-	-	-
Bonds issued	149,696	150,000	40,000	20,000	30,000	-	40,000	20,000
Lease liabilities	35,520	38,408	10,988	7,717	5,535	3,994	3,539	6,633
Other	5,512	5,512	149	856	18	1,679	433	2,374
Total	388,307	391,506	239,223	29,074	44,554	5,674	43,972	29,008
Derivative financial liabilities								
Foreign exchange forward contract	1,321	1,321	1,321	-	-	-	-	-
Total	1,321	1,321	1,321	-	-	-	-	-

FY2024: As of March 31, 2025

Thousands of U.S. dollars

	Carrying amount	Contractual cash flow	Due within 1 year	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Non-derivative financial liabilities								
Trade and other payables	1,058,947	1,058,947	1,058,947	-	-	-	-	-
Borrowings	264,540	264,594	200,957	3,349	60,287	-	-	-
Bonds issued	1,002,753	1,004,789	267,943	133,971	200,957	-	267,943	133,971
Lease liabilities	237,934	257,279	73,604	51,693	37,076	26,754	23,706	44,431
Other	36,922	36,922	998	5,733	120	11,246	2,900	15,902
Total	2,601,111	2,622,540	1,602,458	194,754	298,449	38,007	294,550	194,312
Derivative financial liabilities								
Foreign exchange forward contract	8,848	8,848	8,848	-	-	-	-	-
Total	8,848	8,848	8,848	-	-	-	-	-

(5) Foreign Exchange Risk

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

(A) 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.

(B) 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.

(C) 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 (A) 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 (B) and (C), 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.
The breakdown of currency derivatives is as follows:

Derivative transactions to which hedge accounting is not applied

FY2023: As of March 31, 2024

	Millions of yen				
	Contract amount	Over one year	Carrying amount		Average rate
			Assets	Liabilities	
Foreign exchange forward contract					
Selling					
Euro (Yen buying)	18,708	-	-	1,056	153.83 JPY / EUR
Australian Dollar (Yen buying)	2,729	-	-	206	91.06 JPY / AUD
Yuan Renminbi (U.S. Dollar buying)	8,858	-	88	-	0.14 USD / CNY
Non-Deliverable Forward					
Selling					
Indian Rupee (U.S. Dollar buying)	5,446	-	-	27	0.01 USD / INR
New Taiwan Dollar (U.S. Dollar buying)	2,339	-	59	-	0.03 USD / TWD
Won (U.S. Dollar buying)	1,156	-	39	-	0.00 USD / KRW
Total	39,238	-	187	1,291	

FY2024: As of March 31, 2025

	Millions of yen					Thousands of U.S. dollars		
	Contract amount	Over one year	Carrying amount		Average rate	Contract amount	Carrying amount	
			Assets	Liabilities			Assets	Liabilities
Foreign exchange forward contract								
Selling								
Euro (Yen buying)	25,004	-	-	260	159.82 JPY / EUR	167,491	-	1,741
Australian Dollar (Yen buying)	2,607	-	88	-	96.64 JPY / AUD	17,463	589	-
Yuan Renminbi (U.S. Dollar buying)	17,036	-	258	-	0.14 USD / CNY	114,117	1,728	-
Non-Deliverable Forward								
Selling								
Indian Rupee (U.S. Dollar buying)	5,480	-	27	-	0.01 USD / INR	36,708	180	-
New Taiwan Dollar (U.S. Dollar buying)	2,037	-	75	-	0.03 USD / TWD	13,645	502	-
Won (U.S. Dollar buying)	2,609	-	162	-	0.00 USD / KRW	17,476	1,085	-
Total	54,776	-	612	260		366,922	4,099	1,741

Derivative transactions to which hedge accounting is applied

FY2023: As of March 31, 2024

	Millions of yen				
	Contract amount	Over one year	Carrying amount (Note)		Average rate
			Assets	Liabilities	
Foreign exchange forward contract					
Selling					
Euro (Yen buying)	46,335	-	-	1,115	156.88 JPY / EUR
Australian Dollar (Yen buying)	4,199	-	-	95	94.41 JPY / AUD
Yuan Renminbi (U.S. Dollar buying)	30,752	-	212	-	0.14 USD / CNY
Non-Deliverable Forward					
Selling					
Indian Rupee (U.S. Dollar buying)	10,980	-	-	18	0.01 USD / INR
New Taiwan Dollar (U.S. Dollar buying)	3,650	-	94	-	0.03 USD / TWD
Won (U.S. Dollar buying)	4,649	-	94	-	0.00 USD / KRW
Total	100,569	-	401	1,230	

FY2024: As of March 31, 2025

	Millions of yen					Thousands of U.S. dollars		
	Contract amount	Over one year	Carrying amount (Note)		Average rate	Contract amount	Carrying amount (Note)	
			Assets	Liabilities			Assets	Liabilities
Foreign exchange forward contract								
Selling								
Euro (Yen buying)	44,094	-	-	592	158.50 JPY / EUR	295,367	-	3,965
Australian Dollar (Yen buying)	3,776	-	83	-	94.32 JPY / AUD	25,293	555	-
Yuan Renminbi (U.S. Dollar buying)	31,491	-	40	-	0.14 USD / CNY	210,945	267	-
Non-Deliverable Forward								
Selling								
Indian Rupee (U.S. Dollar buying)	12,128	-	-	129	0.01 USD / INR	81,240	-	864
New Taiwan Dollar (U.S. Dollar buying)	3,816	-	64	-	0.03 USD / TWD	25,561	428	-
Won (U.S. Dollar buying)	5,060	-	126	-	0.00 USD / KRW	33,894	844	-
Total	100,367	-	314	721		672,318	2,103	4,829

(Note) Cash flow hedge is applied, and derivative transactions are measured at fair value and recognized in “Other financial assets” or “Other financial liabilities” in the consolidated statement of financial position.

Foreign Exchange Sensitivity Analysis

In cases where each currency other than the functional currency that denominates the financial instruments held by Epson as of March 31, 2025 increases by 10% in value against the functional currency, the impact on profit before tax in the consolidated statement of comprehensive income is as follows.

The impact from the translation of functional currency-denominated financial instruments, and assets, liabilities, income and expenses of foreign operations into Japanese yen is not included. Also, it is based on the assumption that currencies other than the currencies used for the calculation do not fluctuate.

	Millions of yen	Thousands of U.S. dollars
	March 31, 2025	March 31, 2025
Profit before tax	13,351	89,432

(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.

Interest Rate Sensitivity Analysis

In cases where the interest rate of financial instruments held by Epson as of March 31, 2025 increases by 100 bp, the impact on profit before tax in the consolidated statement of comprehensive income is as follows.

The analysis includes financial instruments affected by interest rate fluctuation and based on the assumption that other factors, including the impacts of foreign exchange fluctuation, are constant.

	Millions of yen	Thousands of U.S. dollars
	March 31, 2025	March 31, 2025
Profit before tax	100	669

(7) Market Price Fluctuation Risk

With respect to equity securities, Epson is exposed to equity price risks arising from equity instruments. 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.

The equity price fluctuation risks are calculated based on the price of equity instruments at the fiscal year end. In cases where the equity price changes by 5% in value, the impact on other comprehensive income before tax effects as of March 31, 2025 is ¥754 million ($5,050 thousand) due to the changes in the fair value.

(8) Fair Value of Financial Instruments

(A) 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.

(B) 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.

(i) 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 tables below approximate the carrying amounts.

FY2023: As of March 31, 2024	Millions of yen				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Borrowings	49,070	-	48,963	-	48,963
Bonds issued	119,781	-	118,571	-	118,571
Total	168,851	-	167,534	-	167,534

FY2024: As of March 31, 2025	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

FY2024: As of March 31, 2025	Thousands of U.S. dollars				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Borrowings	264,540	-	263,087	-	263,087
Bonds issued	1,002,753	-	984,506	-	984,506
Total	1,267,294	-	1,247,593	-	1,247,593

“Borrowings” and “Bonds issued” in the tables above include their current portion.

(ii) Financial instruments measured at fair value
The fair value hierarchy of financial instruments measured at fair value is as follows:

FY2023: As of March 31, 2024

	Millions of yen			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Derivative financial assets	-	649	-	649
Equity securities	12,623	-	7,529	20,153
Bonds receivable	-	-	151	151
Total	12,623	649	7,681	20,953
Financial liabilities measured at fair value				
Derivative financial liabilities	-	2,581	-	2,581
Total	-	2,581	-	2,581

FY2024: As of March 31, 2025

	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
Bonds receivable	-	-	-	-
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

FY2024: As of March 31, 2025

	Thousands of U.S. dollars			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Derivative financial assets	-	8,473	-	8,473
Equity securities	52,999	-	48,015	101,014
Bonds receivable	-	-	-	-
Total	52,999	8,473	48,015	109,495
Financial liabilities measured at fair value				
Derivative financial liabilities	-	8,848	-	8,848
Total	-	8,848	-	8,848

There are no transfers of financial instruments between Level 1 and Level 2 of the fair value hierarchy for the years ended March 31, 2024 and 2025.

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

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31,		Year ended March 31,
	2024	2025	2025
Balance as of April 1	5,351	7,681	51,451
Gains and losses			
Profit or loss (Note)	16	(16)	(107)
Other comprehensive income	941	(1,589)	(10,644)
Purchase	1,371	1,092	7,314
Balance as of March 31	7,681	7,168	48,015

(Note) Included in "Other operating income" and "Other operating expense" in the consolidated statement of comprehensive income.

36. Principal Subsidiaries

The content of principal subsidiaries is stated in "I. Overview of Company, 4. Subsidiaries and other affiliated entities."

37. Related Parties

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated in consolidation and are not disclosed in this note. There are no significant transactions between the Company, its subsidiaries and other related parties.

The remuneration for directors and other members of key management personnel is as follows:

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31,		Year ended March 31,
	2024	2025	2025
Short-term remuneration	303	283	1,895
Stock compensation	51	42	281
Total	355	326	2,183

(Note) The Company has introduced an officers' shareholding association system to link compensation more closely to shareholders' value. The acquisition of the Company's shares accounts for a portion of the short-term remuneration.

38. Commitments

Commitments for the acquisition of assets after the fiscal year end are as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2024	2025	2025
Acquisition of property, plant and equipment	14,156	10,858	72,733
Acquisition of intangible assets	1,338	1,030	6,899
Total	15,495	11,888	79,632

39. 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.

40. Subsequent Events

Not applicable.

41. Approval of Consolidated Financial Statements

The consolidated financial statements were approved by Junkichi Yoshida (President and Representative Director) and Masaharu Mizukami (Executive Officer and General Administrative Manager, Business Management Division) on June 24, 2025.

(2) Other

1. Six-month and annual financial information for the fiscal year under review

		Six months ended September 30, 2024	Year ended March 31, 2025
Revenue	(Millions of yen)	674,198	1,362,944
Profit before tax	(Millions of yen)	32,852	78,395
Profit attributable to owners of the parent company	(Millions of yen)	23,280	55,177
Basic earnings per share	(Yen)	70.43	168.75

2. Material litigation, etc.

Material litigation concerning Epson is as stated in “(1) Consolidated financial statements, Notes to Consolidated Financial Statements, 39. Contingencies.”

VI. Outline of Share-Related Administration of Reporting Company

Fiscal year	From April 1 to March 31
Ordinary General Meeting of Shareholders	June
Record date	March 31
Record date for dividends of surplus	September 30 March 31
Number of shares constituting one unit	100 shares
Purchase of shares of less than one unit	
Brokerage	(Special account) Mizuho Trust & Banking Co., Ltd. 3-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Transfer agent	Mitsubishi UFJ Trust and Banking Corporation 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Intermediary offices	–
Purchase fees	Amount to be determined separately as an equivalent amount to the fees incurred in brokering the purchase or sale of shares.
Posting of public notices	Public notices will be posted electronically. In the event of accidents or other circumstances preventing the electronic posting of information, such information will be made available through the Nihon Keizai Shimbun newspaper (Japanese) Public notice website address https://kmasterplus.pronexus.co.jp/main/corp/6/7/6724/index.html (Japanese)
Benefits for shareholders	Not applicable.

(Note) As stipulated in the Company's Articles of Incorporation, holders of shares of less than one unit have no rights other than the right to make demands in accordance with the provisions of Article 189 Paragraph 2 and Article 166 Paragraph 1 of the Companies Act and the right to receive an allotment of shares for subscription and an allotment of share options for subscription in accordance with the number of shares held.

VII. Reference Information of Reporting Company

1. Information about parent of reporting company
   The Company does not have a parent company.
2. Other reference information
   The following documents have been filed in the period between the first day of the current business year and the filing date of the Annual Securities Report.

(1)	Extraordinary report An extraordinary report based on the provision of Article 19 Paragraph 2 Item 3 (changes in specified subsidiaries) of the Cabinet Office Order on Disclosure of Corporate Affairs.	Filed to Director-General of Kanto Local Finance Bureau on May 16, 2024
(2)	Securities Registration Statement (disposal of treasury shares as restricted stock compensation) and attached documents	Filed to Director-General of Kanto Local Finance Bureau on June 25, 2024
(3)	Annual securities report and attached documents, and Written confirmation Business year: 82nd term (from April 1, 2023 to March 31, 2024)	Filed to Director-General of Kanto Local Finance Bureau on June 26, 2024
(4)	Internal control report Business year: 82nd term (from April 1, 2023 to March 31, 2024)	Filed to Director-General of Kanto Local Finance Bureau on June 26, 2024
(5)	Amendment to Securities Registration Statement and attached documents (Amendment to the Securities Registration Statement as (2) above)	Filed to Director-General of Kanto Local Finance Bureau on June 26, 2024
(6)	Extraordinary report An extraordinary report based on the provision of Article 19 Paragraph 2 Item 9-2 (matters requiring a resolution of a shareholders' meeting) of the Cabinet Office Order on Disclosure of Corporate Affairs.	Filed to Director-General of Kanto Local Finance Bureau on June 28, 2024
(7)	Amendment to Securities Registration Statement and attached documents (Amendment to the Securities Registration Statement as (2) above)	Filed to Director-General of Kanto Local Finance Bureau on June 28, 2024
(8)	Share Buyback Report For the month of June 2024 (from June 1, 2024 to June 30, 2024)	Filed to Director-General of Kanto Local Finance Bureau on July 2, 2024
(9)	Amendment report to extraordinary report (Amendment report to the extraordinary report as (6) above)	Filed to Director-General of Kanto Local Finance Bureau on July 22, 2024
(10)	Share Buyback Report For the month of July 2024 (from July 18, 2024 to July 31, 2024)	Filed to Director-General of Kanto Local Finance Bureau on August 7, 2024
(11)	Amendment to Share Buyback Report (Amendment report to the Share Buyback Report as (10) above)	Filed to Director-General of Kanto Local Finance Bureau on September 6, 2024

(12) Share Buyback Report For the month of August 2024 (from August 1, 2024 to August 31, 2024)	Filed to Director-General of Kanto Local Finance Bureau on September 6, 2024
(13) Extraordinary report An extraordinary report based on the provision of Article 19 Paragraph 2 Item 3 (changes in specified subsidiaries) and Item 8-2 (determination on acquisition of subsidiary) of the Cabinet Office Order on Disclosure of Corporate Affairs.	Filed to Director-General of Kanto Local Finance Bureau on September 19, 2024
(14) Amendment report to extraordinary report (Amendment report to the extraordinary report (changes in specified subsidiaries) as (1) above)	Filed to Director-General of Kanto Local Finance Bureau on October 7, 2024
(15) Share Buyback Report For the month of September 2024 (from September 1, 2024 to September 30, 2024)	Filed to Director-General of Kanto Local Finance Bureau on October 7, 2024
(16) Semi-annual securities report, and Written confirmation Interim period of the 83rd term (from April 1, 2024 to September 30, 2024)	Filed to Director-General of Kanto Local Finance Bureau on November 6, 2024
(17) Share Buyback Report For the month of October 2024 (from October 1, 2024 to October 31, 2024)	Filed to Director-General of Kanto Local Finance Bureau on November 8, 2024
(18) Shelf Registration Statement (corporate bonds) and attached documents	Filed to Director-General of Kanto Local Finance Bureau on November 11, 2024
(19) Shelf Registration Supplements (corporate bonds) and attached documents	Filed to Director-General of Kanto Local Finance Bureau on December 6, 2024
(20) Share Buyback Report For the month of November 2024 (from November 1, 2024 to November 30, 2024)	Filed to Director-General of Kanto Local Finance Bureau on December 6, 2024
(21) Share Buyback Report For the month of December 2024 (from December 1, 2024 to December 31, 2024)	Filed to Director-General of Kanto Local Finance Bureau on January 10, 2025
(22) Share Buyback Report For the month of January 2025 (from January 1, 2025 to January 31, 2025)	Filed to Director-General of Kanto Local Finance Bureau on February 7, 2025
(23) Extraordinary report An extraordinary report based on the provisions of Article 24-5 Paragraph 4 of the Financial Instruments and Exchange Act and Article 19 Paragraph 2 Item 9 (change to representative directors) of the Cabinet Office Order on Disclosure of Corporate Affairs	Filed to Director-General of Kanto Local Finance Bureau on February 21, 2025

(24) Amendment to Shelf Registration Statement (Amendment to the Shelf Registration Statement (corporate bonds) as (18) above)	Filed to Director-General of Kanto Local Finance Bureau on February 21, 2025
(25) Share Buyback Report For the month of February 2025 (from February 1, 2025 to February 28, 2025)	Filed to Director-General of Kanto Local Finance Bureau on March 7, 2025
(26) Share Buyback Report For the month of March 2025 (from March 1, 2025 to March 31, 2025)	Filed to Director-General of Kanto Local Finance Bureau on April 7, 2025

Part 2. Information About Reporting Company's Guarantor, Etc.

Not applicable.

Report of Independent Auditors

Independent Auditor's Report

The Board of Directors
Seiko Epson Corporation

The Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Seiko Epson Corporation and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statements of comprehensive income, changes in equity, and cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

Initial measurement of customer-related intangible assets recognized through the acquisition of Fiery, LLC	
Description of Key Audit Matter	**Auditor's Response**
As described in "Note 7. Business Combinations" to the consolidated financial statements, Seiko Epson Corporation (the "Company") acquired all shares of Fiery, LLC ("Fiery") on December 2, 2024. The Company recognizes and measures the identifiable assets acquired and the liabilities	We mainly performed the following procedures with regard to the initial measurement of customer-related intangible assets. ・To obtain an understanding of the transactions associated with the acquisition of Fiery, we inquired of management and

assumed using external specialists for fair value measurements associated with the consideration for the acquisition of 86,170 million yen ("PPA"). The Company recognized intangible assets of 56,004 million yen (including customer-related intangible assets of 46,350 million yen) and goodwill of 36,412 million yen. The measurement of customer-related intangible assets involves a valuation model based on the income approach (excess earnings method), which is impacted by estimates of future cash flows and discount rates. Estimates of future cash flows involve key assumptions that require management to exercise judgment, such as revenue growth rates, gross profit ratios and the attrition rates of existing customers. Given that the customer-related intangible assets are material and that the key assumptions used in their measurement require management to exercise judgment and involve estimation uncertainty, we have determined that the initial measurement of customer-related intangible assets recognized through the acquisition of Fiery is a key audit matter.	inspected relevant materials, such as minutes of board meetings and contracts. ・We examined the accuracy of consideration for the acquisition by reviewing the contracts related to the acquisition of Fiery's shares and reconciling it with supporting documents for cash disbursement. ・We compared the business plan that formed the basis for the allocation of consideration for the acquisition with recent performance, assessing the reasonableness of the estimates made by management. ・With an involvement of the valuation specialists of our network firm, we considered the valuation methods for the customer-related intangible assets and the discount rate. We assessed the reasonableness of the discount rate by comparing the input data used in calculations with external data. ・We performed the following procedures to assess the reasonableness of key assumptions used in the estimate of future cash flows. ・We inquired of management regarding revenue growth rates and gross profit ratios, and compared these figures with past results and available external data, such as market forecasts. ・We made inquiries of management regarding the attrition rates of existing customers and analyzed past revenue figures by customer.

Fiscal year-end valuation of goodwill recognized through the acquisition of Fiery	
Description of Key Audit Matter	**Auditor's Response**
The Company recognized goodwill of 36,103 million yen related to the acquisition of Fiery in the consolidated statement of financial position (Note 16. Impairment of Non-financial Assets). Such goodwill represents 29.5% of total goodwill and intangible assets, and 2.5% of total assets. The Company	We mainly performed the following procedures to assess the reasonableness of the recoverable amount of cash-generating unit containing the aforementioned goodwill.

performed annual impairment tests on cash-generating unit containing the above-described goodwill during the fiscal year ended March 31, 2025. The Company measures recoverable amounts at value in use when performing impairment tests for cash-generating unit containing the goodwill. The measurement of value in use involves a valuation model based on the income approach, which is impacted by estimates of future cash flows and the discount rate. Estimates of future cash flows based on business plan involve key assumptions that require management to exercise judgment, such as revenue growth rates, gross profit ratios and long-term growth rates. Given that the goodwill is material and that the key assumptions used in measuring their recoverable amounts require management to exercise judgment and involve estimation uncertainty, we have determined that the measurement of the recoverable amounts is a key audit matter.	・We inspected business plan documents and obtained an understanding of the details of the business plan. ・We inquired of management regarding revenue growth rates and gross profit ratios used in the business plan, and compared these figures with past results and available external data, such as market forecasts. ・With an involvement of the valuation specialists of our network firm, we considered the long-term growth rates and discount rates. We inquired of management regarding the long-term growth rates and compared these rates with available external data. We assessed the reasonableness of the discount rate by comparing the input data used in calculations with external data. ・We performed sensitivity analysis on the key assumptions, assuming reasonable possible changes, and examined their impact on the recoverable amounts. ・We compared the business plan at the time of acquisition with regard to the cash-generating unit to actual results in the year of acquisition and the business plan as of the end of the fiscal year.

Other Information

The other information comprises the information included in the Annual Securities Report that contains audited consolidated financial statements but does not include the consolidated financial statements and our auditor’s report thereon. Management is responsible for preparation and disclosure of the other information. The Audit and Supervisory Committee is responsible for overseeing the Group’s reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of 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 the Group's ability to continue as a going concern and disclosing, as required by IFRSs, matters related to going concern.

The Audit and Supervisory Committee is responsible for overseeing the Group's financial reporting process.

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

Our objectives are 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 issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with IFRSs.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

From the matters communicated with the Audit and Supervisory Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2025 are presented solely for convenience. Our audit also included the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 2 to the consolidated financial statements.

Fee-related Information

The fees for the audits of the financial statements of Seiko Epson Corporation and its subsidiaries and other services provided by us and other EY member firms for the year ended March 31, 2025 are presented in paragraph 5 titled "Details of audit remuneration" in section "4. Corporate governance (3) Internal audits" included in Item IV "Information About Reporting Company" in Part1 of the Annual Securities Report for the year ended March 31, 2025 of the Group.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC
Tokyo, Japan

June 24, 2025

Takuya Tanaka
Designated Engagement Partner
Certified Public Accountant

Ryuichi Minami
Designated Engagement Partner
Certified Public Accountant

Takehiro Kaneko
Designated Engagement Partner
Certified Public Accountant

EPSON

SEIKO EPSON CORPORATION

3-3-5 Owa, Suwa, Nagano 392-8502, Japan
TEL: +81-266-52-3131
corporate.epson/en/