

Annual Report 2026

Seiko Epson Corporation

April 2025 - March 2026

The bottom half of the page features a background image of an aerial view of a park or urban area, overlaid with a network of white lines and dots. The lines connect various points across the image, creating a web-like pattern. The colors are primarily green and blue, with the network lines in white.

Note: This document has been extracted and translated for reference purposes only from the Japanese original report (Yukashoken-Hokokusho) issued on June 24, 2026, 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

(84th term)

FY2025

From April 1, 2025
to March 31, 2026

SEIKO EPSON CORPORATION

(E01873)

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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 <i>Nihon Keizai Shimbun</i> 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	2022	2023	2024	2025	2026	2026
Revenue	1,128,914	1,330,331	1,313,998	1,362,944	1,413,251	8,839,171
Profit before tax	97,162	103,755	70,094	78,395	50,023	312,868
Profit for the period attributable to owners of the parent company	92,288	75,043	52,616	55,177	18,201	113,838
Total comprehensive income for the period	136,226	112,913	109,325	47,999	72,310	452,262
Equity attributable to owners of the parent company	665,628	727,352	810,992	804,752	853,503	5,338,230
Total assets	1,266,420	1,341,575	1,413,094	1,456,461	1,534,870	9,599,837
Equity attributable to owners of the parent company, per share	Yen 1,923.68	Yen 2,194.02	Yen 2,445.52	Yen 2,512.15	Yen 2,663.64	\$ 16.66
Basic earnings per share	Yen 266.73	Yen 220.75	Yen 158.68	Yen 168.75	Yen 56.81	\$ 0.36
Diluted earnings per share	Yen 266.64	Yen 220.70	Yen 158.66	Yen 168.75	Yen 56.81	\$ 0.36
Equity attributable to owners of the parent company ratio	% 52.56	% 54.22	% 57.39	% 55.25	% 55.61	-
Return on equity	% 15.17	% 10.77	% 6.84	% 6.83	% 2.20	-
Price earnings ratio	Times 6.90	Times 8.52	Times 16.67	Times 14.14	Times 33.76	-
Dividend payout ratio	% 23.2	% 32.6	% 46.6	% 43.9	% 130.3	-
Total shareholder return (Comparison index: TOPIX (Dividend included))	% 105.7 (102.0)	% 111.9 (107.9)	% 158.5 (152.5)	% 148.3 (150.2)	% 126.3 (202.2)	-
Net cash from (used in) operating activities	110,801	61,311	165,570	138,075	112,372	702,830
Net cash from (used in) investing activities	(44,083)	(61,602)	(58,981)	(150,787)	(65,561)	(410,050)
Net cash from (used in) financing activities	(51,771)	(79,349)	(65,395)	(45,129)	(39,604)	(247,703)
Cash and cash equivalents at end of period	335,239	267,380	328,481	267,000	288,582	1,804,934
Number of employees	Persons 77,642	Persons 79,906	Persons 74,464	Persons 75,352	Persons 74,619	-

(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 ¥159.885 = 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.

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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; subsequently absorbed by Seiko Epson in 2/2026)
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 1 st 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.

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. 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, 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.

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

Business area	Main products	Main Epson Group companies	
		Manufacturing companies	Sales companies
Office and home printing business	Inkjet printers for office and home, serial impact dot matrix printers, color image scanners, dry process office papermaking systems, and related consumables, and others	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.	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.
Commercial and industrial printing business	Commercial and industrial inkjet printers, inkjet printheads, printers for use in POS systems, label printers, related consumables, and digital printing software solutions, and others	Fiery, LLC	

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.

Business area	Main products	Main Epson Group companies	
		Manufacturing companies	Sales companies
Visual communications	3LCD projectors, smart glasses, and others	Epson Engineering (Shenzhen) Ltd. Epson Precision (Philippines), Inc.	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.

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, manufactures, 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.

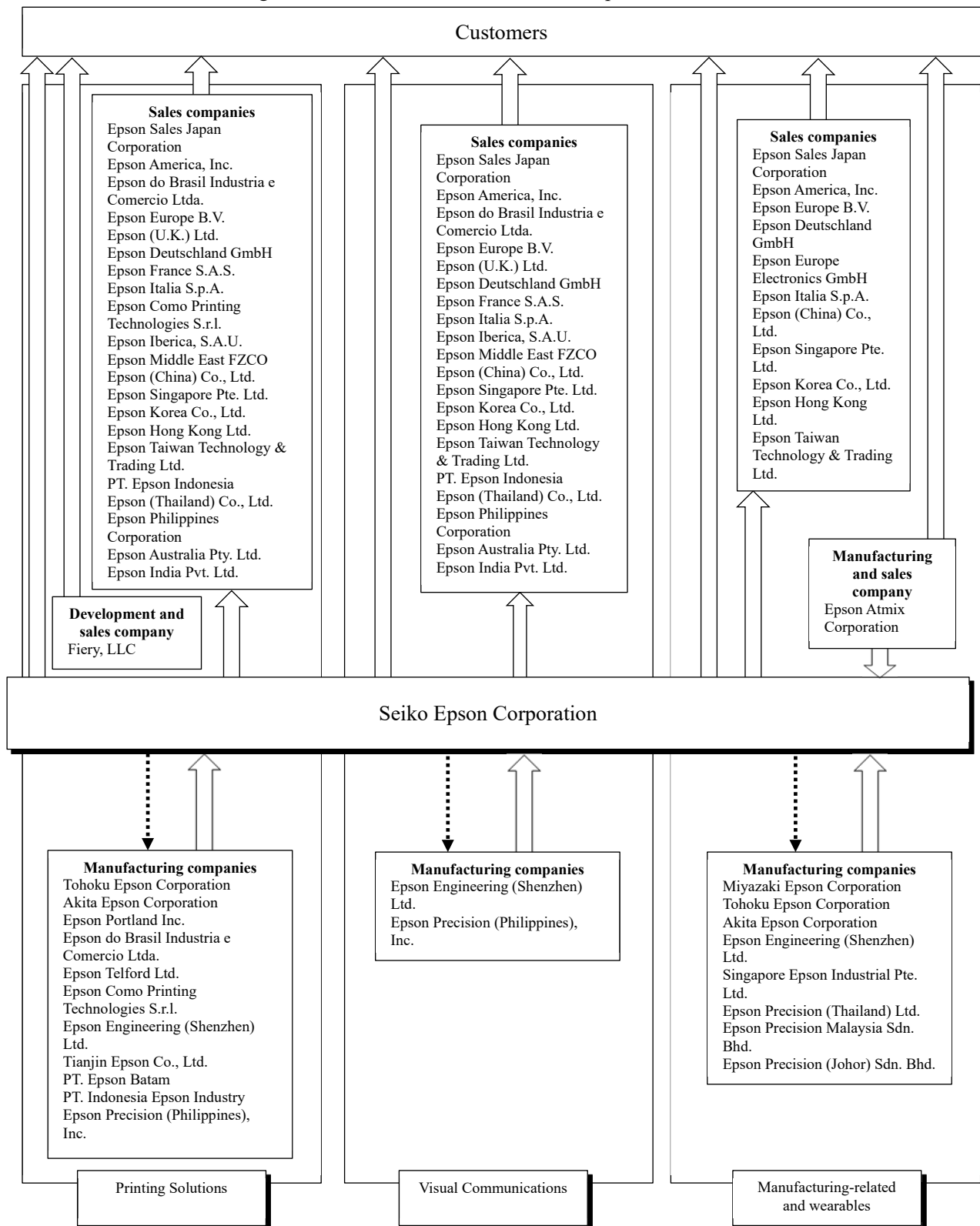
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The major Epson Group companies involved in this segment are listed in the table below.

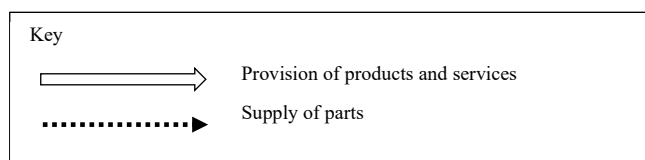
Business area	Main products	Main Epson Group companies	
		Manufacturing companies	Sales companies
Manufacturing solutions	Industrial robots, and others	Epson Engineering (Shenzhen) Ltd.	Epson Sales Japan Corporation Epson America, Inc. Epson Deutschland GmbH Epson Italia S.p.A. Epson (China) Co., Ltd.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

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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, Financial assistance
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, Financial assistance
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., Interlocking directors
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.

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Company name	Location	Paid-in capital or amount invested	Main business	Ownership percentage of voting rights (%)	Relationship between parent company and subsidiary
Epson Global Reinsurance, Inc. *	Honolulu, U.S.A.	8,100 (million JPY)	Others (Reinsurance)	100.0	Epson Group's reinsurance business
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, Interlocking directors
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	100.0 (100.0)	Sales of printers and 3LCD projectors, 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., Interlocking directors
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 MENA Regional Headquarters LLC	Riyadh, Saudi Arabia	10 (thousand SAR)	Regional headquarters	100.0	Regional headquarters in Middle East and North Africa
Epson Middle East FZCO*	Dubai, United Arab Emirates	68,000 (thousand USD)	Printing solutions, Visual communications	100.0	Sales of printers and 3LCD projectors, etc., Financial assistance, Interlocking directors
Epson Telford Ltd.	Telford, UK	22,000 (thousand GBP)	Printing solutions	100.0 (100.0)	Manufacture of printer consumables
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

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Company name	Location	Paid-in capital or amount invested	Main business	Ownership percentage of voting rights (%)	Relationship between parent company and subsidiary
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
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., Interlocking directors
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	215,700 (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.

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Company name	Location	Paid-in capital or amount invested	Main business	Ownership percentage of voting rights (%)	Relationship between parent company and subsidiary
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
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
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
Epson Precision (Johor) Sdn. Bhd.	Johor, Malaysia	52,800 (thousand MYR)	Manufacturing-related and wearables	100.0 (100.0)	Manufacture of watch components
41 other companies	—	—	—	—	—
Two equity method affiliates	—	—	—	—	—

(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 and Epson America, Inc. 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	168,032	5,006	3,563	28,012	80,820
Epson America, Inc.	439,548	18,282	13,224	101,503	246,877

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

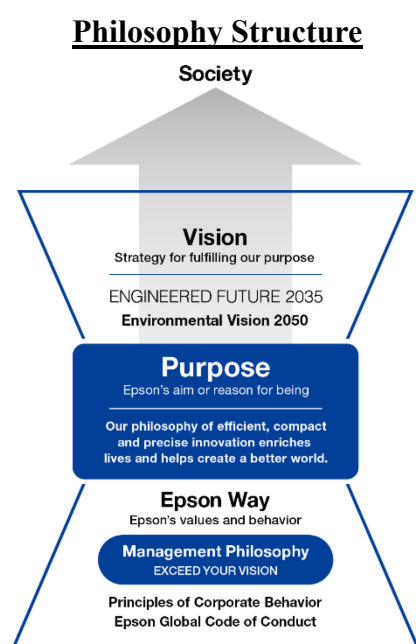
II. Overview of Business

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. The Corporate Purpose of Epson, "Our philosophy of efficient, compact and precise innovation enriches lives and helps create a better world," defines the kind of value that Epson provides to society and demonstrates, 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.



<Management Philosophy>

Epson aspires to be an indispensable company, trusted throughout the world for our commitment to openness, customer satisfaction and sustainability.

We respect individuality while promoting teamwork, and are committed to delivering unique value through innovative and creative solutions.

<Corporate Purpose>

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

(2) Review of the Previous Long-Term Vision, "Epson 25 Renewed" (FY2021–FY2025)

① Main achievements

In "Epson 25 Renewed," we have established the vision statement as "Co-creating sustainability and enriching communities to connect people, things, and information by leveraging our efficient, compact, and precision technologies and digital technologies." Under this vision statement, we have implemented a range of initiatives and achieved numerous results.

- Growth driven by inkjet technology
 - Significant growth in inkjet printhead sales, including expansion in the Chinese market.
- Progress in emerging markets
 - Revenue of high-capacity ink tank models significantly increased.
 - Established manufacturing site in India.
- Advancement of structural reforms
 - Improved profitability in projectors and wearables.
- Investments for future growth
 - Acquired Fiery as part of our growth strategy.
 - Established a new sales company in Dubai to further strengthen the Middle East and Africa region.
- Promotion of advanced sustainability initiatives

- Achieved 100% renewable electricity use across the Group.
- Received strong external recognition for our sustainability initiatives.

② Financial targets

In “Epson 25 Renewed,” ROIC¹, ROE, and ROS all fell short of the targets set for FY2025.

Target	FY2025 Target ²	FY2025 Actual
ROIC	7.0% or more	5.5%
ROE	8.0% or more	2.2%
ROS	7.0% or more	5.9%

¹ Business profit after tax / (equity attributable to owners of the parent company + interest-bearing liabilities)

² Updated in April 2024

③ Issues and countermeasures

In “Epson 25 Renewed,” two major issues remain.

The first is the need for further improvement in capital efficiency. While we shifted to an operational structure that prioritized market supply in response to the COVID-19 pandemic, our response to subsequent market changes was delayed, leading to a decline in capital efficiency. Furthermore, earnings were squeezed by rising costs, such as inflation.

The second is the delay in launching growth domains. Although external environmental changes were also a contributing factor, insufficient allocation of resources to areas with growth potential resulted in unmet growth targets.

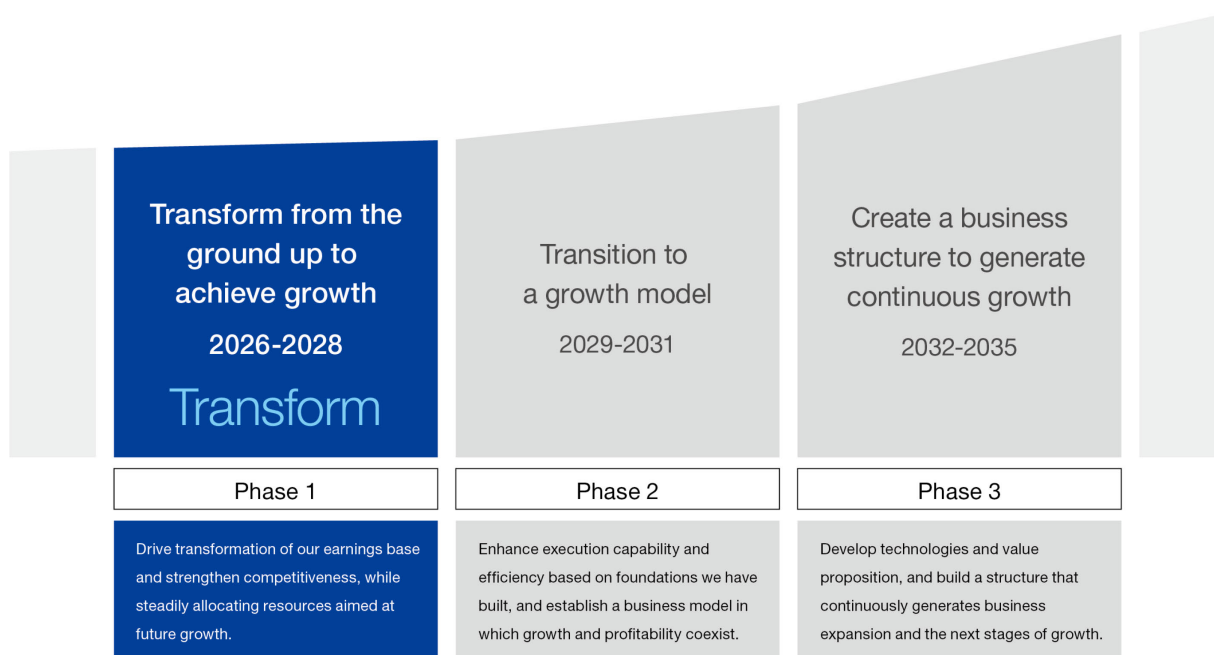
Based on a recognition of these issues, we have formulated a new long-term vision.

(3) Concept of the New Long-Term Vision ENGINEERED FUTURE 2035

In March 2026, Epson established a new long-term vision for 2035, ENGINEERED FUTURE 2035. Grounded in our technologies and philosophy of efficient, compact and precise innovation, and fueled by the knowledge and data accumulated on the frontlines, in “ENGINEERED FUTURE 2035,” Epson aims to enhance productivity and reliability, delivering value across industries as well as in people’s learning, working and lifestyles. We will create societal and corporate value simultaneously so that people and the planet can continue to advance together.

ENGINEERED FUTURE 2035 divides the 10-year period into three phases.

The Mid-Term Business Plan covering fiscal years 2026 through 2028 is designated as Phase 1. During this phase, we will drive the transformation of our business foundation to support growth. Phase 2 spans from fiscal year 2029 to 2031. During this phase, we will accelerate and complete the transition to a growth model, based on the foundation established in Phase 1. Phase 3 covers fiscal years 2032 through 2035. During this phase, we will establish a business structure that will sustain growth.



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

① Outline of the mid-term business plan

Epson recognizes that the decline in capital efficiency and the insufficient allocation of resources to growth areas, as highlighted in “Epson 25 Renewed,” are priority issues that must be addressed.

To address these issues, in Phase 1, we will implement “Transforming the earnings base” and “Focus resource allocation on growth domains.” Through these initiatives, we aim to achieve an ROIC of 8.0% by FY2028.

(Transforming the earnings base)

We will achieve efficiency by transforming global operations while simultaneously driving the transformation of regional strategies and our earnings model.

In terms of efficiency, we will strengthen investment discipline at our Head Office and operations divisions, standardize our IT infrastructure globally, and reduce overhead costs at major overseas manufacturing sites, while also optimizing the workforce in our sales structure and consolidating back-office functions. Furthermore, we will strengthen demand forecasting and supply planning capabilities and streamline production operations to optimize inventory levels.

Through these initiatives, we expect to achieve a cumulative profit improvement of 26 billion yen over three years, primarily through the streamlining of fixed costs, and aim to improve invested capital turnover by approximately 0.5 times, thereby leading to a reduction in invested capital.

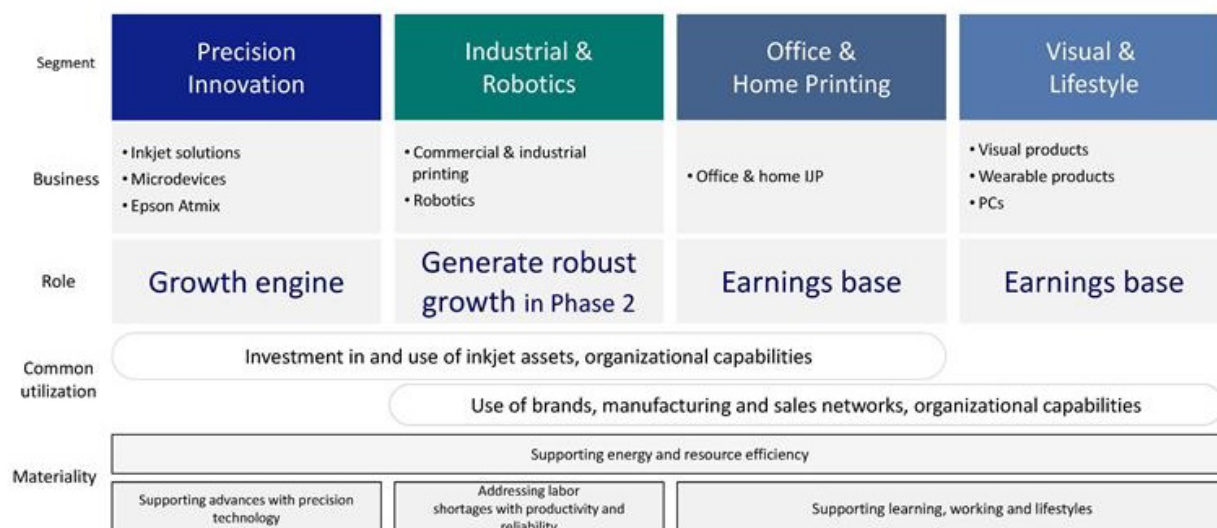
In terms of sales, we will actively invest in emerging economies where continued growth is expected, as well as in countries and regions with significant growth potential, while strengthening partnerships with local partners and expanding the capabilities of our regional offices. In addition, we will enhance our ability to provide solutions that are optimally tailored to the needs of each industry, expand business models that promise sustainable revenue, and transform our earnings model.

(Focus resource allocation on growth domains)

By redefining our growth domains and reorganizing our business segments, we will clarify the roles of each business and promote the allocation of management resources with a focus on capital efficiency.

Specifically, we will position the Precision Innovation Segment, centered on the Inkjet solutions, Microdevices, and Epson Atmix (fine metal powders) businesses, as our growth engine, and aim to strengthen our competitive advantage and expand our business through aggressive investment. Furthermore, we position the Industrial & Robotics Segment as a strategic area for achieving robust growth in Phase 2, and will proceed with strengthening our business foundation in the Commercial & Industrial printing and the Robotics businesses.

Meanwhile, the Office & Home Printing Segment and the Visual & Lifestyle Segment are positioned as stable earning bases and will play a role in supporting investment in growth domains through efficiency improvements and enhanced profitability.



② Business strategy

<Precision Innovation Segment>

This segment is an area where we particularly expect sales and profit growth in Phase 1.

It is a group of businesses in the growing market for high-value-added industrial applications, consisting of the Inkjet Solutions business centered around printheads, the Microdevices business centered around timing devices, and the Epson Atmix business, which develops, manufactures, and sells high-performance metal materials using fine metal powders.

We recognize that Epson's Inkjet Solutions business has the potential to transform a wide range of industrial processes, including electronic components, solar power generation equipment, and biotechnology, through Micro Piezo, an Epson inkjet technology that enables precise dispensing of materials in the required amount and location, without the use of heat. Furthermore, not only we can provide printheads as hardware, but we can also offer peripheral technologies such as drive control, ink, and image processing, which we have cultivated over many years of product development, as integrated solutions. Additionally, to expand the application areas, we will pursue further growth by actively utilizing investments and joint development, in addition to our own initiatives.

Significant opportunities are arising in the Microdevices business due to the rapid increase in demand for high-capacity, high-speed computing and communications, particularly in the area of mobility, such as AI and autonomous

driving. Epson has the capability to produce high-precision timing devices by combining crystal manufacturing technology with semiconductor logic design. This enables the integration of high precision, low power consumption, and miniaturization into a single design, driving technological advancement. We will leverage these characteristics to further expand our market presence.

<Industrial & Robotics Segment>

This segment is expected to grow further as we move toward Phase 2. We will strengthen our competitive advantages in commercial and industrial printing and robotics applications while also proactively creating demand.

In the Commercial & Industrial Printing business, we will enhance our product lineup, centered on high-productivity products as finished products, while also strengthening our solutions to support our customers' transition from analog printing to digital printing.

In the Robotics business, in addition to sensing and control technologies, which are Epson's strengths, we will integrate new AI technologies to provide sustainable, long-term business models, not only in manufacturing industries but also in various service areas and labor-saving applications. Through these activities, we will build close relationships with our customers and establish a business foundation that will lead to future growth.

<Office & Home Printing Segment>

This segment serves as a stable earnings base that supports investment in Epson's growth segments while pursuing efficient business operations. Furthermore, this segment provides Epson with three major strengths and assets.

- A B2C and B2B customer base built on the number of units in operation worldwide
- Growth in emerging economies and strong trust in the Epson brand
- A competitive global supply chain backed by high production capacity

The Office & Home IJP business, with its track record of creating new markets through the use of inkjet technology centered on high-capacity ink tank models, is steadily advancing the transition to inkjet for office and specific applications. Additionally, we will continue to expand into countries and regions with significant growth potential, aiming to outpace market growth and increasing our share in emerging economies. In addition to this sales capability, we will refine our local planning and design capabilities, our ability to propose solutions, and provide a business model that ensures consistent fulfillment of demand.

<Visual & Lifestyle Segment>

This segment serves as an earnings base that leverages our highly unique technologies.

Although the Visual Products business faces issues related to market growth itself, we aim to maintain a high market share by further specializing in and developing demand in areas where projection technology is required, such as education, projection mapping, and immersive experiences. Furthermore, by completing our business structure reforms, we will generate more stable profits than ever before.

The Wearable Products business is positioned as an original business for Epson, representing our origins. We will enhance our product competitiveness and manufacturing by leveraging our highly unique technological capabilities, while also streamlining operations to improve profitability.

③ Financial targets

Based on the objective of transforming our business foundation set forth in Phase 1, Epson has established the following targets for FY 2028.

Target	FY2025 Actual	FY2028 Target
Revenue	1,413.3 billion yen	1,500.0 billion yen
ROIC	5.5%	8.0%
ROE	2.2%	10.0%
ROS	5.9%	8.0%
Industrial domain as percentage of business profit ³	45%	60%

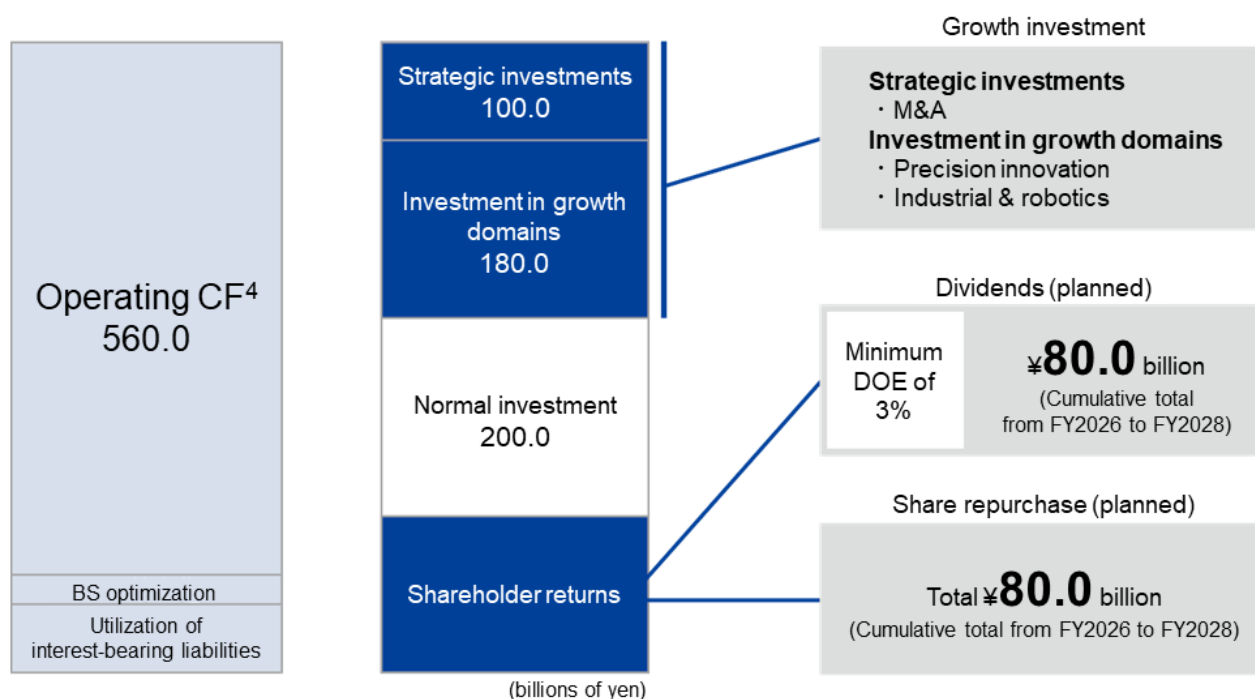
³ Share of industrial domain as a percentage of the total profit of the four business segments

④ Cash allocation

Epson will balance growth investments with shareholder returns while maintaining financial soundness.

We expect cash flows from operating activities to total approximately 560 billion yen⁴ over the three-year period from FY2026 to FY2028. We will actively allocate these funds, including strategic investments, to growth domains such as the Precision Innovation Segment and the Industrial & Robotics Segment. As for shareholder returns, we will set a minimum dividend level of 3% DOE (Dividend on Equity). In addition, we plan to repurchase a total of 80.0 billion yen in treasury stock over the next three years, further enhancing shareholder returns.

■ Cash allocation in Phase 1 of the Mid-Term Business Plan



⁴ Before R&D expense deduction

(5) Concept of Environmental Vision 2050

Epson has established “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 ⁵ free by 2050 to achieve sustainability and enrich communities
Goals	2030: Reduce total emissions in line with the 1.5°C scenario ⁶ 2050: Carbon negative and underground resource ⁵ free
Actions	• Reduce the environmental impacts of products, 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

⁵ Non-renewable resources such as oil and metals

⁶ Target for reducing greenhouse gas (GHG) emissions aligned with the criteria under the Science Based Targets initiative (SBTi)

2. Concept and initiatives of sustainability

As outlined in our long-term vision, ENGINEERED FUTURE 2035, Epson regards sustainability as achieving sustainable growth and enhancing long-term corporate value by connecting the value created through our business activities to society and industrial settings, thereby balancing social and economic value.

Environmental issues, resource constraints, labor shortages, and geopolitical risks are among the growing challenges faced by business. Amid this rapidly changing landscape, Epson identified priority issues (materialities) that it needs to address and is working to provide value by improving the efficiency of energy and resource use, enhancing productivity and reliability, and contributing to higher quality in learning, working and lifestyles.

(1) Sustainability

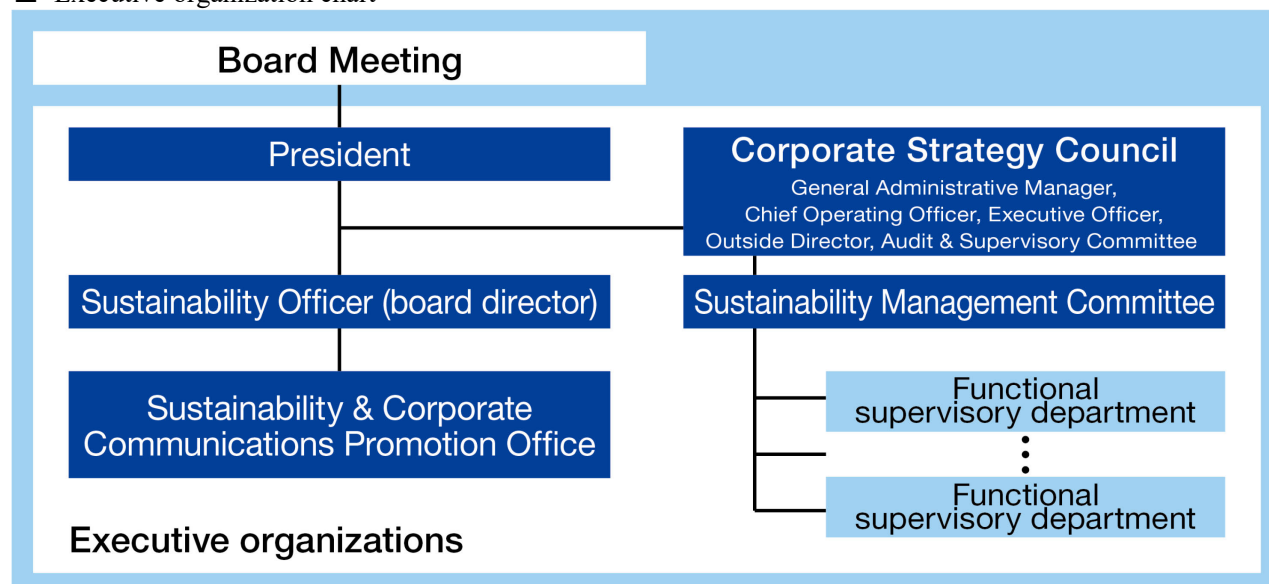
① Governance

Epson's Sustainability & Corporate Communications Promotion Office oversees Group-wide sustainability activities. It is headed by the Sustainability Officer, who reports directly to the President. The Corporate Strategy Council serves as an advisory body to the President. It 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 Corporate Strategy Council formulates long-term sustainability strategies aligned with social demands and trends, reviews strategy implementation, and deliberates on how to best respond to key issues.

The Sustainability Management Committee is subordinate to the Corporate Strategy Council. It studies and discusses matters related to sustainability that require specialized knowledge. The Sustainability & Corporate Communications Promotion Office serves as the administrative office for the Sustainability Management Committee, while also reporting regularly on these matters to the Board of Directors to promote various activities under management supervision.

Officer compensation is tied to sustainability, as sustainability initiatives are linked to restricted stock compensation. This scheme was adopted to improve the effectiveness of sustainability management 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



② Strategy

Epson has identified seven materialities as key issues for both solving societal issues and enhancing corporate value as we work toward realizing the ENGINEERED FUTURE 2035 long-term vision.

These materialities are structured into two layers: value creation and business functions supporting value creation.

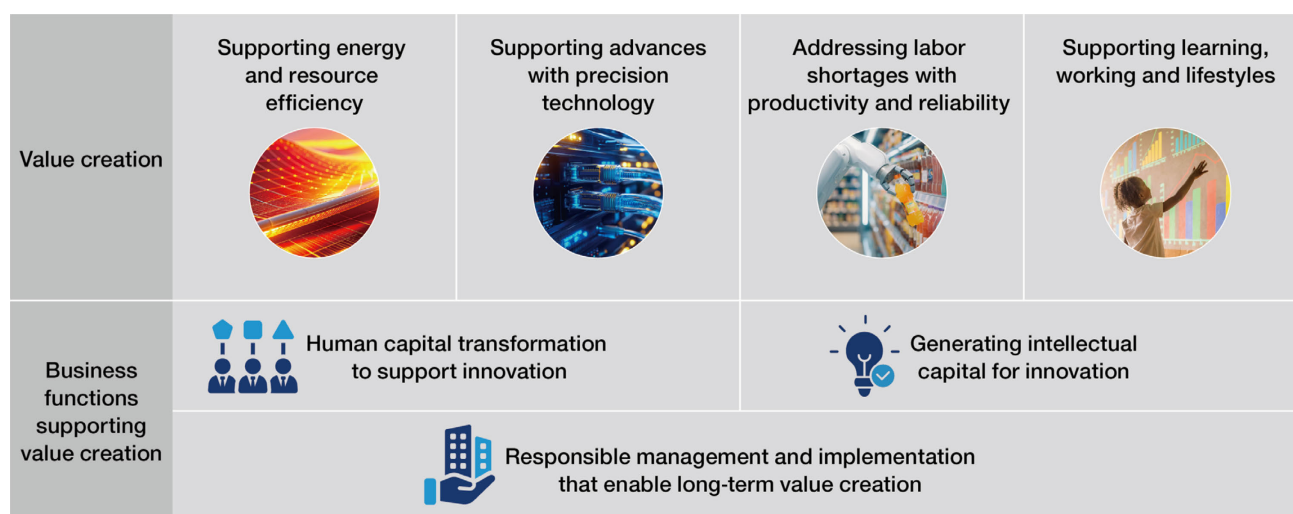
The materialities related to the first layer, value creation, indicate the value that Epson provides to society through its business activities. Epson aims to capitalize on its technologies, products, and services to create value by addressing societal issues such as improving energy and resource efficiency, advancing technology, addressing labor shortages, and improving the quality of learning, working and lifestyles.

The second layer consists of materialities related to business functions supporting value creation. The materialities concerning human capital and intellectual capital are positioned as sources of competitiveness that support value creation. To respond to the increasing complexity of societal issues and the acceleration of technological innovation, it is essential to enhance people's capabilities, bring together diverse knowledge, and create original technologies and implement them in the real world. This is how Epson aims to establish long-term competitive advantage.

The materialities related to governance, risk management, compliance, capital allocation, and the like serve as the foundation for fully leveraging value creation. They are sources of competitiveness and enablers of sustainable growth.

By linking these two layers of materialities with one another and strengthening them in an integrated manner, Epson aims to create social value and economic value simultaneously and to enhance long-term corporate value through improvements in profitability and capital efficiency.

■ Structure of materialities



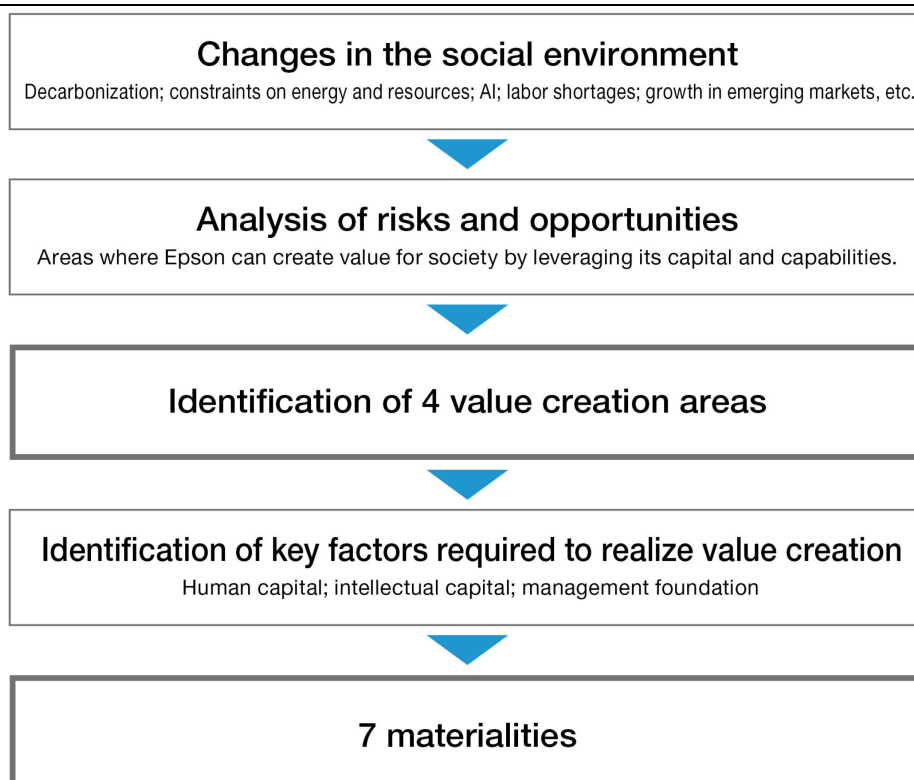
■ Materiality identification process

In formulating ENGINEERED FUTURE 2035, we analyzed the impact on Epson and our stakeholders of changes in society and public expectations, as represented by things such as international standards.

Specifically, we assessed key issues in terms of business risks and opportunities created by a changing world. These changes include things such as decarbonization, energy and resource constraints, the advancement of AI and a data-driven world, the intensification of labor shortages, the growth of emerging markets, and geopolitical risks and regulatory tightening.

As a result, Epson identified four value creation areas in which Epson's technologies and businesses can contribute. They are (1) improving energy and resource efficiency, (2) advancing technology, (3) addressing labor shortages, and (4) enhancing the quality of learning, working and lifestyles.

Furthermore, Epson has identified seven materialities by adding human capital and intellectual capital as sources of competitiveness to sustainably realize value creation, and responsible management and execution as the business functions that support the overall framework.



■ Materiality related to Value Creation

Supporting energy and resource efficiency

We recognize crucial challenges in the operating environment, including the advancement of decarbonization and increasing energy constraints, along with rising resource prices and supply instability. Against this backdrop, we believe demand will continue to grow for technologies that deliver both performance and productivity while reducing energy and resource consumption. Leveraging our inkjet technology, advanced materials, and resource recycling technologies based on Epson's efficient, compact and precise technologies and philosophy, we will help to save energy, increase manufacturing efficiency, and promote more effective use of resources, thereby reducing our customers' environmental impact while providing them with greater economic value.

This type of value is provided primarily in the Precision Innovation segment.

Supporting advances with precision technology

Demand is rapidly rising for devices that combine high precision, low power consumption, and high reliability. This demand is being driven by the expansion of AI, data centers, and the telecommunications and automotive fields. While we view this as an important business opportunity, adapting to accelerating technological advances and changes in the competitive environment is essential for maintaining our competitiveness. Leveraging our strengths in precision technologies that integrate precision microfabrication, MEMS, and crystal and materials technologies, Epson provides a foundation for accurately capturing and controlling the physical world, thereby contributing to the advancement of digital value in the real world.

This type of value is provided primarily in the Precision Innovation segment.

Addressing labor shortages with productivity and reliability

With a declining labor pool in developed economies and a shortage of skilled labor in emerging economies, we recognize that maintaining both sufficient labor and product quality at manufacturing sites has become a crucial challenge. Rising labor costs and difficulties in transferring skills are also challenging the sustainability of conventional operations. Leveraging Epson's robotics and commercial and industrial printing businesses, we will advance automation and process optimization using control and AI technologies to both save labor and improve quality, thereby making manufacturing more sustainable.

This type of value is provided primarily in the Industrial & Robotics segment.

Supporting learning, working and lifestyles

Demand for access to education and information is rising in developing economies as their populations grow and their middle class expands. Meanwhile, delayed infrastructure development and widening disparities pose critical social challenges and constraints on growth. We also recognize that changes in how people work and advances in digitalization are driving a need for greater information visualization and information sharing as well as higher operational efficiency.

Equipped with visual communication technologies, Epson supports improved information access and operational efficiency, contributing to enhanced quality of learning, working and lifestyles while also delivering value through growth in emerging economies and productivity improvements in developed economies.

This type of value is provided primarily in the Office & Home Printing segment and Visual & Lifestyle segment.

■ Materiality related to the Business Functions Supporting Value Creation

Human capital transformation to support innovation

In a highly uncertain business environment, we believe that securing and developing people who possess strong conceptual and strategic planning skills along with the ability to execute those plans is key to our competitiveness. Seeing people as the source of sustainable value creation, Epson will work to strengthen its human capital to accelerate value creation by building an organization that respects diversity, develops engineering talent, and shares knowledge globally.

Generating intellectual capital for innovation

In response to the accelerating pace of technological advancement, strengthening intellectual capital integrated with our business strategies has become increasingly important. Epson views its original technologies and know-how as intellectual capital, a source of competitive advantage, and aims to advance its technologies and expand their scope of application through long-term R&D and co-creation, thereby promoting the creation of new value through their implementation in the real world.

Responsible management and implementation that enable long-term value creation

Amid rising capital costs and increasingly sophisticated sustainability requirements, we recognize that management quality itself has become a crucial factor in determining corporate value. In addition, addressing risks related to supply chains, human rights, and environmental regulations is essential for business continuity. In this environment, management that balances capital efficiency and sustainability, human and institutional knowledge bases capable of adapting to change, and a governance structure characterized by transparency and discipline serve as sources of competitive advantage. Under our long-term vision, ENGINEERED FUTURE 2035, we will promote in an integrated manner the strengthening of human and intellectual capital alongside ESG initiatives. Furthermore, through capital allocation centered on ROIC and the advancement of governance, we will balance revenue base reform with growth investments, thereby establishing sustainable management that simultaneously enhances environmental, social, and corporate value.

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

We assessed the opportunities and risks for each materiality as described below and, based on this, are working to achieve the goals of our long-term vision, ENGINEERED FUTURE 2035. Note that with regard to topics to be addressed, indicators, and targets (for FY2026), we are prioritizing alignment with ENGINEERED FUTURE 2035 as well as with our management strategy. We are currently examining the establishment of indicators and targets for priority issues to enable their effective evaluation and management. As of the end of the fiscal year, we are in the process of refining calculation methodologies and defining the scope of coverage. We have not yet established specific targets. However, we have identified a set of candidate indicators to enable management to monitor progress. We plan to establish appropriate indicators and targets based on the results of our materiality assessment as we move forward.

Materiality related to Value Creation	Opportunity (○)	Risk (●)
Supporting energy and resource efficiency	○ The market for high-efficiency products and solutions is expanding in line with growth in the need to save energy and resources. ○ Business opportunities are expanding in areas related to resource circulation and recycling.	● Rising energy and resource prices, as well as supply instability, could lead to higher procurement and manufacturing costs and supply disruptions. ● Delays in responding to stricter environmental regulations and tougher resource circulation requirements could reduce our competitiveness and constraint business.
Supporting advances with precision technology	○ Growing demand for precise, low-power, and reliable technologies is resulting in expanded business opportunities in high-value-added domains. ○ Demand is increasing for parts, materials, and devices for AI, data utilization, and digital equipment.	● The need for investment could dramatically increase due to intensifying development competition in the AI, semiconductor, and telecommunications fields. ● An inability to accommodate increasingly sophisticated technical requirements and accelerating development speeds could result in delays in responding to customers and a decline in market competitiveness.
Addressing labor shortages with productivity and reliability	○ There is a growing need for automation, labor-saving measures, and process optimization, resulting in market expansion for production-related solutions. ○ Demand is increasing in manufacturing and operational support domains that achieve high quality and efficiency.	● Inability to hire enough people and rising labor costs resulting from a shrinking workforce could make it hard to maintain production systems and ensure stable supply. ● Inability to adequately pass down advanced skills could create difficulties in maintaining productivity and quality.
Supporting learning, working and lifestyles	○ Rising environmental awareness, surging energy costs, and unstable power supply in emerging markets are driving increased demand for products and services that help reduce environmental impact. In addition, rising labor costs are further boosting demand for solutions that enhance operational efficiency. ○ Economic growth and expansion of the middle class in emerging countries is creating market opportunities for products and services that support access to education and information along with operational efficiency.	● Developments in digitalization and the rise of alternative technologies in the education and business domains could cause market competitiveness to decline and sales opportunities to be lost ● Inability to accommodate changing work arrangements and diversifying customer needs could cause customer touchpoints and market opportunities to shrink

Materiality related to the Business Functions Supporting Value Creation	Opportunity (○)	Risk (●)
Human capital transformation to support innovation	○ Development and hiring of specialized human resources, the utilization of AI/data, reskilling, and the optimal global placement of human resources are accelerating productivity improvement and innovation, contributing to business growth and the achievement of ROIC. ○ Maximization of organizational capabilities through enhanced employee engagement, driven by the promotion of diverse talent and the implementation of appropriate evaluation and compensation systems	● Factors such as delays in reskilling and workforce development could cause productivity and competitiveness to decline. ● Strategic delays and cost increases caused by a shortage of specialized human resources in executive and management positions could result in missed growth opportunities. ● Challenges with securing human resources and rising labor costs resulting from a shrinking workforce could make it hard to secure specialized human resources and strengthen organizational capabilities.
Generating intellectual capital for innovation	○ The creation of new markets through real-world implementation driven by technological advancement and co-creation.	● Delays in technological development, a lack of differentiation, and the leakage and obsolescence of IP could undermine competitive advantage and the revenue base.
Responsible management and implementation that enable long-term value creation	○ Balancing revenue reform with growth investments to enhance corporate value by optimizing capital allocation centered on ROIC and enhancing ESG compliance ○ Improving business stability and resilience by strengthening supply chain management and risk management	● Delays in complying with or violations of ESG regulations, including those related to the environment, human rights, and supply chains, could lead to reputational harm, business constraints, and cost increases. ● Resource procurement constraints and price fluctuations resulting from the geopolitical and economic security situations could cause supply instability and a deterioration in revenue. ● Cyberattacks and data breaches could impact business continuity and customer trust.

③ Risk management

Epson recognizes sustainability-related risks and opportunities as important factors that significantly affect corporate management.

By identifying and assessing risks and opportunities for each materiality, and by deliberating and managing their significance within the Corporate Strategy Council and the Board of Directors, we incorporate them in our management strategies and business activities.

Through these processes, we aim to maintain and enhance medium- to long-term corporate value while responding flexibly to changes in the social and environmental landscape.

■ 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 Corporate Strategy Council and the board of directors.	- Effectively manage risks and opportunities through the Corporate Strategy Council and the board of directors.

④ Metrics and targets (FY2025)

■ Materialities and key sustainability topics, KPI

In the previous long-term vision, “Epson 25 Renewed,” in order to effectively implement initiatives for the four materialities, we have selected 12 key sustainability topics, set key performance indicators (KPIs) for initiatives, reflected them in our Business Plan, and taken initiatives.

■ Key sustainability topics and achievements

Materiality: Achieve sustainability in a circular economy				
Key Sustainability Topics	Initiative Topics	Key Performance Indicators (KPI)	FY2025 (Target)	FY2025 (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, 2 and 3 GHG emissions reduction ratio - Scope 1 and 2 GHG emissions reduction ratio	- Reduce by 34% compared to FY2017 - Reduce by 80% compared to FY2017	- Reduced by 35% compared to FY2017 - Reduced by 82% compared to FY2017
	Using renewable electricity to achieve RE100	Renewable electricity adoption ratio	Maintain 100% globally	100%
Closed-resource-loop initiatives	Becoming underground resource ¹ 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 ²	38%	39%
		Final landfilled rate ³	≤ 1%	0.7%
Customer environmental impact mitigation	Maximizing avoided emissions with products and services that have a lower environmental impacts ⁴	Emissions avoided through products & services	≥ The previous year	⁵
Environmental technology development	The following initiatives aimed at “carbon negative” and “zero consumption of underground resources” by 2050 - Development of technologies to elevate the performance of sustainable resources - Establishment of high-added-value recycling technology for used metal - Development of CO ₂ absorption technologies	Progress of development process/Status of development of technologies for high-performance materials	Externally disclose development results	Externally disclosed development results at exhibitions and through symposium lectures
		Progress of development process/Status of operation of metal resource recycling equipment	Commence operation of refining plant and conduct Group resource circulation trial	- Formed intra-Group recovery scheme - Conducted powder prototyping using in-house refining materials
		Status of development of CO ₂ separation membranes/DAC systems	Develop systems for PoC ⁶	Verified CO ₂ separation and concentration functionality using systems for PoC

Materiality: Advance the frontiers of industry				
Key Sustainability Topics	Initiative Topics	Key Performance Indicators (KPI)	FY2025 (Target)	FY2025 (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 reduce environmental impact and improve productivity	Average sales growth rate of commercial and industrial IJP compared to the previous year	≥ 10%	13.9%
	Reducing environmental impact and improving productivity with inkjet technology and open solutions to provide a printing environment that meets the needs of society	Sales volume growth rate of high-capacity inkjet printers for SOHO and home users compared to the previous year (Including consumables; excluding foreign exchange effects)	≥ 4%	5%
Improving working environment and improving educational environment	Eliminating labor shortages through automation using robots	Number of labor shortages eliminated ⁷	27,000 persons	26,000 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	Co-creation: Continuing + case deployment 5 cases Implementing companies/partners: Continuing + new development at least 1 company	Co-creation/ collaboration: Continuing + case deployment 5 cases Implementing companies/partners: Continuing + new development 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 - Number of countries where demonstrations have been conducted in general education and efforts to raise awareness of social issues	A cumulative total of 60 programs A cumulative total of 5 countries	A cumulative total of 60 programs A cumulative total of 5 countries

Materiality: Improve the quality of life				
Key Sustainability Topics	Initiative Topics	Key Performance Indicators (KPI)	FY2025 (Target)	FY2025 (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	≥ 20%	15%
Realizing an abundant and colorful life	Providing attractive and high-quality products with our efficient, compact, and precise 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	≥ 20%	≥ 20%

Materiality: Fulfill our social responsibility				
Key Sustainability Topics	Initiative Topics	Key Performance Indicators (KPI)	FY2025 (Target)	FY2025 (Result)
Increasing stakeholder engagement	Responding to needs and social demands by strengthening dialogue with stakeholders	Monetary value of support in social support activities	≥ 0.1% of sales as a guideline	0.1% of sales
		Number of dialogs with shareholders and investors and reflecting opinions on management	≥ 200 meetings with shareholders & investors	210 meetings with shareholders & investors
		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 - SAQ response rate	- [Direct and indirect materials] 0% high risk - SAQ response rate 100%	- [Direct and indirect materials] SAQ results 0% high risk - SAQ response rate 100%
	Realization of responsible sourcing of minerals	- Conflict-free (CF) ratio of products - Survey response rate ¹⁰	- Realization of CF of new products - Survey response rate: 100%	- Realization of CF of new products - Survey response rate: 99.1%

Materiality: Fulfill our social responsibility				
Key Sustainability Topics	Initiative Topics	Key Performance Indicators (KPI)	FY2025 (Target)	FY2025 (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: A (Score ≥ 58.0) - Number of workplaces with D rating: 0	- Motivation cloud engagement rating: B (Score 50.0) - Number of workplaces with D rating: 46 sections
		Number of high risk workplaces with “general health risk” in the mental health check ¹¹	Number of high risk workplaces with “general health risk”: 0	- Workplaces with 10 or more respondents: increased from 10 to 12 workplaces
		Implementation of harassment prevention measures (education and training, case sharing, appointment process, etc.), ensuring to report cases to the head office	Continue FY2024 measures	- Continue harassment prevention sessions in various rank-based training programs - Hold training for those at consultation contact points on a periodic basis - Assisted with improving awareness of outsourced contact points and scope - Incorporated behavior control for incivility, a root cause of harassment, into company-wide e-learning content

Materiality: Fulfill our social responsibility				
Key Sustainability Topics	Initiative Topics	Key Performance Indicators (KPI)	FY2025 (Target)	FY2025 (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	Continue FY2024 measures	- Conducted a survey and also continued to implement FY2024 measures for the structure and status of consultation contact points related to human rights at each overseas subsidiary
	Utilizing human resources in a way that respects diversity	- Female manager ratio (the Company)	- Female manager ratio: 8% - Female supervisory position ratio: 10% - Appointment of female executive officers: 1 or more	- Female manager ratio: 5.9% - Female supervisory position ratio: 8.4%- - Appointment of female executive officers: 1

Materiality: Fulfill our social responsibility				
Key Sustainability Topics	Initiative Topics	Key Performance Indicators (KPI)	FY2025 (Target)	FY2025 (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 $\geq 1/3$ - Maintain the ratio of Outside Directors on the Nomination & Compensation Committees at $\geq 80\%$	- 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	0 cases

¹ Non-renewable resources such as oil and metals

² The total ratio of the amount of sustainable resources input and the amount of depletable resources used that have been recycled, relative to raw materials. Sustainable resources refer to renewable resources, closed-loop materials, and less depletable resources.

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

⁴ Quantified the contribution of products and services toward greenhouse gas (GHG) emissions reductions

⁵ Actual results for FY2025 will be disclosed on the Company website in early August 2026.

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

⁶ PoC (Proof of Concept): A process to verify the feasibility and actual effect, etc. of a new technology, etc.

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

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

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

¹⁰ Rate 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 recognizes this as one of its key environmental challenges. Epson has always operated based on a philosophy of efficient, compact, and precise innovation and culture of integrity-driven manufacturing and craftsmanship. These principles serve as the foundation for creating products and services that help reduce environmental impact.

Epson seeks to secure and expand business opportunities by providing value through its products and services. Doing so will enable it to both grow its businesses and reduce environmental impact. Environmental Vision 2050 is a foundational part of value creation at Epson. Under this Vision, Epson is working to decarbonize and circulate resources in an effort to reach its goals of becoming carbon negative and underground resource free by 2050.

Since expressing its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in October 2019, Epson has been disclosing information based on the TCFD framework. In doing so, it has strengthened communication with shareholders, investors, and a broad spectrum of other stakeholders, while incorporating climate-related risks and opportunities into its management decisions and strategic planning.

In 2021, Epson disclosed the quantitative financial impact of climate change for the first time. In 2022, we enhanced the content of disclosures on specific initiatives and achievements aimed at reducing GHG emissions based on the revised TCFD recommendations. Furthermore, since 2023, Epson has been endeavoring to enhance the qualitative and quantitative information on the highlights and specific results of its initiatives to address climate-related risks and opportunities.

The scenario analysis and various indicators presented in this disclosure are based on the Epson 25 Renewed long-term vision, which ran to the end of March 2026. Additionally, assessments and indicators based on the ENGINEERED FUTURE 2035 long-term vision, announced in March 2026, will be successively updated based on future analysis and deliberation.

① Governance

Epson has in place an effective supervisory framework under which important matters related to climate change are deliberated by the Corporate Strategy Council, an advisory body to the President, and reported regularly (at least once a year) to the board of directors.

In addition, Seiko Epson's president and representative director serves as chief officer of climate-related issues, and the Sustainability & Corporate Communications Promotion Office and Production Management Division formulate and promote company-wide environmental strategies, including the Company's response to environmental issues. The executive organization for general sustainability activities is shown in "(1) Sustainability ① Governance."

② Strategy

Environmental Vision 2050 is a strategic plan under which Epson seeks to become not just carbon neutral but carbon negative as well as underground resource free by 2050. To achieve these goals, we have been carrying out activities under a Mid-Range Environmental Action Plan¹³ that outlines specific initiatives to be implemented by 2030.

To increase resilience against climate change, we have been taking action to make Environmental Vision 2050 a reality. In FY2025, we reviewed the initiatives below, reported the situation to the various corporate management bodies and deliberated important matters.

¹³ For details on the Mid-Range Environmental Action Plan, please see below

https://corporate.epson/en/sustainability/environment/vision/#h2_04

Initiatives in FY2025

- Topics explored: decarbonization targets (renewal of SBTs), TNFD disclosures, and definition of and measures for resource circulation
- Shared initiative progress and challenges in each business
- Investigated and analyzed the current situation (competitor and social trends, environmental laws and regulations, etc.)

■ Scenario analysis of climate-related risks and opportunities¹⁴

Epson performed scenario analysis for each of 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 various forms of internal and external information.

¹⁴ Scenario analysis was conducted based on the previous long-term vision, “Epson 25 Renewed.”

■ 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.

Category		Evaluated risks & opportunities	Actualization	Business impacts	Financial impact
Transition risks	Market changes Policy & laws and regulations	Paper demand	Short-term	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).	Small
		(Initiatives in Environmental Vision 2050) - Decarbonization - Closed resource loop - Environmental technology development	Short-term	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) • CO₂ absorption technology	Invest a total of approximately ¥100.0 billion by 2030

SEIKO EPSON CORPORATION

Category		Evaluated risks & opportunities	Actualization	Business impacts	Financial impact
Physical risks	Acute	Damage to business sites due to floods	Long-term (End of 21st century)	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.	Small
	Chronic	Damage to business sites due to rising sea levels			
		Impact on operations due to drought			
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
		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
Financial impact Small: < 1 billion yen

Medium term: 10-50 years
 Medium: 1-10 billion yen
 Long term: > 50 years
 Large: > 10 billion yen

■ Epson implemented the following initiatives in FY2025.

Category		Evaluated risks & opportunities	Initiatives implemented in FY2025	FY2025 quantitative results
Transition risks	Market changes Policy & laws and regulations	Paper demand	- Sales of high-capacity ink tank printers have been strong in emerging markets and North America. While sales of office shared inkjet printers fell below the previous year in Europe and the U.S., they are increasing particularly in emerging markets, supported by the continued replacement of laser printers with inkjet printers. The financial impact of fluctuations in demand for paper in the market targeted by Epson was limited.	Small ¹⁵
		Decarbonization	- Maintained 100% renewable energy at all sites of the Epson Group globally ¹⁶ . - Introduced an environmental survey system to efficiently collect data on each company's activities and to visualize and utilize GHG emissions data as part of the Epson Green Supply Chain project that supports GHG emission reduction and the adoption of renewable electricity by suppliers.	¥4.39 billion (breakdown) ·Investment: ¥1.43 billion ·Expenses: ¥1.56 billion ·Personnel expenses: ¥1.40 billion
		Closed resource loop	- 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 (Completed and began operations in June 2025) (Epson Atmix).	Cumulative input costs and investments for Environmental Vision 2050: ¥24.61 billion in total
		Environmental technology development	- Published research results on technologies to enhance the performance of sustainable resources. - Established an in-group resource recovery scheme and conducted test production using in-house smelted materials with the aim of developing high-value-added recycling technologies for scrap metal. - Promoted the development of a technology for separating and collecting CO ₂ using a separation membrane and a CO ₂ absorption technology utilizing algae.	
Physical risks	Acute	Damage to business sites due to floods	- Assessed risks based on the IPCC Sixth Assessment Report for 36 sites (17 in Japan, 19 in overseas) ¹⁷ . - 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 ¹⁸ (relocation during facility renovation).	Small
	Chronic	Damage to business sites due to rising sea levels		
		Impact on operations due to drought		
Opportunities	Products and services	Customer environmental impact mitigation	- Promoted initiatives in the growth areas (office printing, commercial & industrial printing, printhead sales, production systems) under "Epson 25 Renewed."	FY2020 →FY2025 Revenue CAGR +11.9%
		Environmental business	- Continued PoC ¹⁹ of a business model for recycled fabric with an eye to business development with dry fiber technology as the core technology.	—

¹⁵ Small financial impact: less than ¥1 billion

¹⁶ Excluding some sales offices and other leasehold properties whose electric energy consumption cannot be identified, as well as the self-generated electricity from fuels such as CGS.

¹⁷ Assessed using IPCC climate change scenarios RCP 2.6 (2°C), RCP 8.5 (4°C)

¹⁸ A major domestic site with a long-term flooding risk (end of 21st century).

¹⁹ 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 render decisions on investments aimed at reducing GHG emissions. These have been utilized in feasibility studies prior to the execution of such investments. Following their introduction on a trial basis in FY2018, they were formally adopted in FY2020.

③ Risk management

As the environment in which we operate grows more complex and uncertain, we recognize that effectively dealing with risks that could have a significant impact on corporate activities will be essential for achieving sustainable growth. Epson sees climate-related issues as one of 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 Long-Term Vision, Mid-Term Business Plan, and Environmental Vision 2050. - Evaluate scenario analysis through the Corporate Strategy Council and board of directors.	- Effectively manage risks through the Corporate Strategy Council and the board of directors.

④ Metrics and targets

Epson aims to achieve its near-term 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 our business activities and value chain by improving the environmental performance of our products, utilizing renewable energy, and taking other steps based on the strengths of our efficient, compact, and precise technologies and philosophy.

After setting its SBTs in 2018, Epson revised its targets to conform to the 1.5°C target. The actions we took to achieve our FY2025 targets resulted in a successful transition to 100% renewable energy for all electricity used at our global sites ahead of the target year.

In May 2025, we obtained approval from the Science Based Targets initiative (SBTi) for our net-zero target and for our near- and long-term targets based on the Net-Zero Standard of the SBTi. This confirms that the 2030 targets that we set forth in Environmental Vision 2050 (total emission reduction targets for all scopes) are based on scientific evidence consistent with the 1.5°C target under 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 ²⁰ 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
Goals²¹	Achieve net zero in Scopes 1 and 2 in 2030 Achieve carbon negative in 2050

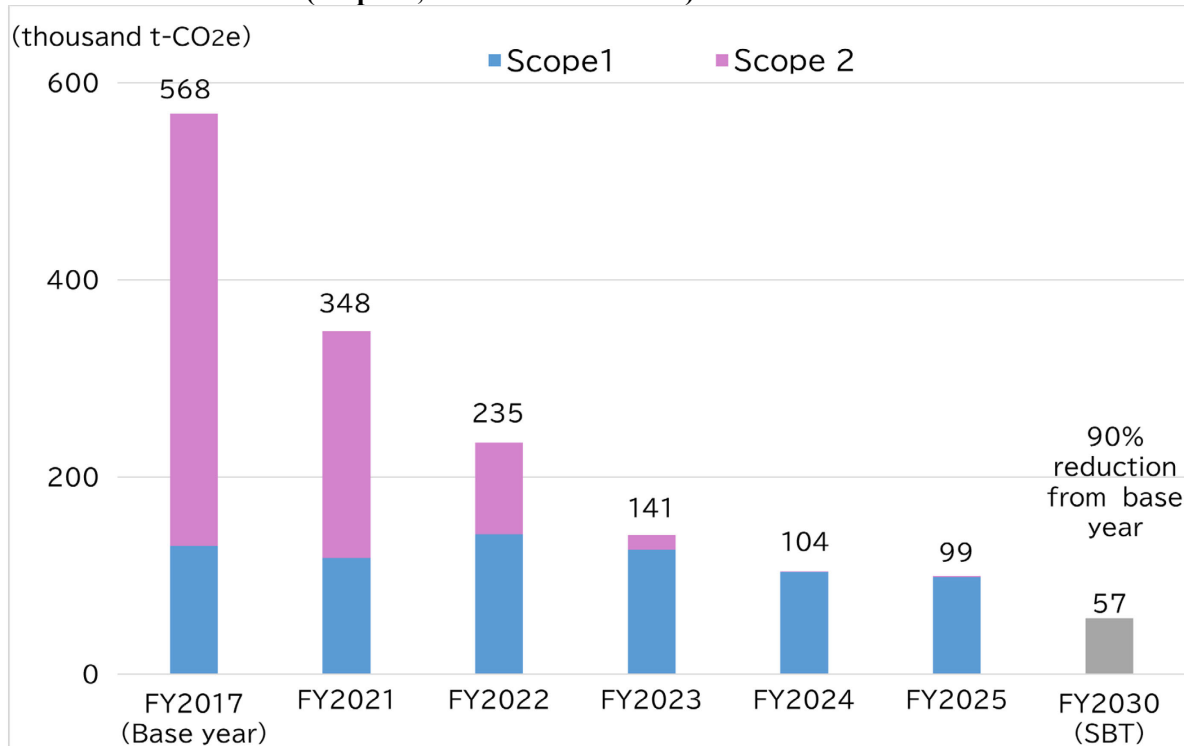
²⁰ Scope 1: Direct emissions from the use of fuel, etc., by the reporting company

Scope 2: Indirect emissions from purchased energy

Scope 3: Emissions from the reporting company's value chain (all categories are incorporated in the targets)

²¹ 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) ²²	FY2021	FY2022	FY2023 ²²	FY2024 ²²	FY2025 ²²	FY2030 (SBT)
Scope 1 (Thousand tons of CO ₂ e)	130	118	142	126	104	99	—
Scope 2 (Thousand tons of CO ₂ e)	439	230	93	15	0.4 ²³	0.5 ²³	
Total for Scopes 1 and 2 (Thousand tons of CO ₂ e)	568	348	235	141	104	99	57

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

²² Calculated based on the latest SBT criteria.

²³ Emissions associated with steam.

(3) Human capital and diversity**■ Human capital: approach and initiatives**

As part of our organizational and talent strategy to realize our long-term vision, ENGINEERED FUTURE 2035, we envision a future transition from a single operations division structure to globally diversified organizational groups tailored to different business models. The key lies in developing and securing leaders capable of leading these organizational groups and conceptualizing and executing initiatives even in highly uncertain environments. It is also essential to promote, on a global scale, the development of engineering talent and the cultivation of an engineering mindset—one starting from technology and grounded in a hands-on, on-site approach—where technologies are conceived, refined, and implemented in forms that are useful in the real world.

Epson has long sought to build the optimal organizational structure from a global perspective by securing diverse talent, helping them to plan, shape, and develop their careers, and assigning them to growth domains. We have also worked to enhance employee engagement, invigorate the organization, and maximize overall capabilities by creating an organizational culture and work environment that capitalizes on our diverse talent, embedding shared values, and implementing health and productivity management.

During Phase 1 of the Mid-Term Business Plan, Epson will build on these initiatives while focusing on the following 5 priorities:

- Enhancing utilization of our global organization and talent base through cross-Group assignments and promotions across regional and business boundaries
- Developing leadership capabilities to drive each business
- Establishing systems and frameworks to develop internal core talent capable of understanding and applying core technologies across functions
- Securing and retaining external talent that are key to new organizational capabilities
- Revising HR systems and developing data platforms to accelerate these initiatives

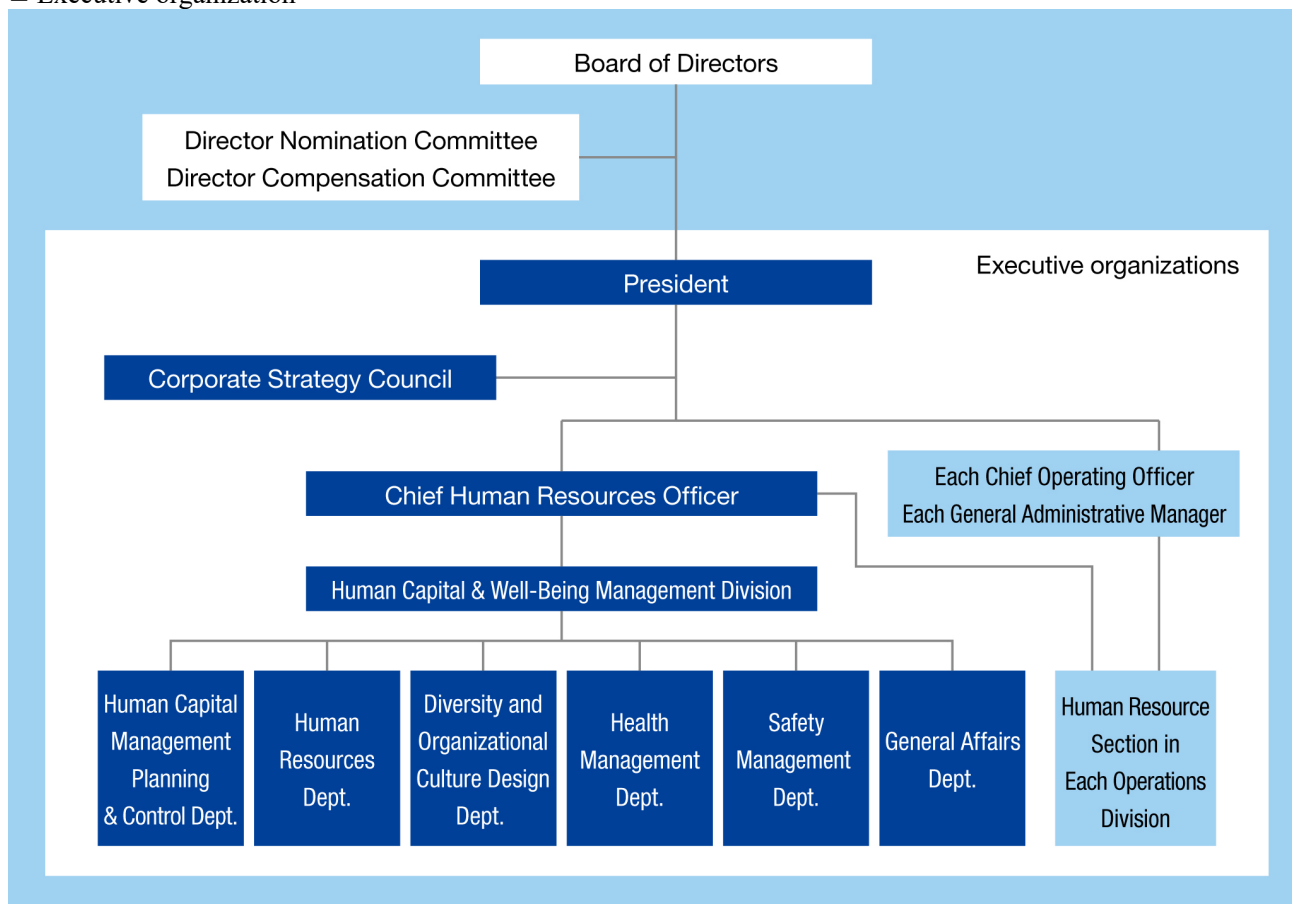
① Governance

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 HR or Human Resources strategies based on the medium-term management strategy and reports them to the Board of Directors as part of the Mid-Term Business Plan after discussion and deliberation. The CHRO works closely with the operations divisions and corporate divisions to optimize the allocation and assignment of people from a company-wide perspective, based on their staffing needs and views, and to promote our human resource strategy. The main items set forth in the mid-term HR or Human Resources strategies are discussed and reported to the Corporate Strategy Council as required.

The CHRO regularly (at least once a year) reports the progress of mid-term HR or Human Resources 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.

■ Executive organization



② Strategy

■ Type of talent we seek

In order to realize its management strategy and execute its business, Epson looks for human resources who, grounded in a shared understanding of business approach and values, possess a broad perspective and specialized expertise. We seek individuals who can act proactively and autonomously even in a rapidly changing business environment, and who are committed to creating value for our customers and society.

Epson is committed to supporting the transformation of society and industry through technology and engineering based on the efficient, compact and precise technologies and philosophy outlined in ENGINEERED FUTURE 2035. Accordingly, we seek individuals who think from a field-oriented perspective rooted in technology, implement refined technologies in ways that benefit society, and collaborate across regions, businesses, and functions. We need people who can take responsibility for the entire process, from conception to execution, to drive growth and transform our businesses on the ground.

In its previous mid-term HR or Human Resources strategies, Epson defined human resource requirements based on skills and behavioral characteristics. We have been building a talent portfolio with the aim of visualizing human resources in alignment we will need to execute the management strategy. Building on this foundation, we aim to gain a clearer understanding of talent gaps from both quantitative and qualitative perspectives. We will implement global initiatives, including recruitment, human resource development, reskilling, optimal placement and succession planning, aligned with our management strategy with the goal of establishing an optimal workforce structure across the entire Group that contributes to the realization of our medium- to long-term strategy.

■ Human resource strategies, opportunities, and risks

We have assessed the opportunities and risks associated with the five key human resource strategies we are striving to execute.

Human resource strategies		Opportunity	Risk
(1)	Capitalizing on our global organization and talent base through cross-Group assignments and promotions across regional and business boundaries	○ Growing business and achieving ROIC through increased collaboration across businesses and regions along with integrated solutions initiatives ○ Improving employee motivation and engagement through the utilization and promotion of human resources across the Group	● Obstacles to business execution arising from the inability to secure appropriate human resources in terms of both quantity and quality as well as from inadequate staffing mechanisms that prevent appropriate personnel placement ● Lost growth opportunities and financial losses as a result of those obstacles
(2)	Developing leadership capabilities to drive each business	○ Achieving business objectives by strengthening the ability to execute systematic business strategies ○ Stabilizing the organizational foundation through the systematic development and placement of leaders	● Obstacles to business operations arising from the inability to secure necessary executive and managerial personnel ● Financial losses as a result of those obstacles
(3)	Establishing systems and frameworks to develop internal core talent capable of understanding and applying core technologies across functions	○ Creating value in critical technology areas ○ Increased employee motivation and engagement as a result of employees feeling and experiencing growth in response to the provision of rewarding and growth opportunities	● Obstacles to business operations arising from the inability to secure or develop human resources with the necessary expertise and engineering mindset ● Lost growth opportunities and financial losses as a result of those obstacles
(4)	Securing and retaining external talent that are key to new organizational capabilities	○ Promoting new business initiatives and expanding operations in growth areas by acquiring human resources with the advanced expertise	● Obstacles to business operations arising from the inability to recruit or retain highly specialized professionals
(5)	Revising HR systems and developing data platforms to accelerate these initiatives	○ Improving motivation, engagement, and retention by appropriately evaluating and compensating personnel with specialized skills ○ Strengthening the organizational foundation through strategic staffing and planned development utilizing a data platform	● Obstacles to business operations caused by a decline in motivation or the loss of personnel with specialized skills ● Delays in business execution and inefficiencies resulting from delays in human resource development due to insufficient personnel data or from failure to optimally allocate human resources

■ Human resources strategies

Human resource strategy (1) Capitalizing on our global organizational and talent base through cross-Group assignments and promotions across regional and business boundaries

At Epson, we have long been committed to nurturing and developing people who are knowledgeable and experienced in a wide span of globally dispersed organizational functions, who are capable of coordinating those functions from the perspective of overall optimization, and who can quickly make the right decisions on the ground. This effort is driven by our commitment to delivering valuable products to our customers and the need to effectively and efficiently manage our global value chain.

Strategic human resource utilization with a Group-wide perspective is recognized as increasingly important under ENGINEERED FUTURE 2035. Accordingly, we are developing a foundation that enables us to capitalize on our global talent. Specifically, to promote collaboration across businesses and regions and to develop integrated solutions, we are working to establish a system for assigning personnel with the right skills to the right projects, clarifying roles and responsibilities, and linking these to compensation. Through the trial implementation of this global assignment system, we plan to gradually expand the utilization of human resources across the Group. By aligning personnel

placement and compensation with the roles expected of employees on a global scale, we aim to enhance our ability to execute business strategies.

Human resources strategy (2) Developing leadership capabilities to drive each business

Once a year, Epson conducts an overview of the staffing situation in each organization and formulates succession plans for key management and other positions. In addition, identify global talent and list up candidates for future executive management and middle management positions, and we formulate training and development plans for them.

However, we recognize that these efforts are primarily focused on human resource management at the individual organizational level. There is room to further advance management's ability to gain a comprehensive, company-wide overview of human resources and utilize them strategically. Top management thus leads regular meeting to discuss key issues related to the utilization of the Epson Group's talent, focusing particularly on leaders in middle management and above. In this way, we aim to manage people-related decisions—including rotation, promotion, placement, and reorganizations—in a more coordinated and strategic way to address organizational challenges. From a succession planning perspective, this system is also used for the systematic development and placement of people in key positions such as General Administrative Manager and Chief Operating Officer. To this end, we will develop candidates by providing them with challenging assignments and opportunities to gain management experience. We also plan to review existing leadership development programs and enhance them to include more practical content.

Human resource strategy (3) Establishing systems and frameworks to develop internal core talent capable of understanding and applying core technologies across functions

At Epson, we develop human resources by combining systematic off-the-job training (such as rank-based and specialized training) with on-the-job training centered on actual work. While continuing this development approach, we will also explore fresh approaches to developing our workforce to achieve our long-term vision and will lay a foundation that enables us to continuously develop and deploy the human resources we need.

Epson has long been committed to securing a diverse workforce and fostering the career development and training of internal human resources. As we move forward, we will expand our systems to consistently provide the necessary training to the right people. At the same time, we will work to strengthen the expertise of our engineering personnel and expand their areas of activity, leading to personnel assignments that allow them to flexibly demonstrate their value across departments and regions. In doing so, we aim to enhance the ability of our specialized human resources, particularly engineers, to create value while sharing knowledge globally. These actions will enable us to reinforce an internal human resource base that is highly adaptable to change and grounded in expertise and an engineering mindset.

Human resource strategy (4) Securing and retaining external talent that are key to new organizational capabilities

As Epson's businesses become increasingly sophisticated and specialized, a critical management challenge is to secure and retain not only management personnel, but also highly specialized professionals from outside the company. In particular, we recognize that leveraging external talent to flexibly incorporate the insights and experience that cannot be fully provided by existing organizations and personnel is essential for strengthening our competitiveness, especially in expanding new businesses and growth areas.

For that reason, in addition to our traditional framework centered on the mass hiring of new graduates, we are strategically exploring new recruitment approaches that allow us to acquire external talent with advanced expertise in a timely manner in accordance with our business needs. At the same time, we are working to enhance our onboarding processes so that new hires can quickly contribute value and are striving to create an environment where specialized human resources can smoothly adapt to the organization and its operations.

Human resource strategy (5) Revising HR systems and developing data platforms to accelerate these initiatives

Epson believes that in addition to acquiring and retaining specialized human resources, an evaluation and compensation system that appropriately reflects market conditions and individual contributions is essential in order to encourage each employee to fully demonstrate their expertise. Based on this, we are transitioning to an evaluation and compensation system that clarifies the value of expertise and roles and that encourages commitment to results. This will make it easier to compensate engineering talent for the value they provide while better enabling us to attract and retain specialized human resources.

Furthermore, we view the utilization of human capital data as critical for achieving long-term growth and strengthening the execution of our management strategies. Within the Group, there is a diverse range of human

resources data, both structured and unstructured. To utilize this data to maximum effect, we are consolidating and integrating human resources information into a unified database for use as an internal platform.

By advancing this human resources data platform and creating a talent portfolio, we intend to enhance the reproducibility and effectiveness of human capital management, thereby creating sustainable corporate value even in a changing business environment.

■ Internal environment improvement

At Epson, we aim to enhance employee engagement and maximize the collective strength of organizations. To do so, we are equipping employees with the ability to adapt to change and are embracing diversity, creating a good work environment and organizational culture, and managing health, safety, and well-being.

Diversity

We need to understand our diverse customers and create new value that surprises and delights in this era of rapid change. Therefore, we seek to hire people with a wide variety of abilities and skills at Epson sites around the world. We want employees who are responsible members of society, who grow along with the company, and who challenge themselves to continue to innovate and create value.

Epson recognizes that gender equality in Japan is one of the most urgent challenges facing the Company. We are therefore reaching out to younger women and are providing all women with additional support to assist them in advancing their career. The goal is to expand the number of women candidates for management positions and, ultimately, to soon have a situation where the ratio of women in middle and executive management positions is equal to the ratio of women in our workforce. We are also promoting inclusiveness and the advancement of people with disabilities. In other words, we want to create a situation where all employees, including those with disabilities, are able to take on challenges, continue to grow, and contribute to the company. To do so, we are actively hiring people with disabilities across the Epson Group and are developing new businesses at our special subsidiaries where many of them work. In addition, we are nurturing a corporate culture in which people with disabilities can thrive by creating opportunities for engagement and by hosting workshops and events focused on inclusion.

To lay the foundation for these activities and to promote a change in employee mindset, we issue executive messages and hold an in-house Diversity Fair. We also help employees reach their full potential regardless of personal circumstances by providing counseling and advisory services. Meanwhile, we actively encourage men to take paternity leave. Furthermore, to support the career development and career advancement of people from diverse backgrounds, we have put in place various career support programs and an education system that provides opportunities for relearning and reskilling.

Organizational culture

Since FY2022, Epson has been using a third-party tool to conduct engagement surveys that have enabled it to visualize the state of its organization and identify opportunities for improvement. The results of the FY2025 survey showed that the Company's overall rating dropped one notch, from a BB rating in the previous fiscal year to a B rating, and that the total rating score fell from 52.2 to 50.0. This decline is believed to reflect a widening gap between employee expectations and satisfaction. While expectations for the company and its direction rose following changes in the management team, the gap widened due to a lack of understanding and conviction regarding specific business initiatives and measures among the workforce. Moreover, the survey results revealed that while the foundation of trust in the workplace has been maintained to a certain extent, there are many challenges remaining in realizing a self-sufficient organization in which individuals take the initiative to improve the weaknesses of that organization. While previous surveys have helped to give us a broad grasp of organizational challenges, there was room for improvement in terms of identifying specific issues and linking them to concrete measures. As we move forward, we will improve our survey and develop comprehensive plans for assessing the current situation and implementing measures to address key priorities for strengthening human capital to support sustainable growth and realize the ENGINEERED FUTURE 2035 vision.

We believe that a diverse workforce of self-motivated individuals will continue to take on challenges as an organization, enabling us to agilely adapt to changing conditions and deliver greater results. To this end, we intend to redouble our efforts to instill and embed a culture that empowers value-creating talent and that encourages people to continue to take on challenges without fear of failure.

Creating a positive work environment

Epson strives to create a safe, energetic, and rewarding workplace where employees feel a sense of purpose, where their physical and mental wellbeing are protected, and where they can continue to take on new challenges while adapting to changes across different stages of life. We offer flexible work arrangements. Employees can work flexible hours and work remotely, living up to their full potential while balancing work with private life and all that comes with it, from childcare, nursing care and medical treatment to infertility treatment.

To realize the ENGINEERED FUTURE 2035 vision, we believe it is essential to create an environment where our diverse workforce can fully utilize their abilities and continue to thrive. To that end, we will continue to build a foundation that supports the success of our workforce by promoting flexible work arrangements that accommodate different life stages and values, as well as initiatives that support individual career development.

Health and productivity management

The health of all workers in the Epson Group is of paramount importance to us. Guided by our Corporate Purpose, the Epson Way, the Epson Group Basic Occupational Health and Safety Policy and the Epson Group Health and Productivity Management Declaration, we strive to create a global workplace where employees feel motivated and engaged, supported by a strong foundation of improved physical and mental well-being. In April 2026, Epson introduced a new mid-term health plan called “Health Action 2030.” To ensure that employees can continue working productively in good mental and physical health, the Company encourages them to manage their own health and helps them to do so by focusing on three priority areas: improving health literacy, promoting healthy lifestyle behaviors, and enhancing stress management capabilities. We believe that through these initiatives, the vitality of each individual will become a driving force for the company and contribute to enhancing corporate value.

Epson began introducing medium-term health and productivity management initiatives in FY2001 and has repeatedly been recognized for its efforts. In March 2026, Epson was recognized for the 10th consecutive year under the Certified Health and Productivity Management Organization Recognition Program (White 500).

Occupational health and safety

In FY2000, Epson formulated a policy and program based on an occupational safety and health management system (OSHMS) that conforms to the guidelines of the International Labour Organization (ILO). We have been carrying out occupational health and safety activities in line with these ever since.

In FY2022, we evolved these activities into ones based on the ISO 45001 international standard. Furthermore, to continuously reduce occupational accidents and further develop and embed our occupational health and safety activities, we formulated a five-year Mid-Range General Plan covering the period from FY2026 to FY2030.

Through these efforts, we aim to realize a dynamic workplace environment where all the workers in the Epson Group can work safely, securely, and in good health while thriving.

③ Risk management

As the environment in which they operate becomes increasingly complex and uncertain, companies find it essential to effectively address threats that could significantly impact their business activities and prevent them from executing their management strategies and attaining their business objectives. Epson sees issues related to human capital and diversity as threats with significant potential to impact business and thus manages them with care.

■ 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 ENGINEERED FUTURE 2035 and mid-term HR or Human Resource strategies. - Identify gaps between the current situation and the ideal situation in the development of the human resource portfolio and its utilization process.	- Effectively manage risks through the Corporate Strategy Council and the Board of Directors.

④ Metrics and targets

Under the previous long-term vision, Epson 25 Renewed, Epson set and tracked KPIs for each of the three pillars of its human resource strategy: (1) allocate human resources to priority areas, (2) strengthen human resource development, and (3) organizational activation.

As a multinational enterprise, Epson formulates and executes human resource strategy from a global perspective. However, since the culture and situation of each company differ, all the metrics and targets through FY2025, aside from those for occupational health and safety, applied only to Seiko Epson Corporation.

We are now arranging potential KPIs and targets for the human resources strategy from FY2026 onwards based on the long-term vision, ENGINEERED FUTURE 2035, and the review of the management strategy based on this vision. We are also in the process of revising and refining the KPI system. Accordingly, as of the end of FY2025 in March of this year, we have not yet set specific targets. However, we plan to establish new KPIs and targets moving forward.

■ Strategic actions and targets through FY2025

Strategies	Metrics	Results			Targets (FY2025)
		FY2023	FY2024	FY2025	
Allocate human resources to priority areas	Number of hires	New graduates: 344 Mid-career: 204	New graduates: 373 Mid-career: 70	New graduates: 265 Mid-career: 29	Continue to hire over 350 people each fiscal year ²⁴
Strengthen human resource development	Rotation rate	10.1%	10.1%	10.0%	15% or more each fiscal year
Diversity	Women in management positions	4.7%	5.3%	5.9%	8%
	Women in supervisory positions	7.7%	8.1%	8.5%	10%
	Number of women in Executive Officer positions (Status of initiatives is indicated in parentheses)	(Number of employees dispatched to Kyoto University Leadership Training and Mackinsey Program: 2 and 1, respectively)	Appointed: 1 (Assumed the position on April 1, 2025)	Appointed: 1	At least one by FY2025
	People with disabilities as a percentage of the workforce ²⁵	2.65%	2.58%	2.76%	FY2030: 3.0%

Strategies	Metrics	Results			Targets
		FY2023	FY2024	FY2025	
	Gender wage gap ²⁶	All workers: 76.5% Regular: 76.8% Non-regular: 79.3%	All workers: 77.2% Regular: 77.5% Non-regular: 75.8%	All workers: 78.4% Regular: 78.5% Non-regular: 79.2%	Reduce the wage gap by increasing the number of women in management, etc. (The primary reason for the wage gap is the low percentage of women in higher level positions and grades. Men and women receive equal pay for the same grade under our wage system.)
		(Reference) Management positions: 97.9%	(Reference) Management positions: 98.2%	(Reference) Management positions: 97.8%	
Employee engagement	Overall employee engagement rating	BB (Score: 52.9)	BB (Score: 52.2)	B (Score: 50.0)	By FY2025: (1) All workplaces have an A rating (a score of 58 or higher) (2) No workplace with a D rating
Creation of a good working environment	Percentage of men taking childcare leave	85.2%	91.6%	95.7%	100% each fiscal year
	Online harassment prevention course completion rate	97.6%	97.7%	95.8%	100% each fiscal year
	Reporting of all 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 internal organizations and affiliates
	Annual total actual working hours	1,866 hours	1,847 hours	1,872 hours	FY2025: 1,845 hours
Health and productivity management	Number of workplaces rated high-risk in terms of mental health	1.7% (Counted in workplaces of 10 or more people)	1.4% (Counted in workplaces of 10 or more people)	1.7% (Counted in workplaces of 10 or more people)	FY2025: Zero
Occupational health and safety	Number of serious occupational accidents or injuries ²⁷	0 cases	0 cases	0 cases	Zero in each fiscal year

²⁴ 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

²⁵ As of June 1 of each fiscal year

²⁶ The wage gap between men and women is the ratio of women's wages to men's wages.

²⁷ All Group companies including overseas companies. Other metrics are for Seiko Epson Corporation only.

(4) Intellectual property

Under ENGINEERED FUTURE 2035, Epson's long-term vision, we seek to enhance both social value and corporate value by combining our efficient, compact, and precise technologies and philosophy with precision engineering and practical knowledge to implement optimal solutions for industry and society.

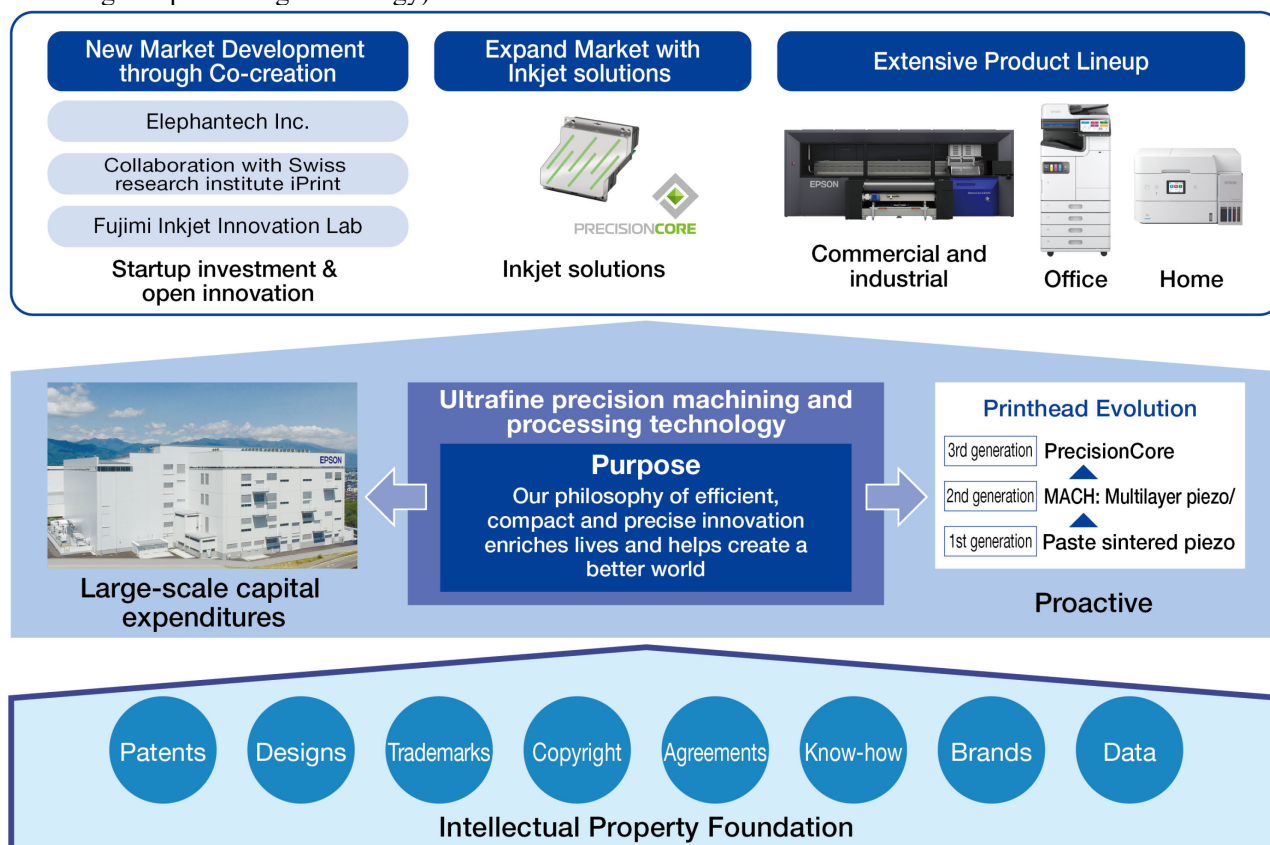
Based on this philosophy, we believe it is essential to "identify, connect, and integrate Epson's diverse forms of knowledge to build an intellectual foundation that generates a chain of innovation, and to continue supporting sustainable growth by leveraging all intellectual assets." This means that, in addition to intellectual property in the narrow sense, namely intellectual property rights such as patents, trademarks, design rights, and copyrights, we will combine all intellectual assets that we hold, including brands, business models, data, and know-how, and leverage these intellectual assets to create optimal solutions, bring value to society, and support sustainable growth.

For example, a key source of Epson's competitive advantage is our ultrafine precision machining and processing technology that has been nurtured since our founding. This ultra-fine precision machining technology incorporates a wealth of know-how, and we strictly safeguard the most critical aspects of it. The printheads that underpin Epson's inkjet solutions, commercial and industrial printing, and office and home IJP businesses have not only been refined through this ultra-fine precision machining technology but have also evolved under the protection of a robust patent portfolio. In addition to Epson-branded commercial and industrial printers and home and office printers, our business of selling printheads to third parties has expanded the user base for our printheads across a wide range of fields. This is made possible by our mass production technology for printheads of consistent quality, which in itself is another one of our key IP.

In addition, the development of new markets with high potential through investment in startups and co-creation with third parties by open innovation is also accelerating. This is only possible because Epson possesses valuable IP that make Epson a valuable partner for other companies.

In this way, by connecting and integrating Epson's diverse IP, we can translate value into practical applications for society and generate a chain of innovation through further investment in research and development. Thereby continuing to make dramatic evolution in our printheads and other products as well as our technologies and support the sustainable growth of Epson.

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



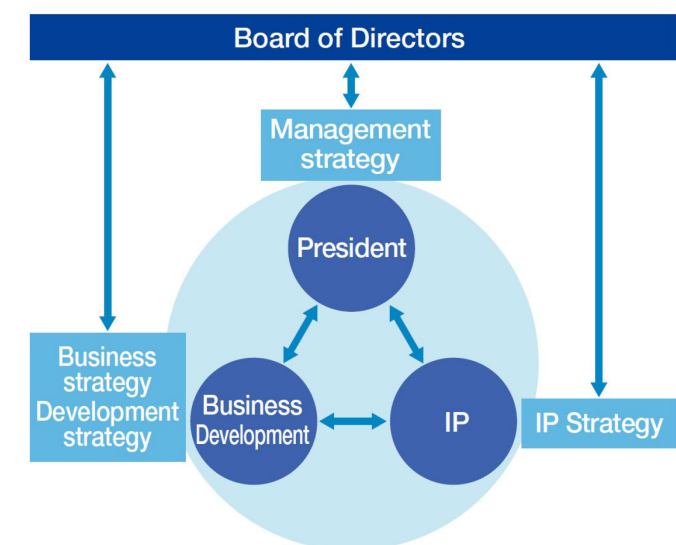
Needless to say, Epson's diverse IP is not limited to the printing business. For example, Epson Atmix's metal powder business, a part of the Precision Innovation Segment that is expected to grow, was the first in the world to successfully mass-produce amorphous alloy powders using its proprietary "SWAP® method," enabling a stable supply of high-quality metal powders. This SWAP® method is also managed as confidential proprietary manufacturing know-how. Furthermore, an invention related to the amorphous soft magnetic alloy powders produced using the SWAP® method²⁸ received the Prize of the Minister of Education, Culture, Sports, Science and Technology at the 2024 Tohoku Regional Commendation for Invention (sponsored by the Japan Institute of Invention and Innovation). This demonstrates that Epson Atmix's metal powder business is protected not only by know-how but also by valuable patent rights, indicating that IP supporting future growth has been established.

²⁸ SWAP (Spinning Water Atomization Process) is Epson Atmix's proprietary alloy powder production method that enables mass production of amorphous alloys. It is a registered trademark of Epson Atmix Corporation. Alloys melted in a high-frequency induction furnace are atomized by gas and subjected to ultra-rapid cooling at several hundred thousand degrees Celsius per second by a high-speed spinning water stream to produce alloy powder in an amorphous state.

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 Intellectual Property Division General Administrative Manager holds a three-party meeting with the President and either Chief Operating Officers or Technology Center Heads. 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



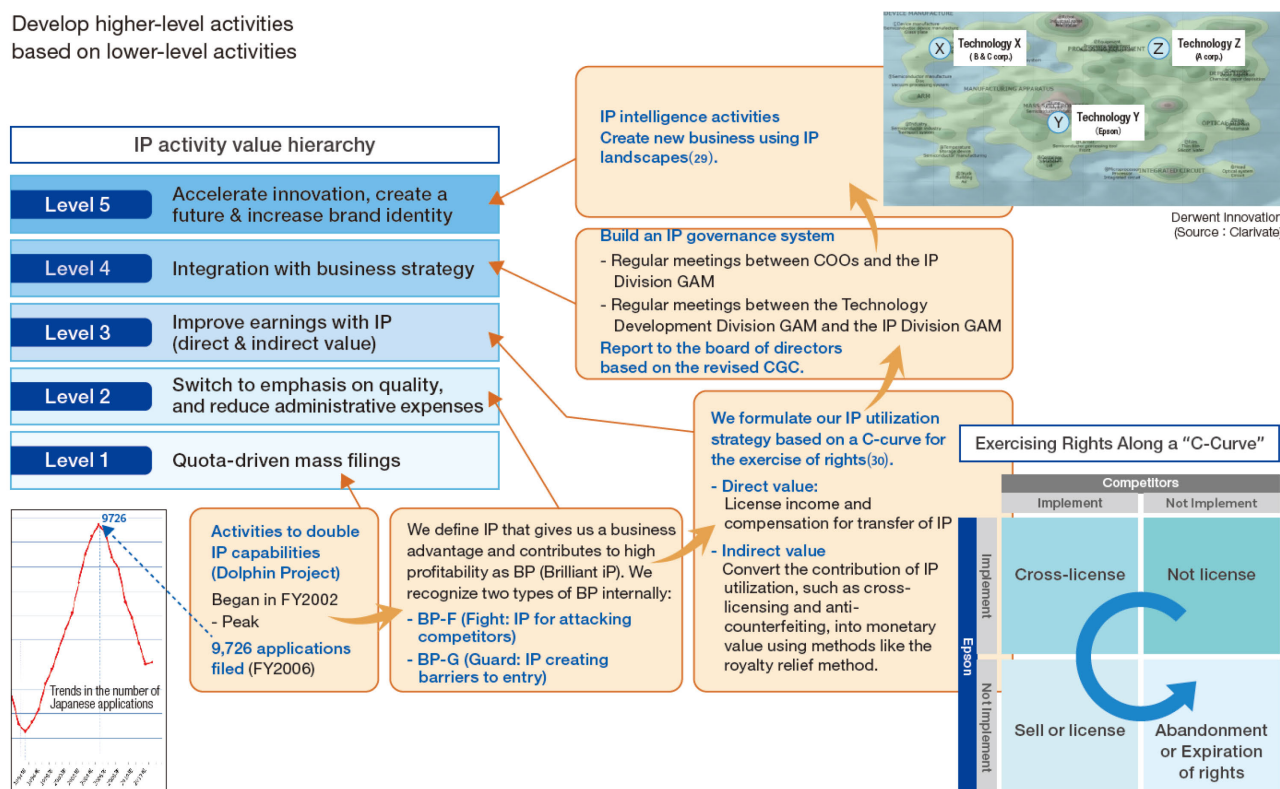
② Strategy

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.

■ Intellectual property strategy (schematic diagram)

Develop higher-level activities
based on lower-level activities



²⁹ An example of analysis using the Derwent Innovation database provided by Clarivate. The database was utilized in formulating strategies by visualizing the strengths of Epson and those of others. For details, please refer to below:

<https://corporate.epson/ja/technology/intellectual-property/research.html>

³⁰ 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>

- IP activities tailored to the positioning of business segments reorganized under our long-term vision, ENGINEERED FUTURE 2035 (Level 4)

Segment	Precision Innovation	Industrial & Robotics	Office & Home Printing	Visual & Lifestyle
Businesses	- Inkjet solutions - Microdevices - Epson Atmix	- Commercial & industrial printing - Robotics	Office & home IJP	- Visual products - Wearable products - PCs
Role	Growth engine	Generate robust growth in Phase 2	Earnings base	Earnings base
IP strategy	Protect strengths through a closed strategy	Establish intellectual assets as a base for future growth	Aggressively utilize intellectual assets (anti-counterfeiting, etc.) Secure freedom of business activities through cross-licensing Strengthen brands	

③ Risk management

Epson positions risks related to IP as risks with significant management impact and manages them appropriately by sharing updates on the situation at regular two-party (or three-party) meetings and Board of Directors meetings.

■ 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

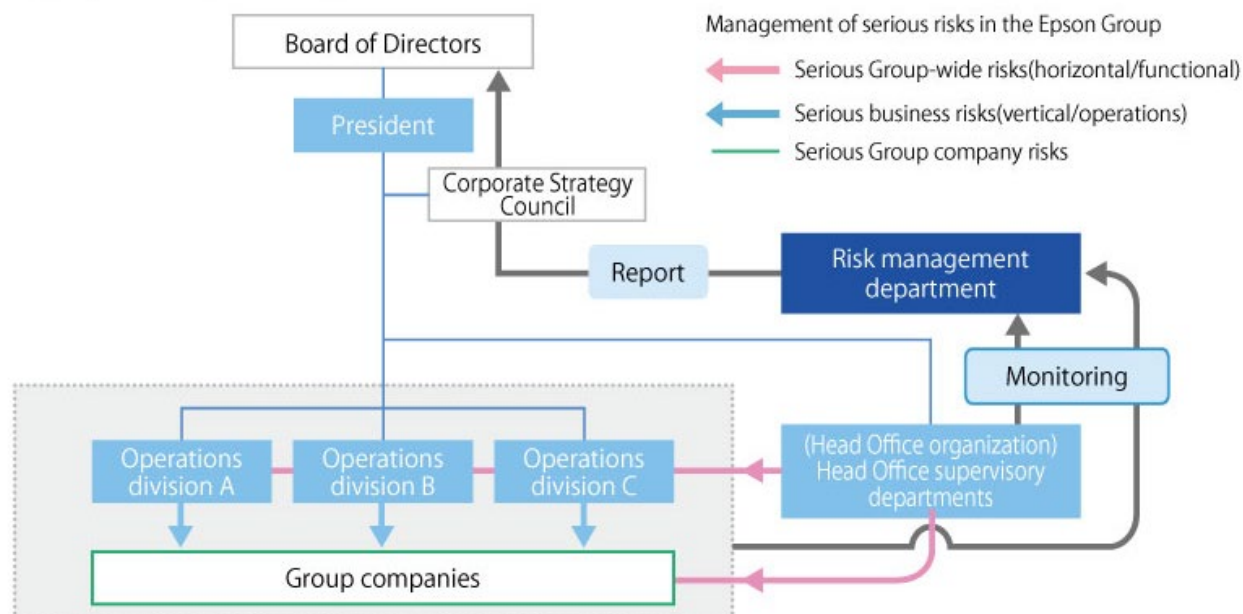
Based on the Basic Internal Control System Policy, overall responsibility for risk management in the Epson Group, including subsidiaries, belongs to the president of Seiko Epson. Group-wide risk management is carried out by Head Office supervisory departments with the cooperation of the operations divisions 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.

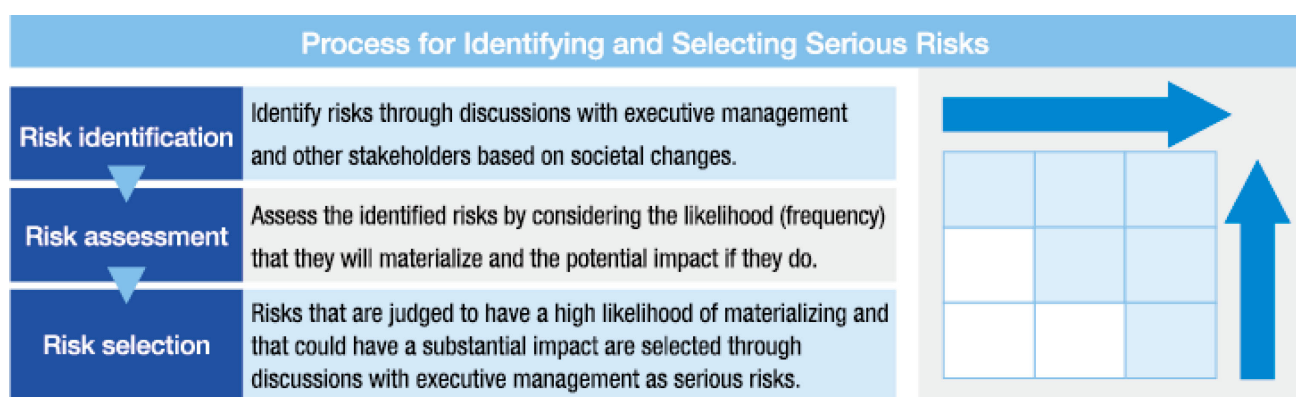
These risks are prioritized based on risk assessment in reference to the internal control framework "COSO¹" and the international standard for risk management "ISO 31000." Risks that could have serious adverse effects on Epson Group operations are considered "serious Group-wide risks." Risks that could 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 every six months. 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.

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

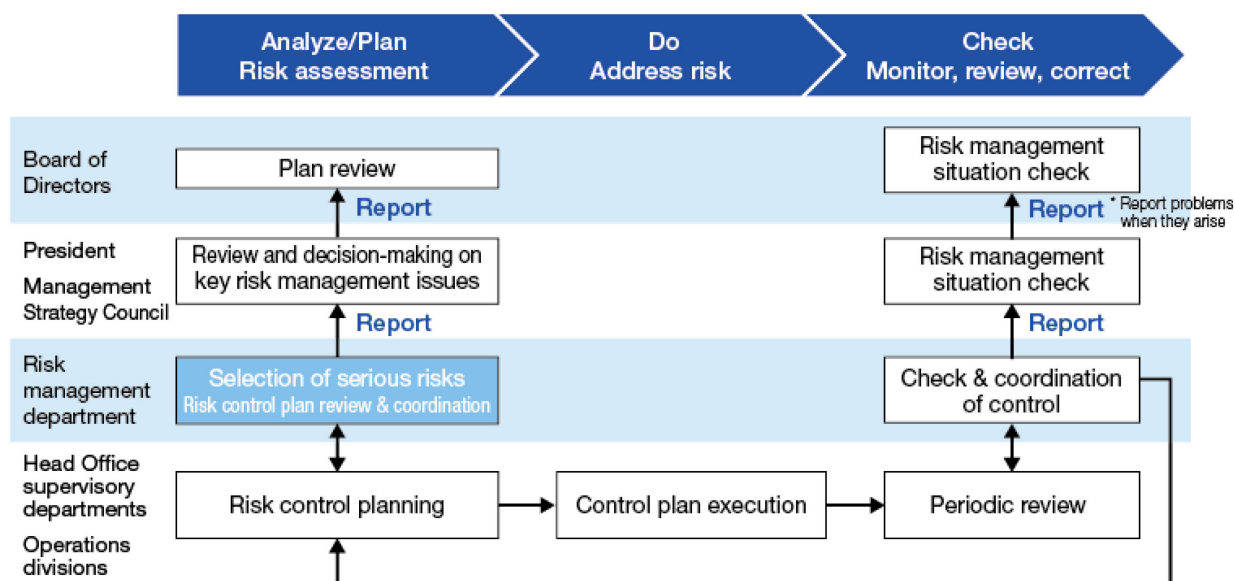
■ Risk management structure



■ Selection of serious risks



■ Management cycle of serious risk control activities



(2) Risks related to Epson's business operations**① Our operating results, etc. could be adversely affected by fluctuations in printer sales.**

The ¥1,029.5 billion in revenue in the printing solutions segment in the year ended March 31, 2026 accounted for about 70% of Epson's ¥1,413.3 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 technology² that we use in our inkjet printers competes with the thermal inkjet technologies³ of other companies;
- The 3LCD technology⁴ that we use in our projectors competes with other companies' DLP technologies⁵, 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 is executing plans and strategies based on the long-term vision ENGINEERED FUTURE 2035 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 precise 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.

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, there are products supplied by third parties for Epson printers, such as ink cartridges and other inkjet printer consumables. These 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 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, 2026. 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 2026, 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 resource⁷ 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 energy-saving activities.

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.

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 and productivity 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 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 various businesses domestically and internationally. We are engaged primarily in the development, manufacture and sales of products related to each business segment, 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 adjointed. 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.

⑩ 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.

⑪ 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 BCP (business continuity plans) to mitigate the effects of disasters to the extent possible. We also promote supply chain BCM (business continuity management) for properly maintaining and improving our BCP.

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.

⑫ 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

The global economic situation in the year under review remained subject to a high degree of uncertainty due to factors such as U.S. tariff policies and recent conditions in the Middle East. In terms of regional trends, the domestic Japanese economy continued to gradually recover. The U.S. economy remained solid, underpinned by steady consumer spending. The European economy trended toward slower growth due to the impact of elevated energy prices and geopolitical factors. The Chinese economy remained generally stable amid policy support. As for the economic outlook, uncertainty is expected to persist owing to geopolitical forces and shifting national trade policies. We will therefore continue to closely monitor market trends and economic conditions.

Against this backdrop, Epson recorded ¥1,413.3 billion in revenue, up 3.7% from the prior year, owing primarily to revenue growth in the printing solutions segment and manufacturing-related and wearables segment.

Business profit was ¥83.8 billion, down 6.5% from the prior year, as the positive impact of revenue growth and foreign exchange were more than offset by higher costs due to the impact of U.S. tariffs and other factors. Profit from operating activities was ¥49.6 billion, down 34.0% from the prior year, mainly due to the recognition of a partial impairment loss on goodwill at Fiery, a consolidated subsidiary. Profit before tax was ¥50.0 billion, down 36.2% from the prior year. Profit for the period attributable to owners of the parent company was ¥18.2 billion, down 67.0% from previous fiscal year.

The average exchange rates of the yen against the U.S. dollar and of the yen against the euro during the year were ¥150.69 and ¥174.74, respectively. This represents a 1% appreciation of the yen against the dollar and a 7% depreciation of the yen against the euro compared to the prior year.

SEIKO EPSON CORPORATION

(Billions of yen)

	Year ended March 31, 2025	Year ended March 31, 2026	Change	Percentage of change	Main reason(s) for change
Revenue	1,362.9	1,413.3	50.3	3.7%	[Revenue]
Cost of sales	(869.9)	(912.5)	(42.6)	–	Printing Solutions Segment 49.4
Gross profit	493.0	500.8	7.7	1.6%	Visual Communications Segment (22.4)
Selling, general and administrative expenses	(403.4)	(417.0)	(13.5)	–	Manufacturing-related and wearables 24.6
Business profit ¹	89.6	83.8	(5.8)	(6.5)%	[Business profit] Printing Solutions Segment (4.3) Visual Communications Segment (16.8) Manufacturing-related and wearables 14.0
Other operating income and Other operating expense	(14.5)	(34.2)	(19.7)	–	Increase in other operating expense due to recording of impairment loss on goodwill, etc.
Profit from operating activities	75.1	49.6	(25.5)	(34.0)%	
Finance income and Finance costs	3.3	0.5	(2.8)	–	Decrease in interest income, etc.
Profit before tax	78.4	50.0	(28.4)	(36.2)%	
Income taxes	(23.2)	(31.8)	(8.6)	–	Increase due to unrecognized deferred tax assets for certain tax loss carryforwards, etc.
Profit for the period	55.2	18.2	(37.0)	(67.0)%	
Profit for the period attributable to owners of the parent company	55.2	18.2	(37.0)	(67.0)%	

¹ 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 slightly increased from the prior year primarily due to sustained firm sales of office and home inkjet printers. By product category, unit sales of ink cartridge printers declined, while unit sales of high-capacity ink tank printers increased, particularly in emerging markets in the Middle East and Africa, as well as in Asia and South America. Unit sales of office shared inkjet printers grew slightly, led by ongoing expansion in emerging markets. Revenue from office and home inkjet printer ink changed little from the prior year. Although sales of ink bottles for high-capacity ink tank printers and ink for office shared inkjet printers increased, sales of ink cartridges significantly declined, in large part because of the shift toward high-capacity ink tank printers. Revenue in the commercial and industrial printing business increased. The commercial and industrial inkjet printer finished product business recorded revenue growth mainly owing to the capture of orders and the launch of new products. Revenue in the printhead sales business was in line with the prior year due primarily to continued soft demand in the Chinese market. Revenue in the small printers and other category increased mainly due to firm sales in North America, Europe, and Japan.

Segment profit in the printing solutions segment decreased due to the substantial negative impact of U.S. tariffs, which more than offset revenue growth and positive foreign exchange effects.

As a result of the foregoing factors, revenue in the printing solutions segment was ¥1,029.5 billion, up 5.0% from the prior year. Segment profit was ¥120.6 billion, down 3.4% from the prior year.

The amount of the impairment loss on goodwill related to Fiery was ¥25.9 billion. This impairment was recognized due to a deterioration in market conditions in the commercial printing and industrial printing markets served by Fiery, LLC, which has become more severe than previously anticipated. Specifically, capital expenditure by the customers has been constrained amid factors such as the impact of U.S. tariff policies. Considering these circumstances, Epson conducted a prudent review of its business plans, resulting in the recognition of the impairment loss.

Visual Communications Segment

Revenue in the visual communications segment decreased. In addition to deterioration in the Chinese market, revenue was significantly impacted by a decline in sales in the education markets of Europe and America.

Segment profit sharply declined in the visual communications segment because of the large negative impact from the decrease in revenue.

As a result of the foregoing factors, revenue in the visual communications segment was ¥181.4 billion, down 11.0% from the prior year. Segment profit was ¥12.3 billion, down 57.8% from the prior year.

Manufacturing-Related & Wearables Segment

The manufacturing solutions business recorded revenue growth chiefly due to an expansion of demand in China and Southeast Asia.

Revenue increased in the wearable products business owing mainly to increased demand from visitors to Japan and the launch of new products.

Revenue increased in the microdevices business. Crystal device revenue sharply increased amid ongoing expansion of sales. Semiconductor revenue increased on a recovery in demand among some customers.

Segment profit sharply increased in the manufacturing-related and wearables segment primarily due to substantial revenue growth in the manufacturing solutions business and microdevices business.

As a result of the foregoing factors, revenue in the manufacturing-related and wearables segment was ¥206.1 billion, up 13.6% from the prior year. Segment profit was ¥10.8 billion (compared to a segment loss of ¥3.2 billion in the prior year).

In the manufacturing solutions business, we continue to invest in strengthening the competitiveness of our products and software to drive future growth. And, although we have seen our market share expand, the markets in our major sales regions have been slower to recover than anticipated. Moreover, there is still uncertainty regarding the capital spending of certain key customers. Improvement in profitability is therefore expected to take some time, and thus we recorded an impairment loss of ¥1.3 billion.

Adjustments

Adjustments to the total profit of reporting segments amounted to negative ¥59.8 billion. (Adjustments in the previous fiscal year were negative ¥61.1 billion.) The main components of the adjustment were basic technology research and development expenses that do not attribute to the reporting segments, 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 ¥112.4 billion, compared with ¥138.1 billion in the previous fiscal year. This was mainly attributable to profit for the period of ¥18.2 billion, the recognition of depreciation and amortization, and the recording of impairment losses and reversals of impairment losses.

Net cash used in investing activities totaled ¥65.6 billion, compared with ¥150.8 billion in the previous fiscal year, mainly due to expenditures for the acquisition of property, plant and equipment and intangible assets.

Net cash used in financing activities totaled ¥39.6 billion, compared with ¥45.1 billion in the previous fiscal year, mainly due to expenditures related to bond redemptions and dividend payments.

As a result, cash and cash equivalents at the end of the fiscal year, combined with the effects of exchange rate volatility, totaled ¥288.6 billion, up ¥21.6 billion from the end of 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	Actual sales (Millions of yen)	Change compared to previous fiscal year (%)
Printing solutions	1,029,483	105.0
Visual communications	181,388	89.0
Manufacturing-related and wearables	196,868	114.3
Total for the reportable segments	1,407,740	103.8
Other	5,511	80.2
Total	1,413,251	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 ¥1,534.9 billion, up ¥78.4 billion from the previous fiscal year end. This increase was mainly attributable to increases in cash and cash equivalents, trade and other receivables, and inventories, despite a decrease in goodwill and intangible assets resulting primarily from the recording of impairment losses on goodwill.

Total liabilities were ¥681.2 billion, up ¥29.7 billion from the end of the previous fiscal year. This increase was mainly due to an increase in bonds issued, borrowings and lease liabilities.

Equity attributable to owners of the parent company was ¥853.5 billion, up ¥48.8 billion compared to the end of the previous fiscal year. While dividends were paid, this increase was mainly due to the recording of ¥18.2 billion in profit for the period attributable to owners of the parent company and other comprehensive income, the primary component of which was exchange differences on translation of foreign operations.

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 ¥85.0 billion to capital expenditures for the fiscal year ending March 31, 2027, 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 ¥231.5 billion, up ¥6.7 billion compared to the previous fiscal year end. The balance of cash and cash equivalents at the end of the fiscal year under review totaled ¥288.6 billion, up ¥21.6 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, 2026.

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.," ENGINEERED FUTURE 2035 defines the long-term vision, in which Epson, grounded in our technologies and philosophy of efficient, compact and precise innovation, and fueled by the knowledge and data accumulated on the frontlines, will enhance productivity and reliability, delivering real-world value across industry as well as in people's learning, working and lifestyles. Ultimately, we will create societal and corporate value simultaneously so that people and the planet can continue to advance together.

ENGINEERED FUTURE 2035 divides the 10-year period into three phases. The Mid-Term Business Plan covering fiscal years 2026 through 2028 is designated as Phase 1. In Phase 1, we will transform the earnings base and focus resource allocation on growth domains with the aim of achieving an ROIC of 8.0% by FY2028.

Furthermore, Epson's Environmental Vision 2050 sets forth a pair of environmental goals that are a prerequisite for

a sustainable society: becoming carbon negative and underground resource² free by 2050.

² Non-renewable resources such as oil and metals

Financial targets set with the aim of realizing the long-term vision are 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

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

6. Research and development activities

(1) Research and development approach and systems

We have always provided value by capitalizing on the unique advantage provided by our efficient, compact, and precise technologies. Under the Epson 25 Renewed strategy, we shifted to a focus on developing technology to solve societal issues and realize a more sustainable world.

In technology development, we consider customer value and business potential, compare different options, and combine our technical strengths with practical on-site experience to create effective development plans. This has helped us speed up the process of turning R&D results into business and real-world applications, while improving both the reliability and the speed of development.

Under the new ENGINEERED FUTURE 2035 vision, we have clarified our approach of combining our efficient, compact, and precise technologies and philosophy with insights gained in the field to deliver optimal solutions to industry and the wider world. Additionally, we plan to concentrate management resources on growth-driving areas and ensure that the results are effectively translated into corporate value.

In April, we reorganized the Technology Development Division into 3 new development centers: the Advanced Materials & Manufacturing Process Technology Center, the Advanced MEMS & Device Technology Center, and the Advanced AI, Analytics & Simulation Technology Center. The Chief Operating Officers who are responsible for bringing technology to the market will also lead each center. This alignment of business strategy with development direction will maximize our technological strengths and accelerate growth.

The Advanced Materials & Manufacturing Process Technology Center and the Advanced MEMS & Device Technology Center are responsible for medium- to long-term technology development aligned with business strategies. The Advanced AI, Analytics, & Simulation Technology Center serves as a company-wide platform, supporting technology development across all businesses by fully leveraging AI, analysis, and CAE technologies. We will drive forward on two fronts: technological development directly linked to product development and commercialization in the operations divisions, and the advancement of a common technological foundation across the entire company. Working as one, we will strive to create value through technological innovation and social implementation.

(2) R&D spending

Total R&D spending during the fiscal year was ¥46.8 billion, equivalent to 3.3% of revenue. The printing solutions segment accounted for ¥22.7 billion, the visual communications segment for ¥7.3 billion, and the manufacturing-related and wearables segment for ¥4.7 billion. The “other” segment and corporate segment accounted for the remaining ¥12.2 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 (FY2025)

Segment name	R&D spending (Billions of yen)
Printing solutions	22.7
Visual communications	7.3
Manufacturing-related & Wearables	4.7
Other and corporate	12.2
Total	46.8

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

Below is a description of the objectives and results of the research and development activities under each business segment during the current fiscal year that serve as initiatives contributing to value creation and the practical application of technology in society.

① Printing solutions segment

Office & home printing innovation

In this area, we seek to lead the digital transformation of printing, improvement of productivity and convenience and reduction of environmental impact through inkjet technology, paper recycling technology as well as efficient, compact and precise innovation.

To this end, we are expanding our lineup of products that use “Heat-Free Technology,” a proprietary Epson inkjet technology, providing solutions, generating demand in emerging markets, and working to achieve a technological shift from laser printers to inkjet printers to help reduce environmental impact.

Based on this approach, we have released the EcoTank models EW-M678FT and EW-M638T. While maintaining the low printing costs and compact design achieved through the use of large-capacity ink tanks, we have improved print speed and durability. Additionally, we have enhanced usability by simplifying ink refills with independently positioned ink tanks on the front of the unit as well as by incorporating a status LED, an automatic output tray opening function, and a viewing window to check remaining paper levels. These models support not only telework and home learning, but also business applications such as back-of-house operations in restaurants.

In addition, as a new addition to Epson Smart Charge, a service that allows users to select plans and devices based on their print and copy usage, Epson has released the A3 color line inkjet multifunction printer/printer LX-C10060. High-speed printing at 100 pages per minute¹ ensures high productivity even for high-volume printing tasks, while usability has been improved by adopting the control panel design of the existing LM series. Furthermore, the inclusion of high-capacity ink cartridges reduces downtime caused by running out of ink. Support for expansion options, such as a new high-capacity paper feed unit compatible with the SRA3 size², enables flexible operation that meets a wide range of needs, from improving operational efficiency to high-volume printing. Simultaneously, like previous Smart Charge-compatible models, it features a low-power consumption design and reduces CO2 emissions, contributing to the reduction of customers’ environmental impact.

¹ A4 landscape one side. For the conditions under which printing speed was calculated, please refer to below:
<https://www.epson.jp/products/printer/sokutei.htm#bizprinter09>

² A paper size slightly larger than A3 (320 mm × 450 mm)

Commercial & industrial printing innovation

In this area, by fully leveraging Epson’s core technologies, including inkjet heads, ink, ink systems, image processing, mechanical engineering, electronics, and software, we aim to lead the way in the digital transformation of printing, improving productivity and convenience while lowering environmental impacts. We support operational efficiency in printing environments and are committed to facilitating the technological shift from analog to digital printing.

Based on this approach, to meet the growing demand in the label printing industry for “short lead times,” “high product variety,” and “high added value,” we have begun accepting orders for the L-5034, the flagship model of the SurePress series, which combines high quality with high productivity. By improving print speed and image quality compared to current models³, the L-5034 achieves both short lead times and high-value-added printing. In addition, it ensures stable, long-term operation through an automatic nozzle compensation system and automatic printhead maintenance functions. Equipped with the newly developed SurePress AQ Ink T5⁴ and SurePress AQ Optimizer⁵, the L-5034 delivers vivid color reproduction and supports a wide range of substrates, including paper and film.

We have also launched the SC-S8150, a printer equipped with eco-solvent ink. By adopting a new print head, this printer improves print speed by approximately 33% compared to previous models⁶, and hot-swap capability allows for ink replacement without stopping printing, thereby contributing to maintaining productivity and improving operational efficiency during long-hour operations. Furthermore, by supporting two ink capacity options, 800 ml and 1,500 ml, the printer enables flexible cost management tailored to the usage environment and output conditions. In terms of print quality, the addition of Light Cyan and Light Magenta inks enhances gradation expression, while the “Text Sharpness” function enables sharper printing of character outlines. Moreover, the printer is equipped with a “Nozzle Ink Temperature Sensor” to maintain stable color reproduction even during long periods of continuous printing.

³ L-4733A/AW

⁴ Newly developed water-based pigment ink combining a wide color gamut with high weather resistance

- ⁵ Auxiliary solutions (for paper and film) that achieve optimal results depending on the printing substrate. When combined with a drying oven, this enables the simultaneous achievement of high-speed printing and high image quality, a feat that was difficult with conventional water-based inks.
- ⁶ SC-S60650, SC-S60650L

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, for business projector models, we developed the EB-L800 Series laser projector, achieving a higher brightness and higher resolution of 8,000 lm/4K⁷ compared to the 7,000 lm/WUXGA of previous models. In particular, the addition of a short-throw lens and the inclusion of lens shift and zoom capabilities across all lenses have significantly increased installation flexibility. This enables flexible installation not only in conference rooms and lecture halls, but also in large spaces such as gymnasiums. Moreover, by supporting AirPlay and screen mirroring and enhancing wireless connectivity, we have strengthened the projector's adaptability for a wide range of applications in terms of both installation and operational convenience.

For home projectors, we launched the EF-72, which offers both superior design and installation flexibility. It features built-in Google TV^{TM8} and allows users to enjoy streaming content accompanied by high-quality sound from speakers equipped with Sound by BoseTM technology. Also, its stand allows for flexible adjustment of the projection angle, supporting projection onto walls or ceilings. In addition, the EF-72 can also be used as ambient lighting when not in use as a projector.

⁷ 4K-equivalent resolution achieved through shift technology

⁸ For information on the ownership of third-party trademarks, please refer to the following:
www.epson.jp/trademark/

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 developed collaborative robots designed for use not only in manufacturing, but also in the life sciences and pharmaceutical industries. In manufacturing, there is a growing awareness of the challenges posed by the declining number of skilled workers and a rising need to improve productivity. In the field of life sciences, operations require high precision and reproducibility along with strict hygiene management to prevent contamination. Moreover, in the pharmaceutical industry and research laboratories, delicate tasks must be performed safely and hygienically. To address these needs, our human-collaborative robots, which feature cleanroom compatibility, high-precision control, and intuitive operability, not only meet the diverse needs of the manufacturing sector, but also cater to the demands of the life sciences and other fields, supporting productivity improvements and task automation across a wider range of industries.

In addition, we have released the latest version, Ver. 8.1.0.x, of Epson RC+ 8.0, our comprehensive robot software. Using Epson RC+ software, users can easily develop control programs for setup, operation, and routine maintenance. In this latest version, customers can choose from four editions based on their development style and specific challenges. We are committed to providing new value for our customers' automation application development and working together with them to pioneer the future of manufacturing.

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 with brand value that resonates with customers and appeals to their sensibilities. In the sensing business, we are co-creating solutions that leverage our sensing technologies and analysis algorithms.

In the field of watches, we launched the new M34 F8 Skeleton Hand-Winding model commemorating Orient Star's 75th anniversary, part of the company's M34 Contemporary Collection. In addition to its original styling inspired by the Perseid meteor shower, the new meteorite-style finish applied to the advanced skeleton movement triggers a sense of cosmic romance and intellectual curiosity. The black-plated case and band, reminiscent of the dark expanse of space, contrast with the bright steel-colored bezel, caseback, and crown, further enhancing the design. Based on the high-precision in-house hand-wound F8B61 movement, which features a silicon escape wheel manufactured using MEMS technology, this model is equipped with the specially designed F8B65 movement.

In addition, we have released three limited-edition models to commemorate the 75th anniversary from the Orient Stretto, a new series representing the Orient Contemporary Collection. The gray-toned dial harmonizes with the distinctive circular sunburst finish and three-dimensional wedge-shaped hour markers, further accentuating the urban design of the Orient Stretto series. Equipped with an in-house automatic movement featuring a bidirectional winding mechanism that allows for full winding in a short time, it achieves a daily accuracy of +25 to -15 seconds and a stable power reserve of over 40 hours. Combined with a case rated for 5 atmospheres of water resistance, it offers comfortable wear in a variety of everyday situations, be they professional or private.

Microdevices

In this area, we are committed to solving societal challenges and driving technological innovation with microdevices as a core technology underpinning the data infrastructure of the AI era. Due to the advancement of AI, value is shifting from "things" to "services," and resources are shifting from "materials" to "data." Consequently, in data infrastructure centered on AI servers, power supply constraints are becoming a major limiting factor.

Epson enhances data transfer efficiency through high-precision timing devices, contributing to improved processing and communication efficiency per unit of power consumption. In addition, we collect vast amounts of real-world data using compact, low-cost sensing devices, thereby expanding the scope of AI applications.

Through the evolution of devices that reflect efficient, compact and precise innovation achieved through a fusion of crystal and semiconductor technologies, we support the sustainable development of data infrastructure from the dual aspect of timing and sensing.

In the field of timing devices, we developed the high-precision, compact temperature-compensated crystal oscillators (TCXOs) TG1210SRN and TG1210STN. Demand for high-precision, low-power-consumption timing devices is growing due to the expansion of markets for high-precision positioning systems such as GNSS as well as wearable devices and IoT devices. In addition, demand for TCXOs with stable frequency-temperature characteristics in high-temperature environments is also rising for applications such as communication modules, factory automation equipment, and data centers. To meet these needs, we have achieved high-precision frequency-temperature characteristics across a wide operating temperature range. Also, by adopting a compact package that reduces volume by 63% compared to conventional products and incorporating a standby function, we contribute to space savings and extended battery life.

In the field of semiconductor devices, as demand for vehicles equipped with head-up displays (HUDs), particularly overseas demand, grows, visibility and power consumption have become key challenges due to the increasing resolution of HUDs driven by the growing volume of information displayed on AR-HUDs⁹. To address these issues, we developed the S2D13V43, a controller IC designed for high-resolution HUDs. This controller supports 2K video data input from the host (SoC¹⁰) and, without requiring external memory, enables distortion correction tailored to the curvature of the automotive windshield as well as video analysis via Local Dimming and backlight control optimized for the displayed content. This contributes to improved image visibility and lower power consumption in HUDs and other in-vehicle displays. In addition, similar to Epson's existing controller IC products for HUDs, the controller features pitch correction and display safety functions, contributing to the construction of more reliable HUD systems.

In the field of sensing devices, we developed the M-A370AD10, a low-noise, compact three-axis accelerometer. By utilizing a quartz accelerometer element based on Epson's proprietary microfabrication technology¹¹ and digital IP technology¹², this accelerometer achieves low-noise performance, high bias stability, and a wide dynamic range. This makes it suitable for the measurement of minute earthquakes, geotechnical surveys using constant microtremors, and long-term tilt monitoring of structures. Furthermore, its low power consumption and digital

output allow for the simplification of measurement systems. By expanding our lineup of embeddable accelerometers, we enhance system reliability, address social challenges such as natural disasters and aging infrastructure, and contribute to maintaining the reliability of social infrastructure.

- ⁹ A head-up display that uses augmented reality technology to overlay driving information and other data onto the actual scenery.
- ¹⁰ Short for System on a Chip. A system that integrates functions such as a CPU onto a single semiconductor chip.
- ¹¹ A technology that uses a micro-machined crystal to detect acceleration via a crystal oscillator.
- ¹² Digital circuit technology that detects frequencies with high speed and precision.

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 aimed at business growth.

For example, Epson is participating in the “Next-Generation Edge AI Semiconductor R&D Project” selected by the Japan Science and Technology Agency (JST), and is promoting the research and development of next-generation semiconductor technologies through co-creation with universities and companies. In this project, we are collaborating with Tohoku University and other partners to conduct research and development on “3D hetero-integration technology,” which is essential for next-generation edge AI semiconductors. By combining our long-cultivated low-power semiconductor technology with our expertise in high-density packaging, we will contribute to the realization of high-performance, high-functionality edge AI semiconductors.

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 ¥74.5 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, and automating, rationalizing, upgrading and maintaining equipment and facilities amounted to ¥47.9 billion in the fiscal year under review.

Visual communications segment

Investment used for commercializing new products such as 3LCD projectors, and for upgrading and maintaining equipment and facilities amounted to ¥7.1 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 and upgrading and maintaining equipment and facilities amounted to ¥9.6 billion in the fiscal year under review.

Other and corporate

Investment used for strengthening R&D structure, carrying out environmental investment, and automating, etc. amounted to ¥9.9 billion in the fiscal year under review.

■ Capital expenditures by segment (FY2025)

Segment name	Capital expenditures (Billions of yen)
Printing solutions	47.9
Visual communications	7.1
Manufacturing-related & Wearables	9.6
Other and corporate	9.9
Total	74.5

2. Major equipment and facilities

Epson's major equipment and facilities are as follows.

(1) Seiko Epson Corporation

As of March 31, 2026

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	1,207	197	1,200 (42,353) [2,136]	93	2,698	362
Tokyo Office (Shinjuku-ku, Tokyo)	Overall administration and other	Other facilities	4,149	17	— (—)	104	4,271	96
Matsumoto Minami Plant (Matsumoto- shi, Nagano)	Other	Other facilities	661	8	3,766 (181,226) [284]	157	4,593	585
Hirooka Office (Shiojiri-shi, Nagano)	Printing solutions Other	Printer development and design and component manufacturing facilities Research and development facilities	44,531	28,542	6,821 (225,204) [29,706]	4,417	84,312	6,451
Toyoshina Plant (Azumino-shi, Nagano)	Visual communications Manufacturing- related and wearables	3LCD projector, smart glasses and industrial robot development and design facilities	3,668	1,251	840 (77,226) [34,743]	961	6,723	1,397
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	6,317	4,821	1,443 (113,082) [28,909]	696	13,279	827
Chitose Plant (Chitose-shi, Hokkaido)	Visual communications	Liquid crystal panel manufacturing facilities	2,108	1,811	1,363 (159,169)	55	5,338	183
Shiojiri Plant (Shiojiri-shi, Nagano)	Manufacturing- related and wearables	Watch development, design and manufacturing facilities	1,944	1,592	1,073 (43,088) [9,006]	165	4,775	458
Ina Plant (Minowa- machi, Kamiina-gun, Nagano)	Manufacturing- related and wearables	Crystal device development and design facilities	1,136	2,429	129 (39,943) [1,502]	196	3,891	344
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	6,172	2,432	1,911 (247,143)	900	11,416	873
Sakata Plant (Sakata-shi, Yamagata)	Manufacturing- related and wearables	Semiconductor manufacturing facilities Other	14,124	3,225	2,177 (538,830)	484	20,011	168
Hino Office (Hino-shi, Tokyo)	Manufacturing- related and wearables	Other facilities	1,486	0	3,221 (15,681)	44	4,752	198

SEIKO EPSON CORPORATION

(2) Domestic subsidiaries

As of March 31, 2026

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: m ²)	Other	Total	
Tohoku Epson Corporation (Sakata-shi, Yamagata)	Printing solutions Manufacturing-related and wearables	Printer component and semiconductor manufacturing facilities	2	31	— (—)	363	397	2,194
Akita Epson Corporation (Yuzawa-shi, Akita)	Printing solutions Manufacturing-related and wearables	Printer component and watch movements manufacturing facilities	6,433	127	724 (87,620)	417	7,704	1,182
Epson Atmix Corporation (Hachinohe-shi, Aomori)	Manufacturing-related and wearables	Manufacturing facilities for metal powders, etc.	6,975	3,917	1,136 (59,675) [36,110]	285	12,314	417

(3) Overseas subsidiaries

As of March 31, 2026

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: m ²)	Other	Total	
Epson Engineering (Shenzhen) Ltd. (Shenzhen, China)	Printing solutions Visual communications Manufacturing-related and wearables	Printer, 3LCD projector and industrial robot manufacturing facilities	4,610	5,107	415 (—) [64,104]	3,003	13,137	5,714
Singapore Epson Industrial Pte. Ltd. (Singapore)	Manufacturing-related and wearables	Watch component and semiconductor manufacturing facilities and surface finishing facilities	3,836	615	1,260 (—) [41,567]	193	5,906	390
PT. Epson Batam (Batam, Indonesia)	Printing solutions	Printer consumables manufacturing facilities	2,276	3,497	42 (—) [13,683]	337	6,153	2,729
PT. Indonesia Epson Industry (Bekasi, Indonesia)	Printing solutions	Printer manufacturing facilities	8,462	4,907	2,098 (—) [254,400]	4,647	20,115	10,814
Epson Precision (Thailand) Ltd. (Chachoengsao, Thailand)	Manufacturing-related and wearables	Watch and crystal device manufacturing facilities	8,476	5,993	861 (97,435)	564	15,896	1,893
Epson Precision (Philippines), Inc. (Lipa, Philippines)	Printing solutions Visual communications	Printer and 3LCD projector manufacturing facilities	30,137	8,378	2,158 (117,489) [234,528]	6,829	47,503	20,014
Epson Precision Malaysia Sdn. Bhd. (Kuala Lumpur, Malaysia)	Manufacturing-related and wearables	Crystal device manufacturing facilities	393	3,418	464 (32,437)	27	4,302	1,391

(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 ¥85.0 billion to capital expenditures for the fiscal year ending March 31, 2027.

■ Capital expenditures by segment (FY2026 Plan)

Business segment	Planned amount of capital expenditures (Billions of yen)	Main type and purpose of equipment and facilities
Precision Innovation	33.0	Commercializing new products, increasing production capacity, rationalizing, upgrading and maintaining equipment and facilities, etc.
Industrial & Robotics	10.0	Commercializing new products, rationalizing, upgrading and maintaining equipment and facilities, etc.
Office & Home Printing	24.0	Commercializing new products, rationalizing, upgrading and maintaining equipment and facilities, etc.
Visual & Lifestyle	10.0	Commercializing new products, rationalizing, upgrading and maintaining equipment and facilities, etc.
Other and corporate	8.0	Strengthening R&D, rationalizing, upgrading and maintaining equipment and facilities, etc.
Total	85.0	

(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, 2026)	Number of outstanding shares (As of the filing date: June 24, 2026)	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, 2026

As of March 31, 2020

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)	1	52	37	348	503	84	39,799	40,824	—
Number of shares owned (Units)	1	1,376,462	250,853	265,984	844,082	325	996,464	3,734,171	156,052
Percentage of shares owned (%)	0.00	36.85	6.72	7.12	22.60	0.00	26.71	100.00	—

(Notes)

- 53,145,401 shares of treasury shares are included as 531,454 units under “Japanese individuals and others” and one share under “Shares less than one unit.”
- Six units in the name of Japan Securities Depository Center, Inc. are included under “Other Japanese corporations.”

(6) Major shareholders

As of March 31, 2026

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	73,898,200	23.06
Custody Bank of Japan, Ltd. (Trust account)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	28,530,700	8.90
Seiko Group Corporation	5-11, Ginza 4-chome, Chuo-ku, Tokyo	11,000,000	3.43
JPMorgan Securities Japan Co., Ltd.	7-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo	8,504,881	2.65
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	6,851,102	2.13
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	2-2, Otemachi 2-chome, Chiyoda-ku, Tokyo	6,282,500	1.96
STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Mizuho Bank, Ltd.)	ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS (15-1, Konan 2-chome, Minato-ku, Tokyo)	6,159,370	1.92
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)	4,586,400	1.43
Etsuko Hattori	Minato-ku, Tokyo	4,321,400	1.34
Total	—	158,288,353	49.39

(Notes)

1. Although the Company holds 53,145,401 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 14.23%.)
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. BlackRock Japan Co., Ltd. and its joint holders submitted a Report of Change to the Director of the Kanto Local Finance Bureau as of June 4, 2025, claiming that they hold the Company's shares as follows as of May 30, 2025. 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 (%)
BlackRock Japan Co., Ltd.	8-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo	7,064,000	1.89
Aperio Group, LLC	Suite 204, Three Harbor Drive, Sausalito, CA, United States	469,205	0.13
BlackRock Financial Management, Inc.	251 Little Falls Drive, Wilmington, DE, United States	398,600	0.11
BlackRock (Netherlands) BV	Amstelplein 1, 1096 HA, Amsterdam, Netherlands	452,900	0.12
BlackRock Fund Managers Limited	12 Throgmorton Avenue, London, United Kingdom	1,068,477	0.29
BlackRock Asset Management Ireland Limited	2 Ballsbridge Park, Ballsbridge Dublin, Ireland	725,600	0.19
BlackRock Fund Advisors	400 Howard Street, San Francisco, CA, United States	3,530,200	0.94
BlackRock Institutional Trust Company, N.A.	400 Howard Street, San Francisco, CA, United States	2,899,914	0.78
BlackRock Investment Management (UK) Limited	12 Throgmorton Avenue, London, United Kingdom	437,176	0.12
Total	—	17,046,072	4.56

4. 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 September 19, 2025, claiming that they hold the Company's shares as follows as of September 15, 2025. 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	8,234,200	2.20
Amova Asset Management Co., Ltd.	7-1, Akasaka 9-chome, Minato-ku, Tokyo	13,672,500	3.66
Total	—	21,906,700	5.86

5. Nomura Securities Co., Ltd. and its joint holders submitted a Report of Change to the Director of the Kanto Local Finance Bureau as of October 21, 2025, claiming that they hold the Company's shares as follows as of October 15, 2025. 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	470,041	0.13
NOMURA INTERNATIONAL PLC	1 Angel Lane, London EC4R 3AB, United Kingdom	3,919,155	1.05
Nomura Asset Management Co., Ltd.	2-1, Toyosu 2-chome, Koto-ku, Tokyo	30,001,400	8.03
Total	—	34,390,596	9.21

6. Mizuho Bank, Ltd. and its joint holders submitted a Report of Change to the Director of the Kanto Local Finance Bureau as of February 20, 2026, claiming that they hold the Company's shares as follows as of February 13, 2026. 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 (%)
Mizuho Bank, Ltd.	5-5, Otemachi 1-chome, Chiyoda-ku, Tokyo	8,153,800	2.18
Mizuho Securities Co., Ltd.	5-1, Otemachi 1-chome, Chiyoda-ku, Tokyo	2,385,314	0.64
Mizuho Trust & Banking Co., Ltd.	3-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo	400,000	0.11
Asset Management One Co., Ltd.	8-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo	8,318,100	2.23
Total	—	19,257,214	5.15

(7) Voting rights

(i) Outstanding shares

(As of March 31, 2026)

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 53,145,400	—	—
Shares with complete voting rights (Other)	Common stock 320,271,700	3,202,717	—
Shares less than one unit	Common stock 156,052	—	—
Total number of outstanding shares	373,573,152	—	—
Total number of voting rights	—	3,202,717	—

(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, 2026)

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	53,145,400	—	53,145,400	14.23
Total	—	53,145,400	—	53,145,400	14.23

(8) Officer and employee stock ownership plans

Not applicable.

2. Acquisition and disposal of treasury shares

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

(1) Acquisition by resolution of shareholders meeting

Not applicable.

(2) Acquisition by resolution of board of directors meeting

Not applicable.

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

Classification	Number of shares (Shares)	Total amount (Thousands of yen)
Treasury shares acquired during the current fiscal year	816	1,598
Treasury shares acquired during the current period	126	279

(Note) Treasury shares acquired during the current period does not include shares of less than one unit purchased between June 1, 2026, and the filing date of the Annual Securities Report.

(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	84,664	157,136,384	—	—
Acquired treasury shares which were cancelled	—	—	—	—
Acquired treasury shares which were transferred due to merger, share exchange, share issuance and company split	—	—	—	—
Others (—)	—	—	—	—
Total number of treasury shares held	53,145,401	—	53,145,527	—

(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, 2026, and the filing date of the Annual Securities Report.

3. Dividend policy

The Company prioritizes investments based on our growth strategy to achieve continuous business growth through the creation of customer value. The Company's basic dividend policy is to pursue active return of profits in parallel with its efforts to achieve optimal capital structure in light of the business environment.

Up to the current fiscal year, the Company has set a consolidated dividend payout ratio¹ 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 has also sought 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.

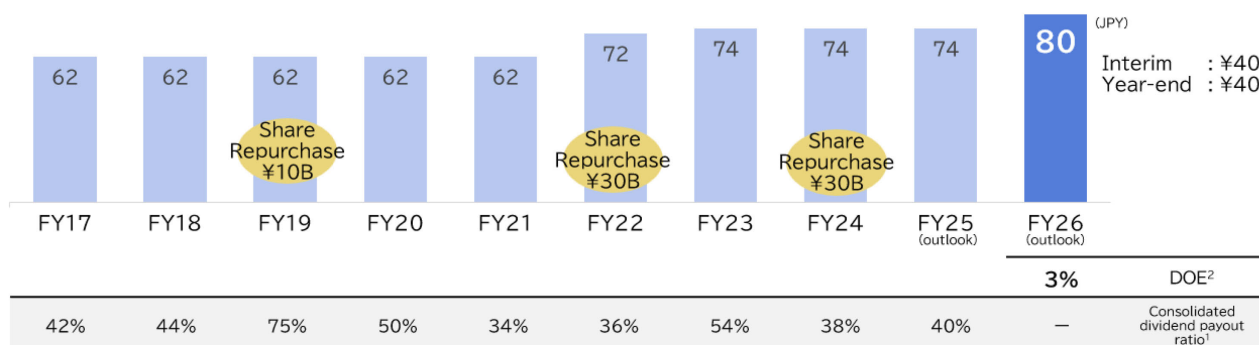
The Company's distribution of retained earnings for the fiscal year under review is as follows.

Distribution of retained earnings for the fiscal year under review

Date approved	Cash dividends (Millions of yen)	Cash dividend per share (Yen)
November 5, 2025, by resolution of the board of directors	11,855	37
June 25, 2026, by resolution of the general shareholders' meeting (scheduled)	11,855	37

Starting in the next fiscal year, the Company will implement a stable dividend policy with a minimum dividend on equity (DOE)² of 3% to ensure stable and continuous returns to shareholders. By setting the DOE as a minimum threshold, we intend to absorb the impact of fluctuations in business performance to a certain degree, clarify what a responsible level of returns to shareholders should be, and emphasize capital efficiency. Furthermore, by comprehensively considering stock price levels and our financial position, and by flexibly implementing share buybacks, we will strive to provide more proactive shareholder returns.

■ Changes in shareholder returns



¹ The consolidated dividend payout ratio is calculated based on the remaining amount after an amount equivalent to the statutory effective tax rate (30%) is deducted from business profit.

² Dividend payout ratio = Total dividends / Equity attributable to owners of the parent company

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 24, 2026, 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 12 meetings of the Board of Directors in FY2025 and 3 meetings in FY2026 from

April 2026 to the filing date. 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 (hereinafter referred to as the “Directors’ free discussion”), in addition to the Board of Directors’ meetings, to enhance the strategy function of the Board of Directors. During the current fiscal year, we methodically held discussions looking ahead to the formulation of our long-term vision, ENGINEERED FUTURE 2035 (including a review of “Epson 25 Renewed”), at Board of Directors meetings and open Director discussions.

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)	
		FY2025	FY2026 ¹
Yasunori Ogawa	Chairman and Director	12/12 (100%)	3/3 (100%)
Eiichi Abe ²	Director	2/2 (100%)	—
Junkichi Yoshida	President and Representative Director	12/12 (100%)	3/3 (100%)
Yasunori Yoshino	Director	12/12 (100%)	3/3 (100%)
Akihiro Fukaishi ³	Director	10/10 (100%)	3/3 (100%)
Tadashi Shimamoto	Outside Director	12/12 (100%)	3/3 (100%)
Masaki Yamauchi	Outside Director	12/12 (100%)	3/3 (100%)
Kahori Miyake	Outside Director	12/12 (100%)	3/3 (100%)
Masayuki Kawana	Director Full-Time Audit & Supervisory Committee Member	12/12 (100%)	3/3 (100%)
Susumu Murakoshi	Outside Director Audit & Supervisory Committee Member	12/12 (100%)	3/3 (100%)
Michiko Ohtsuka	Outside Director Audit & Supervisory Committee Member	12/12 (100%)	3/3 (100%)
Akira Marumoto	Outside Director Audit & Supervisory Committee Member	12/12 (100%)	3/3 (100%)

¹ Attendance at meetings (attendance rate) in FY2026 is for the period from April 2026 to the filing date.

² Aggregated for the period up to his retirement at the Ordinary General Meeting of Shareholders held on June 26, 2025.

³ Aggregated for the period from his appointment at the Ordinary General Meeting of Shareholders held on June 26, 2025.

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 FY2024

The results of actions taken to address issues that were raised when the effectiveness of the Board of Directors was evaluated for FY2024 are provided below. The effectiveness of the Board of Directors in FY2024 was evaluated by having all Board members complete a questionnaire. 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. As a result, it was confirmed that the effectiveness of the Board of Directors as a whole has been ensured.

1) Support for the executive team in deepening strategic discussions and strengthening execution capabilities

The executive team clearly communicated to the Board of Directors the key issues regarding long-term strategy as well as points requiring the Board's advice and oversight. These matters were discussed at the Board meetings.

2) Oversight of progress of the next long-term strategy and the implementation of "Epson 25 Renewed"

Discussions on the next long-term strategy were held a total of 10 times during the current fiscal year at Board of Directors meetings and open Director discussions, and the long-term vision for 2035, ENGINEERED FUTURE 2035, was adopted at the Board of Directors meeting on March 13, 2026. Additionally, at each quarterly financial results approval meeting, we received briefings on the progress of business plans and business conditions related to "Epson 25 Renewed" and provided ongoing oversight.

3) Improvements to Board of Directors operation aimed at strengthening collaboration between the Board of Directors and the executive team

With the aim of quickly aligning the perspectives of internal and outside directors on key issues, we established a session to review each Board of Directors meeting immediately following its conclusion. We then incorporated the opinions and insights gained during these sessions into Board discussions and operations to drive continuous improvement.

(3) Board of Directors effectiveness evaluation for FY2025

The effectiveness of the Board of Directors in FY2025 was evaluated by having all Board members and observers complete a questionnaire with the following items (only certain items for observers) and analyzing the results. Additionally, for this evaluation, Directors were interviewed by the chairman of Board meetings to gain a deeper understanding of their assessments and perceptions of challenges.

- 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) Response to the issues identified in the Board of Directors effectiveness evaluation for FY2024
- 9) Summary

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

- 1) Supervision based on ENGINEERED FUTURE 2035 and the key initiatives and management indicators for achieving the mid-term business plan Phase 1.
- 2) Supervision of the execution status of the executive officer succession plan

Note that as Epson plans to conduct third-party evaluations about once every three years, it did not conduct one this time.

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 10 times in FY2025. 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. There were no Director Nomination Committee meetings held in FY2026 from April 2026 to the filing date.

Activities of the Director Compensation Committee

The Committee met 10 times in FY2025 and 2 times in FY2026 from April 2026 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, conclusion of a company indemnity agreement and a liability limitation contract, and revision of the officer compensation 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)	
		FY2025	FY2026 ¹	FY2025	FY2026 ¹
Tadashi Shimamoto	Outside Director/Chair (Director Nomination Committee)	10/10 (100%)	0/0 (-%)	10/10 (100%)	2/2 (100%)
Masaki Yamauchi	Outside Director/Chair (Director Compensation Committee)	10/10 (100%)	0/0 (-%)	10/10 (100%)	2/2 (100%)
Kahori Miyake	Outside Director	10/10 (100%)	0/0 (-%)	10/10 (100%)	2/2 (100%)
Susumu Murakoshi	Outside Director	10/10 (100%)	0/0 (-%)	10/10 (100%)	2/2 (100%)
Michiko Ohtsuka	Outside Director	10/10 (100%)	0/0 (-%)	10/10 (100%)	2/2 (100%)
Akira Marumoto	Outside Director	10/10 (100%)	0/0 (-%)	10/10 (100%)	2/2 (100%)
Junkichi Yoshida	President and Representative Director	10/10 (100%)	0/0 (-%)	10/10 (100%)	2/2 (100%)

¹ Attendance at meetings (attendance rate) in FY2026 is for the period from April 2026 to the filing date.

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 proposals (i.e., matters requiring resolutions) entitled “Election of Seven Directors Who Are Not Audit & Supervisory Committee Members” and “Election of Four Directors Who Are Audit & Supervisory Committee Members” to the Ordinary General Meeting of Shareholders scheduled for June 25, 2026. The table below reflects the composition of the Board of Directors assuming that the proposals are approved as originally proposed. A list of officers is contained in “(2) Officers” below.

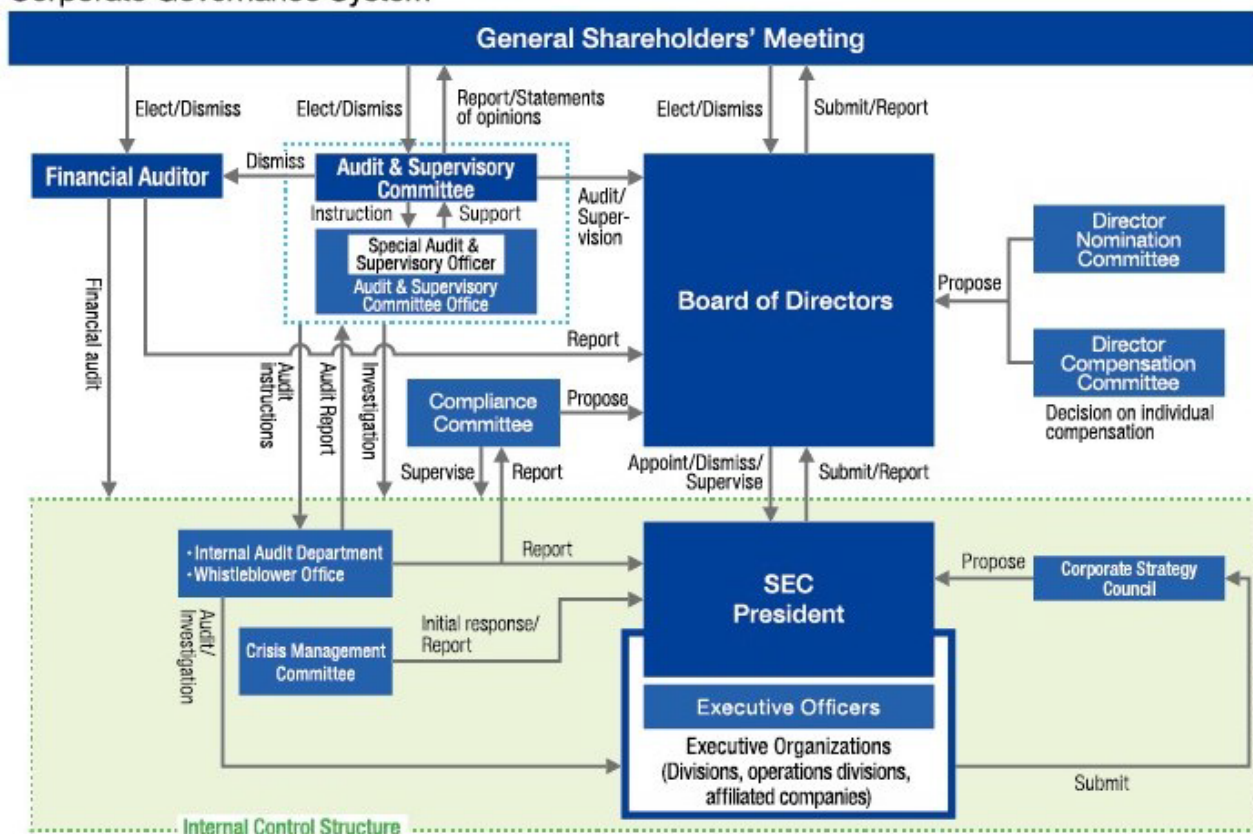
SEIKO EPSON CORPORATION

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	Michiko Ohtsuka					●	●	●		
Outside Director Audit & Supervisory Committee Member	Akira Marumoto	●	●							●
Outside Director Audit & Supervisory Committee Member	Reiko Fuchigami					●	●		●	

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

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

Corporate Governance System



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-term 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

- f. Officers of certain overseas 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, Junkichi Yoshida, Yasunori Yoshino, Akihiro Fukaishi, 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. The Corporate Purpose of Epson, "Our philosophy of efficient, compact and precise innovation enriches lives and helps create a better world," defines the kind of value that Epson provides to society and demonstrates, 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

In March 2026, Epson established a new long-term vision for 2035, ENGINEERED FUTURE 2035. Grounded in our technologies and philosophy of efficient, compact and precise innovation, and fueled by the knowledge and data accumulated on the frontlines, Epson aims to enhance productivity and reliability, delivering value across industry as well as in people's learning, working and lifestyles. We will create societal and corporate value simultaneously so that people and the planet can continue to advance together. With this Corporate Vision, Epson will support the transformation of society and industry through technology and engineering, and will continue to deliver real-world value.

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 24, 2026, 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 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) Mar. 2026 Outside Director of MonotaRO Co., Ltd. (current position) Jun. 2026 Outside Director of Aichi Steel Corporation (current position)	Note 1	86,846
President and Representative Director	Junkichi Yoshida	September 27, 1964	Apr. 1988 Joined the Company 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)	Note 1	29,754

SEIKO EPSON CORPORATION

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, Visual Products Operations Division Chief Operating Officer, Advanced Robotics Solutions Operations Division	Yasunori Yoshino	January 4, 1979	Apr. 2001	Joined the Company	Note 1	20,999
			Apr. 2016	General Manager, VP Production Control & Procurement Department of the Company		
			Apr. 2020	Chief Operating Officer, Visual Products Operations Division of the Company		
			Apr. 2021	Executive Officer of the Company, Chief Operating Officer, Visual Products Operations Division of the Company		
			Oct. 2023	General Administrative Manager, Corporate Strategy Division of the Company; Chief Operating Officer, Visual Products Operations Division of the Company		
			Apr. 2024	General Administrative Manager, Corporate Strategy Division of the Company, Chief Operating Officer, Manufacturing Solutions Operations Division of the Company		
			Jun. 2024	Director of the Company (current position)		
			Apr. 2026	General Administrative Manager, Corporate Strategy Division of the Company, Chief Operating Officer, Visual Products Operations Division of the Company, Chief Operating Officer, Advanced Robotics Solutions Operations Division of the Company (current position)		
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	Joined the Company	Note 1	14,145
			Apr. 2009	General Manager, Business Systems Marketing Department of the Company		
			Oct. 2011	Deputy Chief Operating Officer, Business Systems Operations Division of the Company, General Manager, Business Systems Operating Department of the Company		
			Apr. 2012	Chief Operating Officer, Business Systems Operations Division of the Company		
			Jun. 2013	Executive Officer of the Company, Chief Operating Officer, Business Systems Operations Division of the Company		
			Apr. 2015	Deputy Chief Operating Officer, Professional Printing Operations Division of the Company		
			Jun. 2016	Executive Officer of the Company		
			Apr. 2017	President of Epson (China) Co., Ltd.		
			May 2022	Chairman and President of Epson (China) Co., Ltd.		
			Apr. 2024	General Administrative Manager, Sales & Marketing Division of the Company (current position)		
			Apr. 2025	Chief Operating Officer, P Commercial & Industrial Solutions Operations Division (current position)		
			Jun. 2025	Director of the Company (current position)		

SEIKO EPSON CORPORATION

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)		
			Jun. 2023	Outside Director of the Company (current position)		
			Jul. 2025	Independent Non-Executive, Oversight Board member, PricewaterhouseCoopers Japan LLC (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	4,100
			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)		

SEIKO EPSON CORPORATION

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 Joined JUSCO Co., Ltd. (now AEON Co., Ltd.) Apr. 2008 President and Representative Director of Claire's Nippon Co., Ltd. Jun. 2013 Director of Research Institute for Quality Living Co., Ltd. Mar. 2014 Executive Officer of AEON RETAIL Co., Ltd. General Manager of Customer Service Department of AEON RETAIL Co., Ltd. Mar. 2017 Executive Officer; CSR & Communication Chief Officer of AEON Co., Ltd. Apr. 2019 Co-Chair of Japan Climate Leaders' Partnership Mar. 2021 Chief Officer of CSR of AEON Co., Ltd. Apr. 2022 Director, ESG Planning and Promotion Department of Sumitomo Mitsui Trust Bank, Limited Apr. 2023 Fellow Officer of Sumitomo Mitsui Trust Bank, Limited, Director, ESG Planning and Promotion Department (now Sustainability Strategy and Solutions Department) of Sumitomo Mitsui Trust Bank, Limited Jun. 2023 Outside Director (Audit and Supervisory Committee Member) of Members Co., Ltd. (current position) Jun. 2024 Outside Director of the Company (current position) Jul. 2025 Executive Managing Director of Japan Climate Leaders' Partnership (current position) Oct. 2025 Fellow Officer, Executive Manager, Sustainability Strategy and Solutions Department of Sumitomo Mitsui Trust Bank, Limited (current position)		Note 1	400
Director, Full-Time Audit & Supervisory Committee Member	Masayuki Kawana	July 27, 1964	Apr. 1988 Joined Seiko Epson Cooperative Union Mar. 1999 Joined the Company Oct. 2008 General Manager, Human Resources Department of the Company Jun. 2014 Director of the Company, General Administrative Manager, Human Resources Division of the Company Jun. 2015 President of Orient Watch Co., Ltd. Jun. 2016 Director and Executive Officer of the Company Oct. 2016 General Administrative Manager, CSR Management Office of the Company Jun. 2018 Chairman of Epson Sales Japan Corporation Apr. 2020 General Administrative Manager, Health Management Office of the Company Jun. 2021 Director and Full-Time Audit & Supervisory Committee Member of the Company (current position)		Note 2	25,800

SEIKO EPSON CORPORATION

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 Registered as an attorney-at-law Apr. 1984 Attorney-at-law of Susumu Murakoshi Law Office Mar. 1988 Attorney-at-law of Shin-Chiyoda Sogo Law Office (to present) May 2001 Chairman, Human Rights Protection Committee of Japan Federation of Bar Associations Apr. 2008 Vice President of Japan Federation of Bar Associations President of Dai-Ichi Tokyo Bar Association Apr. 2014 President of Japan Federation of Bar Associations May 2017 President of Japan Attorneys Political Association Apr. 2019 Member (Chief investigator) of Compliance Team of the Ministry of Education, Culture, Sports, Science and Technology (current position) Jun. 2020 Outside Director and Audit & Supervisory Committee Member of the Company (current position) Nov. 2021 President of Japan CSR Diffusion Association (now Japan CSR Promotion Association) (current position)		Note 2	5,100
Outside Director, Audit & Supervisory Committee Member	Michiko Ohtsuka	November 26, 1958	Apr. 1981 Joined SUMITOMO CORPORATION Oct. 1986 Joined Asahi Shinwa Audit & Accounting Office (now KPMG AZSA LLC) Aug. 1990 Registered as Certified Public Accountant May 2013 Certified Public Accountant of Ohtsuka Certified Public Accountant Office (to present) Apr. 2014 Auditor (part-time) of Pharmaceuticals and Medical Devices Agency Apr. 2015 Auditor (part-time) of Japan National Tourism Organization Jun. 2015 Outside Audit & Supervisory Board Member of FUJI KOSAN COMPANY, LTD. Jun. 2016 Outside Director and Audit & Supervisory Committee Member of FUJI KOSAN COMPANY, LTD. Jun. 2020 Outside Director and Audit & Supervisory Committee Member of the Company (current position)		Note 2	3,300

SEIKO EPSON CORPORATION

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	2,700
			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						199,144

(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) as of the filing date are as follows.

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

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 proposals (i.e., matters requiring resolutions) entitled “Election of Seven Directors Who Are Not Audit & Supervisory Committee Members” and “Election of Four Directors Who Are Audit & Supervisory Committee Members” to the Ordinary General Meeting of Shareholders scheduled for June 25, 2026. If the proposals are 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 eight male officers and three female officers (27.3% 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 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) Mar. 2026 Outside Director of MonotaRO Co., Ltd. (current position) Jun. 2026 Outside Director of Aichi Steel Corporation (current position)	Note 1	86,846
President and Representative Director	Junkichi Yoshida	September 27, 1964	Apr. 1988 Joined the Company 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)	Note 1	29,754

SEIKO EPSON CORPORATION

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, Visual Products Operations Division Chief Operating Officer, Advanced Robotics Solutions Operations Division	Yasunori Yoshino	January 4, 1979	Apr. 2001	Joined the Company	Note 1	20,999
			Apr. 2016	General Manager, VP Production Control & Procurement Department of the Company		
			Apr. 2020	Chief Operating Officer, Visual Products Operations Division of the Company		
			Apr. 2021	Executive Officer of the Company, Chief Operating Officer, Visual Products Operations Division of the Company		
			Oct. 2023	General Administrative Manager, Corporate Strategy Division of the Company; Chief Operating Officer, Visual Products Operations Division of the Company		
			Apr. 2024	General Administrative Manager, Corporate Strategy Division of the Company, Chief Operating Officer, Manufacturing Solutions Operations Division of the Company		
			Jun. 2024	Director and Executive Officer of the Company (current position)		
			Apr. 2026	General Administrative Manager, Corporate Strategy Division of the Company, Chief Operating Officer, Visual Products Operations Division of the Company, Chief Operating Officer, Advanced Robotics Solutions Operations Division of the Company (current position)		

SEIKO EPSON CORPORATION

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, Sales & Marketing Division Chief Operating Officer, P Commercial & Industrial Solutions Operations Division	Akihiro Fukaishi	October 13, 1964	Apr. 1987	Joined the Company	Note 1	14,145
			Apr. 2009	General Manager, Business Systems Marketing Department of the Company		
			Oct. 2011	Deputy Chief Operating Officer, Business Systems Operations Division of the Company, General Manager, Business Systems Operating Department of the Company		
			Apr. 2012	Chief Operating Officer, Business Systems Operations Division of the Company		
			Jun. 2013	Executive Officer of the Company, Chief Operating Officer, Business Systems Operations Division of the Company		
			Apr. 2015	Deputy Chief Operating Officer, Professional Printing Operations Division of the Company		
			Jun. 2016	Executive Officer of the Company		
			Apr. 2017	President of Epson (China) Co., Ltd.		
			May 2022	Chairman and President of Epson (China) Co., Ltd.		
			Apr. 2024	General Administrative Manager, Sales & Marketing Division of the Company (current position)		
			Apr. 2025	Chief Operating Officer, P Commercial & Industrial Solutions Operations Division (current position)		
			Jun. 2025	Director of the Company (current position)		

SEIKO EPSON CORPORATION

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)		
			Jun. 2023	Outside Director of the Company (current position)		
			Jul. 2025	Independent Non-Executive, Oversight Board member, PricewaterhouseCoopers Japan LLC (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	4,100
			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)		

SEIKO EPSON CORPORATION

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	Joined JUSCO Co., Ltd. (now AEON Co., Ltd.)	Note 1	400
			Apr. 2008	President and Representative Director of Claire's Nippon Co., Ltd.		
			Jun. 2013	Director of Research Institute for Quality Living Co., Ltd.		
			Mar. 2014	Executive Officer of AEON RETAIL Co., Ltd. General Manager of Customer Service Department of AEON RETAIL Co., Ltd.		
			Mar. 2017	Executive Officer; CSR & Communication Chief Officer of AEON Co., Ltd.		
			Apr. 2019	Co-Chair of Japan Climate Leaders' Partnership		
			Mar. 2021	Chief Officer of CSR of AEON Co., Ltd.		
			Apr. 2022	Director, ESG Planning and Promotion Department of Sumitomo Mitsui Trust Bank, Limited		
			Apr. 2023	Fellow Officer of Sumitomo Mitsui Trust Bank, Limited, Director, ESG Planning and Promotion Department (now Sustainability Strategy and Solutions Department) of Sumitomo Mitsui Trust Bank, Limited		
			Jun. 2023	Outside Director (Audit and Supervisory Committee Member) of Members Co., Ltd. (current position)		
			Jun. 2024	Outside Director of the Company (current position)		
			Jul. 2025	Executive Managing Director of Japan Climate Leaders' Partnership (current position)		
			Oct. 2025	Fellow Officer, Executive Manager, Sustainability Strategy and Solutions Department of Sumitomo Mitsui Trust Bank, Limited (current position)		

SEIKO EPSON CORPORATION

Position and current function	Name	Date of birth	Summary of career		Term of office	Number of shares held (Shares)
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	25,800
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	3,300

SEIKO EPSON CORPORATION

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	2,700
			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)		
Outside Director, Audit & Supervisory Committee Member	Reiko Fuchigami	August 2, 1954	Apr. 1983	Registered as attorney-at-law	Note 2	—
			Apr. 1990	Attorney-at-law of Reiko Fuchigami Law Office		
			Mar. 1996	Attorney-at-law of Hibiya Mitsuke Law Office (to present)		
			Apr. 2017	President of the Tokyo Bar Association Vice President of the Japan Federation of Bar Associations		
			Apr. 2020	Secretary-General of the Japan Federation of Bar Associations		
			Apr. 2024	President of the Japan Federation of Bar Associations		
			Jun. 2026	Outside Director and Audit & Supervisory Committee Member of the Company (scheduled)		
Total						194,044

(Notes)

1. Tadashi Shimamoto, Masaki Yamauchi, Kahori Miyake, Michiko Ohtsuka, Akira Marumoto, and Reiko Fuchigami are Outside Directors.

2. Audit & Supervisory Committee of the Company is as follows.

Chairperson: Masayuki Kawana	Member: Michiko Ohtsuka
Member: Akira Marumoto	Member: Reiko Fuchigami

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, 2026.

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, 2026.

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 25, 2026 are as follows.

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

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 25, 2026 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 proposals (i.e., matters requiring resolutions) entitled "Election of Seven Directors Who Are Not Audit & Supervisory Committee Members" and "Election of Four Directors Who Are Audit & Supervisory Committee Members," which have been submitted to the Ordinary General Meeting of Shareholders scheduled for June 25, 2026, are 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 partner¹, or has served as an executive² within the past five years in an entity for which the Company is a major business partner;
 - (2) The person is a major business partner³ 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 compensation⁴ (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 shareholder⁵ 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 lender⁶ 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 donation⁷ 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 Director⁸; 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 (three are not Audit & Supervisory Committee members and three are Audit & Supervisory Committee members) as of the submission date and if the proposals (i.e., matters requiring resolutions) entitled “Election of Seven Directors Who Are Not Audit & Supervisory Committee Members” and “Election of Four Directors Who Are Audit & Supervisory Committee Members,” which have been submitted to the Ordinary General Meeting of Shareholders scheduled for June 25, 2026, are approved as originally proposed.

Note that as of the date of this submission, Susumu Murakoshi is serving as an Outside Director Audit & Supervisory Committee Member. However, he is scheduled to retire upon the conclusion of the Ordinary General Meeting of Shareholders to be held on June 25, 2026. Additionally, Reiko Fuchigami is scheduled to be newly elected as an Outside Director at the Ordinary General Meeting of Shareholders to be held on June 25, 2026.

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 continuously 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 continuously 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 Executive Managing Director 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 continuously 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 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 continuously 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.

g. Reiko Fuchigami (Outside Director who is an Audit & Supervisory Committee member)

Ms. Fuchigami has a high level of expertise as an attorney. Having served as the President of the Tokyo Bar Association, the Secretary-General of the Japan Federation of Bar Associations, and the President of the Japan Federation of Bar Associations, she has a wealth of experience in the legal community. The Company believes that she will 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. Fuchigami who is an attorney-at-law, and the law office to which she belongs.

She owns none of the Company's shares, and there are no human, capital, business or other interests between her and the Company.

If she is appointed as an Outside Director who is an Audit & Supervisory Committee member at the Ordinary General Meeting of Shareholders to be held on June 25, 2026, she is scheduled to become an Independent Director as stipulated by 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 24, 2026, 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 effectiveness of the Board of directors’ functions, 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 confirmation 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 FY2025, 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 FY2025, 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, process of formulating the new long-term vision, ENGINEERED FUTURE 2035 based on a review of the previous long-term vision, "Epson 25 Renewed," and others from the perspective of important audit and supervision.

The Audit & Supervisory Committee meeting was held 16 times in FY2025 and 6 times in FY2026 from April 2026 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)	
		FY2025	FY2026 ¹
Masayuki Kawana	Director, Full-Time Audit & Supervisory Committee Member	16/16 (100%)	6/6 (100%)
Susumu Murakoshi	Outside Director, Audit & Supervisory Committee Member	16/16 (100%)	6/6 (100%)
Michiko Ohtsuka	Outside Director, Audit & Supervisory Committee Member	16/16 (100%)	6/6 (100%)
Akira Marumoto	Outside Director, Audit & Supervisory Committee Member	16/16 (100%)	6/6 (100%)

¹ Attendance at meetings (attendance rate) in FY2026 is for the period from April 2026 to the filing date.

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
42 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	3
Designated and Engagement Partner, Certified Public Accountant	Ryuichi Minami	6
Designated and Engagement Partner, Certified Public Accountant	Takehiro Kaneko	2

- d. Composition of auditing team
The auditing team comprises 46 staff including 13 certified public accountants, 12 accountant examination passers, and 21 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 financial 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 financial 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 Financial 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	227	2	207	—
Consolidated subsidiaries	37	—	39	—
Total	264	2	246	—

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	—	49	—	55
Consolidated subsidiaries	874	239	952	345
Total	874	288	952	401

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 Financial 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.

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 10 times during the fiscal year under review (FY2025) and 2 times during the current period (the period from April 2026 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, revision of the officer compensation system, 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.

Note that starting in FY2026, which falls under the new mid-term business plan period, the company-wide performance indicators for bonuses will be ROIC and revenue growth rate.

[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.

$$\begin{array}{|c|} \hline \text{Standard bonus} \\ \text{(Total compensation} \\ \text{for the year x bonus ratio)} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{Degree of achievement with} \\ \text{respect to the corporate ROE} \\ \text{target} \\ \text{(0\% - 200\%)} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{Degree of achievement of} \\ \text{personal objectives} \\ \text{(60\% - 140\%)} \\ \hline \end{array}$$

Note that starting in FY2026, which falls under the new mid-term business plan period, the bonus calculation formula will be as follows.

$$\begin{array}{|c|} \hline \text{Standard bonus} \\ \text{(Total compensation} \\ \text{for the year x bonus ratio)} \\ \hline \end{array} \times \left[\begin{array}{|c|} \hline \text{Evaluation based on} \\ \text{corporate results} \\ \text{(0\% - 210\%)x50\%} \\ \hline \end{array} + \begin{array}{|c|} \hline \text{Evaluation based on} \\ \text{individual performance} \\ \text{(60\% - 140\%)x50\%} \\ \hline \end{array} \right]$$

[Results of performance indicators]

The company-wide ROE used as a performance indicator is 2.0%. Company-wide ROE is calculated excluding treasury shares acquired in or after FY2022 from the actual company-wide ROE of FY2025.

- 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.

* 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.

Note that starting in FY2026, which falls under the new mid-term business plan period, Epson has added revenue growth rate as a performance indicator.

[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.

$$\left[\begin{array}{l} \text{Standard stock compensation} \\ \text{(Total compensation for the year x} \\ \text{stock compensation ratio)} \end{array} \right] \times \left[\begin{array}{l} \text{Degree of achievement with} \\ \text{respect to the corporate} \\ \text{ROIC target} \\ \text{(80\% - 120\%) x 50\%} \end{array} \right] + \left[\begin{array}{l} \text{Degree of achievement of} \\ \text{sustainability objectives} \\ \text{(80\% - 120\%) x 50\%} \end{array} \right]$$

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

Note that starting in FY2026, which falls under the new mid-term business plan period, calculation formula will be as follows.

$$\left[\begin{array}{l} \text{Standard stock compensation} \\ \text{(Total compensation for the year x} \\ \text{stock compensation ratio)} \end{array} \right] \times \left[\begin{array}{l} \text{Evaluation based on} \\ \text{corporate results} \\ \text{(80\% - 100\%)} \end{array} \right] + \left[\begin{array}{l} \text{Sustainability evaluation} \\ \text{(0\% - 20\%)} \end{array} \right]$$

[Results of performance indicators]

The company-wide ROIC used as a performance indicator is 5.9%. Company-wide ROIC is calculated excluding treasury shares acquired in or after FY2022 from the actual company-wide ROIC of FY2024. In addition, the achievement rate for sustainability goals, etc. is 90%. For FY2025, 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, 2 and 3 GHG emissions reduction ratio
- Scope 3 GHG emissions (per unit of business profit) reduction ratio
- SAQ response rate from main suppliers
- Female manager ratio
- 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 FY2025, 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 68.5% as base compensation, approximately 0% as bonuses, and approximately 31.5% 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	
		Fixed (monetary)	Bonus (monetary)	(non-monetary)	
Directors who are not Audit & Supervisory Committee members (amount accounted for by Outside Directors)	241 (44)	199 (44)	— (—)	41 (—)	8 (3)
Directors who are Audit & Supervisory Committee members (amount accounted for by Outside Directors)	81 (48)	81 (48)	— (—)	— (—)	4 (3)
Total	322	281	—	41	12

(Notes)

1. The Company has introduced an officer stock ownership plan to link compensation more closely to

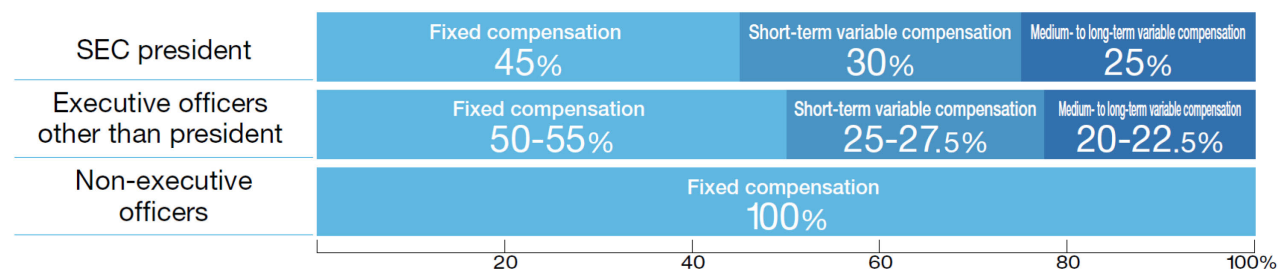
shareholders' value. A portion of the base compensation is discretionally allotted for the acquisition of the Company's shares. Epson has established the criteria for shareholding by its officers based on internal regulations defined by the Board of Directors to demonstrate its commitment to and responsibilities for business operations to all shareholders.

2. 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 (FY2025)>



(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	10	2,736
Stocks other than unlisted stocks	7	7,459

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	4	1,916	Initial capital contribution to develop and strengthen new businesses, etc.
Stocks other than unlisted stocks	—	—	—

Issues for which the number of shares 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	2,612

- 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	FY2025	FY2024	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)		
Seiko Group Corporation	328,816	328,816	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. The effect of holding the shares was examined at the Board of Directors' meeting (held in May 2026) 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
	3,597	1,359		
Mizuho Financial Group, Inc.	390,288	390,288	To maintain and strengthen the business relationship with a source of steady funding and a provider of financial services.	Yes
	2,375	1,581		
Otsuka Corporation	240,000	240,000	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
	725	776		
Marubun Corporation	332,640	332,640	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
	367	329		
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
	183	138		

Company	FY2025	FY2024	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.	None
	179	191	The Company has a transactional relationship primarily with the Printing Solutions business segment.	
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.	None
	30	29	The Company has a transactional relationship primarily with the Printing Solutions business segment.	
NGK Insulators, Ltd.	—	628,500	Maintained and strengthened the business relationship with a supplier of key parts used in the Company's products.	None
	—	1,153	After verifying the rationality of holding shares, the Company sold all of them during the current fiscal year (the same applies hereunder).	
Hachijuni Nagano Bank, Ltd.	—	244,700	Maintained and strengthened the business relationship with a source of steady funding and a provider of financial services.	Yes
	—	258		
Pixelworks, Inc.	—	100,000	Maintained and strengthened the business relationship with a supplier of key parts used in the Company's products.	None
	—	9		

(Notes) 1. Seiko Group Corporation executed a 2-for-1 stock split of common shares with the effective date of April 1, 2026.

2. Joshin Denki Co., Ltd. has changed its name to Joshin Corporation as of April 1, 2026.

3. NGK Insulators, Ltd. has changed its name to NGK Corporation as of April 1, 2026.

③ Stocks held purely for investment purposes

None

5. Employees, etc.

(1) Basic policy on human resources strategy, etc.

① Policy on human resources strategy

Epson's human resources strategy is provided in II. Overview of Business, 2. Concept and initiatives of sustainability, (3) Human capital and diversity.

② Policy on determining employee compensation

Epson views its workforce as a critical management resource that supports the sustainable enhancement of corporate value. Its policy is to determine employee compensation comprehensively, taking into account factors such as the roles and responsibilities they assume, their ability to demonstrate competence, and their performance.

Specifically, while centering on a qualification and grade system commensurate with the scope of roles and duties, we reflect each individual's performance, including results, behavior, and expertise, in compensation through evaluations based on our management-by-objectives system. This enables us to operate a system in which every employee understands the expectations of their role and can demonstrate their abilities with a sense of conviction.

Our salary structure consists of base pay, bonuses, and various allowances. Base pay is adjusted based on qualifications, grades, and evaluation results. Bonuses are paid as a performance-based distribution, taking into account individual performance and company results.

Additionally, while maintaining a perspective on total personnel cost management that takes into account the business environment and financial conditions, Epson strives to ensure the transparency and fairness of this system. Through communication between management and employees, we aim to achieve appropriate evaluations and compensation.

(2) Employees

① Information about group

As of March 31, 2026

Segment name	Number of employees (Persons)
Printing Solutions	51,926
Visual Communications	8,509
Manufacturing-related and wearables	10,325
Reportable segment total	70,760
Others	486
Corporate (company-wide)	3,373
Total	74,619

(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.

② Information about reporting company

As of March 31, 2026

Number of employees (Persons)	Average age (Years)	Average length of service (Years)	Average annual salary (Thousands of yen)	Percentage change in average annual salary compared to the previous fiscal year (%)
12,311	42.9	18.1	8,087	1.8

Segment name	Number of employees (Persons)
Printing Solutions	6,012
Visual Communications	1,396
Manufacturing-related and wearables	2,035
Reportable segment total	9,443
Others	0
Corporate (company-wide)	2,868
Total	12,311

(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.

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

a. Seiko Epson Corporation

Fiscal year under review (FY2025)					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	
5.9	95.7	78.4	78.5	79.2	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 97.8%.

b. 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 2026). 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 (FY2025)						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	10.4	100.0	85.3	80.9	83.3	
Tohoku Epson Corporation	6.1	100.0	79.4	79.4	72.4	
Akita Epson Corporation	6.7	70.0	84.9	85.7	93.9	
Miyazaki Epson Corporation	0.0	66.7	79.2	78.9	84.8	
Epson Avasys Corporation	20.6	100.0	79.9	80.4	68.2	
Epson Atmix Corporation	13.0	75.0	87.0	85.9	—	All non-regular workers are men.
Epson Direct Corporation	0.0	—	77.7	80.2	123.0	Regarding male workers taking childcare leave, there are none eligible.
Epson Logistics Corporation	0.0	—	104.2	117.0	95.0	Regarding male workers taking childcare leave, there are none eligible.
Epson Mizube Corporation	12.5	—	105.7	103.4	113.4	Regarding male workers taking childcare leave, there are none eligible.
Epson Repair Corporation	0.0	—	76.9	77.7	94.9	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).

c. Consolidated

	Fiscal year under review (FY2025)					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	7.0	94.8	77.1	77.4	78.7	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.

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, 2025 to March 31, 2026) 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, 2025 and 2026

		Millions of yen		Thousands of U.S. dollars
	Notes	March 31, 2025	March 31, 2026	March 31, 2026
<u>Assets</u>				
Current assets				
Cash and cash equivalents	8, 35	267,000	288,582	1,804,934
Trade and other receivables	9, 35	210,091	241,037	1,507,564
Inventories	10	369,781	394,733	2,468,855
Income tax receivables		11,276	15,095	94,411
Other financial assets	11, 35	2,451	6,479	40,522
Other current assets	12	20,254	22,005	137,630
Total current assets		880,855	967,933	6,053,932
Non-current assets				
Property, plant and equipment	13, 16, 21	379,712	392,795	2,456,734
Goodwill and intangible assets	14, 16	122,417	100,371	627,769
Investment property	15, 16	1,110	831	5,197
Investments accounted for using equity method		2,185	2,415	15,104
Net defined benefit assets	23	177	331	2,070
Other financial assets	11, 35	23,990	28,859	180,498
Other non-current assets	12	5,522	5,736	35,875
Deferred tax assets	17	40,490	35,596	222,635
Total non-current assets		575,605	566,937	3,545,904
Total assets		1,456,461	1,534,870	9,599,837

SEIKO EPSON CORPORATION

		Millions of yen		Thousands of U.S. dollars
	Notes	March 31, 2025	March 31, 2026	March 31, 2026
<u>Liabilities and equity</u>				
Liabilities				
Current liabilities				
Trade and other payables	18, 35	158,085	164,478	1,028,726
Income tax payables		17,345	7,054	44,119
Bonds issued, borrowings and lease liabilities	19, 21, 35	80,214	68,087	425,849
Other financial liabilities	35	1,471	2,332	14,585
Provisions	20	13,228	17,808	111,380
Other current liabilities	22, 26	173,772	187,427	1,172,261
Total current liabilities		444,117	447,189	2,796,941
Non-current liabilities				
Bonds issued, borrowings and lease liabilities	19, 21, 35	144,494	163,371	1,021,803
Other financial liabilities	35	5,362	5,430	33,961
Net defined benefit liabilities	23	15,765	16,530	103,386
Provisions	20	11,356	9,592	59,993
Other non-current liabilities	22, 26	20,880	24,138	150,971
Deferred tax liabilities	17	9,592	14,967	93,611
Total non-current liabilities		207,451	234,032	1,463,752
Total liabilities		651,569	681,222	4,260,699
Equity				
Share capital	24	53,204	53,204	332,764
Capital surplus	24	83,904	83,949	525,058
Treasury shares	24	(70,260)	(70,150)	(438,752)
Other components of equity	24	165,194	216,593	1,354,679
Retained earnings	24	572,710	569,907	3,564,480
Equity attributable to owners of the parent company		804,752	853,503	5,338,230
Non-controlling interests		139	144	900
Total equity		804,891	853,648	5,339,137
Total liabilities and equity		1,456,461	1,534,870	9,599,837

Consolidated Statement of Comprehensive Income

Years ended March 31, 2025 and 2026

	Notes	Millions of yen		Thousands of U.S. dollars
		Year ended March 31,		Year ended March 31,
		2025	2026	2026
Revenue	6, 26	1,362,944	1,413,251	8,839,171
Cost of sales	10, 13, 14, 28	(869,917)	(912,499)	(5,707,220)
Gross profit		493,026	500,751	3,131,944
Selling, general and administrative expenses	13, 14, 27, 28	(403,437)	(416,962)	(2,607,886)
Other operating income	29	4,494	7,486	46,821
Other operating expense	13, 16, 30	(18,975)	(41,717)	(260,918)
Profit from operating activities		75,108	49,558	309,960
Finance income	31	6,180	4,853	30,353
Finance costs	31	(2,900)	(4,373)	(27,350)
Share of profit (loss) of investments accounted for using equity method		7	(14)	(87)
Profit before tax		78,395	50,023	312,868
Income taxes	17	(23,214)	(31,817)	(198,999)
Profit for the period		55,181	18,206	113,869
Profit for the period attributable to:				
Owners of the parent company		55,177	18,201	113,838
Non-controlling interests		3	4	25
Profit for the period		55,181	18,206	113,869

SEIKO EPSON CORPORATION

	Notes	Millions of yen		Thousands of U.S. dollars
		Year ended March 31,		Year ended March 31,
		2025	2026	2026
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	(2,680)	956	5,979
Net gain (loss) on revaluation of financial assets measured at FVTOCI (Note)	32	(306)	4,110	25,705
Subtotal		(2,986)	5,066	31,685
Items that may be reclassified subsequently to profit or loss, net of tax				
Exchange differences on translation of foreign operations	32	(4,472)	48,568	303,768
Net changes in fair value of cash flow hedges	32	293	365	2,282
Share of other comprehensive income of investments accounted for using equity method	32	(15)	103	644
Subtotal		(4,194)	49,038	306,707
Total other comprehensive income, net of tax		(7,181)	54,104	338,393
Total comprehensive income for the period		47,999	72,310	452,262
Total comprehensive income for the period attributable to:				
Owners of the parent company		48,000	72,304	452,225
Non-controlling interests		(1)	6	37
Total comprehensive income for the period		47,999	72,310	452,262

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

	Notes	Yen		U.S. dollars
		Year ended March 31,		Year ended March 31,
		2025	2026	2026
Earnings per share for the period:				
Basic earnings per share for the period	33	168.75	56.81	0.36
Diluted earnings per share for the period	33	168.75	56.81	0.36

Consolidated Statement of Changes in Equity

Years ended March 31, 2025 and 2026

Millions of yen												
Notes	Equity attributable to owners of the parent company											
	Share capital	Capital surplus	Treasury shares	Other components of equity					Retained earnings	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
				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				
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

Millions of yen												
Equity attributable to owners of the parent company												
Notes	Other components of equity											
	Share capital	Capital surplus	Treasury shares	Remeasurement of net defined benefit liabilities (assets)	Net gain (loss) on revaluation of financial assets measured at FVTOCI (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, 2025	53,204	83,904	(70,260)	-	5,368	160,122	(296)	165,194	572,710	804,752	139	804,891
Profit for the period	-	-	-	-	-	-	-	-	18,201	18,201	4	18,206
Other comprehensive income	-	-	-	956	4,110	48,670	365	54,102	-	54,102	1	54,104
Total comprehensive income for the period	-	-	-	956	4,110	48,670	365	54,102	18,201	72,304	6	72,310
Acquisition of treasury shares	24	-	(1)	-	-	-	-	-	-	(1)	-	(1)
Cancellation of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	25	-	-	-	-	-	-	-	(23,708)	(23,708)	(0)	(23,709)
Share-based payment transactions	34	-	45	111	-	-	-	-	-	157	-	157
Transfer from other components of equity to retained earnings	-	-	-	(956)	(1,747)	-	-	(2,703)	2,703	-	-	-
Total transactions with the owners	-	45	110	(956)	(1,747)	-	-	(2,703)	(21,004)	(23,553)	(0)	(23,553)
As of March 31, 2026	53,204	83,949	(70,150)	-	7,730	208,792	69	216,593	569,907	853,503	144	853,648

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

Thousands of U.S. dollars												
Equity attributable to owners of the parent company												
Notes	Other components of equity											
	Share capital	Capital surplus	Treasury shares	Remeasurement of net defined benefit liabilities (assets)	Net gain (loss) on revaluation of financial assets measured at FVTOCI (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, 2025	332,764	524,777	(439,440)	-	33,574	1,001,482	(1,851)	1,033,205	3,582,012	5,033,317	869	5,034,187
Profit for the period	-	-	-	-	-	-	-	-	113,838	113,838	25	113,869
Other comprehensive income	-	-	-	5,979	25,705	304,406	2,282	338,380	-	338,380	6	338,393
Total comprehensive income for the period	-	-	-	5,979	25,705	304,406	2,282	338,380	113,838	452,225	37	452,262
Acquisition of treasury shares	24	-	(6)	-	-	-	-	-	-	(6)	-	(6)
Cancellation of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	25	-	-	-	-	-	-	-	(148,281)	(148,281)	(0)	(148,287)
Share-based payment transactions	34	-	281	694	-	-	-	-	-	981	-	981
Transfer from other components of equity to retained earnings	-	-	-	(5,979)	(10,926)	-	-	(16,905)	16,905	-	-	-
Total transactions with the owners	-	281	687	(5,979)	(10,926)	-	-	(16,905)	(131,369)	(147,312)	(0)	(147,312)
As of March 31, 2026	332,764	525,058	(438,752)	-	48,347	1,305,888	431	1,354,679	3,564,480	5,338,230	900	5,339,137

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

Consolidated Statement of Cash Flows

Years ended March 31, 2025 and 2026

	Notes	Millions of yen		Thousands of U.S. dollars
		Year ended March 31,		Year ended March 31,
		2025	2026	2026
Cash flows from operating activities				
Profit for the period		55,181	18,206	113,869
Depreciation and amortization		72,142	77,417	484,204
Impairment loss (reversal of impairment loss)		1,256	29,238	182,868
Finance (income) costs		(3,280)	(479)	(2,995)
Share of (profit) loss of investments accounted for using equity method		(7)	14	87
Loss (gain) on sale and disposal of property, plant and equipment, intangible assets and investment property		92	681	4,259
Income taxes		23,214	31,817	198,999
Decrease (increase) in trade receivables		3,500	(13,737)	(85,918)
Decrease (increase) in inventories		(15,780)	2,546	15,923
Increase (decrease) in trade payables		2,562	(967)	(6,048)
Increase (decrease) in net defined benefit liabilities		1,648	60	375
Other		16,985	165	1,031
Subtotal		157,517	144,962	906,664
Interest and dividends income received		6,187	4,611	28,839
Interest expenses paid		(1,543)	(2,389)	(14,941)
Proceeds from insurance income		255	2,023	12,652
Income taxes paid		(24,341)	(36,836)	(230,390)
Net cash from (used in) operating activities		138,075	112,372	702,830
Cash flows from investing activities				
Purchase of investment securities		(1,092)	(1,916)	(11,983)
Proceeds from sale of investment securities		5,708	2,615	16,355
Purchase of property, plant and equipment		(59,369)	(54,615)	(341,589)
Proceeds from sale of property, plant and equipment		621	727	4,547
Purchase of intangible assets		(10,897)	(6,234)	(38,990)
Proceeds from sale of investment property		88	131	819
Payments for acquisition of subsidiaries	7	(85,483)	(2,053)	(12,840)
Other		(362)	(4,215)	(26,362)
Net cash from (used in) investing activities		(150,787)	(65,561)	(410,050)
Cash flows from financing activities				
Net increase (decrease) in current borrowings	19	(567)	36,096	225,762
Proceeds from non-current borrowings	19	-	30,000	187,634
Repayment of non-current borrowings	19	(9,000)	(30,000)	(187,634)
Proceeds from issuance of bonds issued	19	39,823	-	-
Redemption of bonds issued	19	(10,000)	(40,000)	(250,179)
Payment of lease liabilities	19	(10,989)	(11,990)	(74,991)
Dividends paid	25	(24,372)	(23,708)	(148,281)
Dividends paid to non-controlling interests		(0)	(0)	(0)
Purchase of treasury shares	24	(30,022)	(1)	(6)
Net cash from (used in) financing activities		(45,129)	(39,604)	(247,703)
Effect of exchange rate changes on cash and cash equivalents		(3,640)	14,376	89,914
Net increase (decrease) in cash and cash equivalents		(61,481)	21,581	134,978
Cash and cash equivalents at beginning of period	8	328,481	267,000	1,669,950
Cash and cash equivalents at end of period	8	267,000	288,582	1,804,934

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 ¥159.885 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: 7 to 16 years
- Technology-based intangible assets: 7 to 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 leases for which the underlying asset is of low value. 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 introduced 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 (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).

Epson 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.

(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 tax expense comprises current tax and deferred tax. These are recognized in profit or loss, except when they arise from items recognized in other comprehensive income or directly in equity, or from business combinations.

Current tax is measured at the amount expected to be paid to, or recovered from, the tax authorities. The tax rates and tax laws used to calculate the amount are those that have been enacted or substantively enacted by the end of the consolidated reporting period.

Deferred tax is recognized for temporary differences between the tax bases of assets and liabilities and their carrying amounts, as well as for tax loss carryforwards and tax credit carryforwards at the end of the consolidated reporting period.

Deferred tax assets are recognized for deductible temporary differences, tax loss carryforwards and tax credit carryforwards to the extent that it is probable that future taxable profit will be available against which they can be utilized, while deferred tax liabilities are recognized for taxable temporary differences.

Deferred tax assets and liabilities are not recognized for the following temporary differences:

- Temporary differences arising from the initial recognition of goodwill.
- Temporary differences arising from the initial recognition of assets or liabilities in transactions that are not business combinations and that, at the time of the transaction, affect neither accounting profit nor taxable profit (tax loss), and that not give rise to equal amounts of taxable and deductible temporary differences at the time of the transaction.
- Deductible temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures when it is probable that the temporary differences will not reverse in the foreseeable future or that taxable

profit against which the temporary differences can be utilized will not be available.

- Taxable temporary differences with investments in subsidiaries and associates, and interests in joint ventures when Epson is able to control the timing of the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the consolidated reporting period, and that are expected to apply in the period in which the asset is realized or the liability is settled.

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. Diluted earnings per share are calculated by adjusting for the effects of all dilutive potential ordinary shares.

(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 estimates 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 and marginal profit ratios.

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, 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.

FY2024: Year ended March 31, 2025

	Millions of yen					Adjustments (Note 2)	Consolidated
	Reportable segments						
	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 (loss) 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.

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FY2025: Year ended March 31, 2026

	Millions of yen					Adjustments (Note 2)	Consolidated
	Reportable segments						
	Printing Solutions	Visual Communications	Manufacturing- related & Wearables	Subtotal			
Revenue							
External revenues	1,029,483	181,388	196,868	1,407,740	5,511	1,413,251	
Intersegment revenues	53	0	9,194	9,248	(9,248)	-	
Total revenue	1,029,537	181,388	206,062	1,416,988	(3,737)	1,413,251	
Segment profit (loss) (Business profit) (Note 1)	120,572	12,253	10,797	143,622	(59,833)	83,788	
			Other operating income (expense)			(34,230)	
			Profit from operating activities			49,558	
			Finance income (costs)			479	
			Share of profit (loss) of investments accounted for using equity method			(14)	
			Profit before tax			50,023	

Other items

	Reportable segments				Adjustments (Note 3)	Consolidated
	Printing Solutions	Visual Communications	Manufacturing- related & Wearables	Subtotal		
Depreciation and amortization	(48,785)	(9,594)	(11,120)	(69,500)	(8,037)	(77,538)
Impairment losses of assets other than financial assets	(Note 4) (27,464)	(74)	(Note 5) (1,334)	(28,874)	(364)	(29,238)
Segment assets	795,237	153,036	201,576	1,149,851	385,019	1,534,870
Capital expenditures	47,875	7,112	9,587	64,575	9,903	74,478

(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 (¥59,833) million in Segment profit (loss) (Business profit) comprises ¥351 million in eliminated intersegment transactions and (¥60,185) 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 ¥385,019 million in Segment assets includes the elimination of intersegment transactions of (¥4,326) million and other amounts mainly consisting of corporate assets that are not attributed to reportable segments.

(Note 4) Epson recognizes an impairment loss of (¥25,889) million on goodwill related to Fiery, LLC, which is included in the commercial and industrial printing business. This impairment is recognized due to a deterioration in market conditions in the commercial printing and industrial printing markets served by Fiery, LLC, which has become more severe than previously anticipated. Specifically, capital expenditure by the customers has been constrained amid factors such as the impact of U.S. tariff policies. Considering these circumstances, Epson conducted a prudent review of its business plans, resulting in the recognition of the impairment loss.

(Note 5) Epson recognizes an impairment loss of (¥1,295) million in the manufacturing solutions business because, despite continued investments for future growth, it is expected to take time to improve profitability due to the slower-than-expected recovery of markets in major sales regions and uncertainties in the investment trends of certain major customers.

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FY2025: Year ended March 31, 2026

Thousands of U.S. dollars						
	Reportable segments				Adjustments (Note 2)	Consolidated
	Printing Solutions	Visual Communications	Manufacturing- related & Wearables	Subtotal		
Revenue						
External revenues	6,438,896	1,134,490	1,231,310	8,804,703	34,468	8,839,171
Intersegment revenues	331	0	57,503	57,841	(57,841)	-
Total revenue	6,439,234	1,134,490	1,288,813	8,862,544	(23,373)	8,839,171
Segment profit (loss) (Business profit) (Note 1)	754,117	76,636	67,529	898,283	(374,225)	524,051
						Other operating income (expense) (214,091)
						Profit from operating activities 309,960
						Finance income (costs) 2,995
						Share of profit (loss) of investments accounted for using equity method (87)
						Profit before tax 312,868

Other items

	Reportable segments				Adjustments (Note 3)	Consolidated
	Printing Solutions	Visual Communications	Manufacturing- related & Wearables	Subtotal		
Depreciation and amortization	(305,125)	(60,005)	(69,549)	(434,687)	(50,267)	(484,961)
Impairment losses of assets other than financial assets	(Note 4) (171,773)	(462)	(Note 5) (8,343)	(180,592)	(2,276)	(182,868)
Segment assets	4,973,806	957,162	1,260,756	7,191,737	2,408,099	9,599,837
Capital expenditures	299,433	44,481	59,961	403,884	61,938	465,822

(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 (\$374,225) thousand in Segment profit (loss) (Business profit) comprises \$2,195 thousand in eliminated intersegment transactions and (\$376,426) 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 \$2,408,099 thousand in Segment assets includes the elimination of intersegment transactions of (\$27,056) thousand and other amounts mainly consisting of corporate assets that are not attributed to reportable segments.

(Note 4) Epson recognizes an impairment loss of (\$161,922) thousand on goodwill related to Fiery, LLC, which is included in the commercial and industrial printing business. This impairment is recognized due to a deterioration in market conditions in the commercial printing and industrial printing markets served by Fiery, LLC, which has become more severe than previously anticipated. Specifically, capital expenditure by the customers has been constrained amid factors such as the impact of U.S. tariff policies. Considering these circumstances, Epson conducted a prudent review of its business plans, resulting in the recognition of the impairment loss.

(Note 5) Epson recognizes an impairment loss of (\$8,099) thousand in the manufacturing solutions business because, despite continued investments for future growth, it is expected to take time to improve profitability due to the slower-than-expected recovery of markets in major sales regions and uncertainties in the investment trends of certain major customers.

(3) Geographic Information

The regional breakdowns of external revenues and non-current assets are as follows:

External Revenue

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31,		Year ended March 31,
	2025	2026	2026
Japan	225,920	232,074	1,451,505
The United States	288,339	302,601	1,892,616
China	182,176	181,760	1,136,817
Other	666,507	696,814	4,358,219
Total	1,362,944	1,413,251	8,839,171

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

Non-current Assets

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2025	2026	2026
Japan	224,835	224,863	1,406,404
The United States	120,200	98,581	616,574
The Philippines	46,899	48,956	306,195
Indonesia	33,306	35,093	219,489
China	28,468	29,570	184,945
Other	55,051	62,668	391,956
Total	508,762	499,734	3,125,584

(Note) Non-current assets, excluding “Investments accounted for using equity method”, “Net defined benefit assets”, “Other financial assets” and “Deferred tax assets”, are segmented by the location of the assets.

(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

The business combination that occurred for the year ended March 31, 2025 is as follows. There are no significant business combinations for the year ended March 31, 2026.

Acquisition of Fiery, LLC

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.

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

(Note 1) Intangible assets mainly include 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 are included in Selling, general and administrative expenses in the consolidated statement of comprehensive income for the year ended March 31, 2025.

(4) Cash Flows Associated with the Acquisition

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

(5) Impact on Business Performance

Profit or loss information relating to the business combination after the acquisition date and profit or loss information assuming that the business combination had taken place at the beginning of the period for the year ended March 31, 2025 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,
	2025	2026	2026
Cash and deposits	256,876	286,475	1,791,756
Short-term investments	10,123	2,106	13,171
Total	267,000	288,582	1,804,934

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,
	2025	2026	2026
Notes and trade receivables	190,722	217,308	1,359,151
Other receivables	20,344	25,063	156,756
Allowance account for credit losses	(975)	(1,335)	(8,349)
Total	210,091	241,037	1,507,564

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,
	2025	2026	2026
Merchandise and finished goods	211,673	217,196	1,358,451
Work in process	85,090	95,791	599,124
Raw materials	54,232	60,112	375,970
Supplies	18,784	21,632	135,297
Total	369,781	394,733	2,468,855

The amount of inventories included in cost of sales recognized as an expense totaled (¥842,639) million and (¥883,246) million ((\$5,524,258) thousand) for the years ended March 31, 2025 and 2026, respectively.

Losses recognized as cost of sales as a result of valuations for the years ended March 31, 2025 and 2026 are (¥43,057) million and (¥40,918) million ((\$255,921) 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,
	2025	2026	2026
Derivatives	1,265	1,534	9,594
Equity securities	15,080	19,740	123,463
Time deposits	0	3,997	24,999
Other	10,132	10,103	63,189
Allowance account for credit losses	(37)	(37)	(231)
Total	26,442	35,338	221,021
Current assets	2,451	6,479	40,522
Non-current assets	23,990	28,859	180,498
Total	26,442	35,338	221,021

Derivatives 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. 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,
	2025	2026	2026
Listed stocks	7,912	9,747	60,962
Unlisted stocks	7,168	9,992	62,494

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. Finance Income 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,
	2025	2026	2026
Fair value	5,708	2,615	16,355
Cumulative gains (losses) (Before tax)	3,885	2,155	13,478

(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 (¥2,484) million and (¥1,747) million ((\$10,926) thousand) for the years ended March 31, 2025 and 2026, respectively.

12. Other Assets

The breakdown of “Other assets” is as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2025	2026	2026
Prepaid expense	14,572	15,407	96,363
Advances to suppliers	1,163	1,493	9,337
Other	10,040	10,841	67,804
Total	25,776	27,741	173,505
Current assets	20,254	22,005	137,630
Non-current assets	5,522	5,736	35,875
Total	25,776	27,741	173,505

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	Millions of yen					Total
	Land, buildings and structures	Machinery, equipment and vehicles	Tools, furniture and fixtures	Construction in progress	Other	
As of April 1, 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
Individual acquisition	17,977	4,552	6,280	39,213	0	68,024
Acquisition through business combinations	19	2	14	-	-	36
Transfer from (to) investment property	177	-	-	-	-	177
Sale or disposal	(12,635)	(23,670)	(14,883)	(68)	(3)	(51,261)
Exchange differences on translation of foreign operations	19,033	19,824	16,405	640	4	55,908
Transfer from construction in progress	15,668	17,483	10,893	(44,045)	-	-
Other	(318)	(891)	(317)	(537)	-	(2,065)
As of March 31, 2026	717,835	623,020	300,529	10,064	30	1,651,481

Cost	Thousands of U.S. dollars					Total
	Land, buildings and structures	Machinery, equipment and vehicles	Tools, furniture and fixtures	Construction in progress	Other	
As of March 31, 2025	4,240,003	3,788,460	1,764,630	92,948	181	9,886,236
Individual acquisition	112,437	28,470	39,278	245,257	0	425,455
Acquisition through business combinations	118	12	87	-	-	225
Transfer from (to) investment property	1,107	-	-	-	-	1,107
Sale or disposal	(79,025)	(148,043)	(93,085)	(425)	(18)	(320,611)
Exchange differences on translation of foreign operations	119,041	123,989	102,604	4,002	25	349,676
Transfer from construction in progress	97,995	109,347	68,130	(275,479)	-	-
Other	(1,988)	(5,572)	(1,982)	(3,358)	-	(12,915)
As of March 31, 2026	4,489,695	3,896,675	1,879,657	62,945	187	10,329,180

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Accumulated Depreciation and Accumulated Impairment Losses	Millions of yen					Total
	Land, buildings and structures	Machinery, equipment and vehicles	Tools, furniture and fixtures	Construction in progress	Other	
As of April 1, 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)
Depreciation expense (Note)	(25,281)	(24,064)	(16,425)	-	(1)	(65,772)
Impairment losses	(1,816)	(124)	(358)	(37)	-	(2,337)
Acquisition through business combinations	-	(1)	(5)	-	-	(7)
Transfer to (from) investment property	(177)	-	-	-	-	(177)
Sale or disposal	11,772	22,940	14,698	-	3	49,414
Exchange differences on translation of foreign operations	(10,163)	(15,711)	(14,886)	0	(3)	(40,764)
Transfer from construction in progress	-	(42)	-	42	-	-
Other	616	1,069	82	139	-	1,908
As of March 31, 2026	(464,072)	(526,794)	(267,746)	(42)	(29)	(1,258,686)

Accumulated Depreciation and Accumulated Impairment Losses	Thousands of U.S. dollars					Total
	Land, buildings and structures	Machinery, equipment and vehicles	Tools, furniture and fixtures	Construction in progress	Other	
As of March 31, 2025	(2,745,861)	(3,195,165)	(1,568,946)	(1,169)	(168)	(7,511,330)
Depreciation expense (Note)	(158,119)	(150,508)	(102,730)	-	(6)	(411,370)
Impairment losses	(11,358)	(775)	(2,239)	(231)	-	(14,616)
Acquisition through business combinations	-	(6)	(31)	-	-	(43)
Transfer to (from) investment property	(1,107)	-	-	-	-	(1,107)
Sale or disposal	73,627	143,478	91,928	-	18	309,059
Exchange differences on translation of foreign operations	(63,564)	(98,264)	(93,104)	0	(18)	(254,958)
Transfer from construction in progress	-	(262)	-	262	-	-
Other	3,852	6,686	512	869	-	11,933
As of March 31, 2026	(2,902,536)	(3,294,830)	(1,674,616)	(262)	(181)	(7,872,445)

(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.

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Millions of yen

Carrying Amount	Land, buildings and structures	Machinery, equipment and vehicles	Tools, furniture and fixtures	Construction in progress	Other	Total
As of April 1, 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
As of March 31, 2026	253,762	96,226	32,782	10,022	1	392,795

Thousands of U.S. dollars

Carrying Amount	Land, buildings and structures	Machinery, equipment and vehicles	Tools, furniture and fixtures	Construction in progress	Other	Total
As of March 31, 2025	1,494,136	593,295	195,678	91,778	6	2,374,906
As of March 31, 2026	1,587,153	601,845	205,034	62,682	6	2,456,734

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				Total
		Software	Customer-related intangible assets	Technology-based intangible assets	Other	
As of April 1, 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
Individual acquisition	-	6,871	-	-	534	7,406
Acquisition through business combinations	1,532	-	159	567	92	819
Sale or disposal	-	(10,601)	-	-	(469)	(11,070)
Exchange differences on translation of foreign operations	3,096	2,255	3,367	654	175	6,452
Other	-	(6)	-	-	9	3
As of March 31, 2026	46,522	66,261	50,240	10,258	34,200	160,961

Thousands of U.S. dollars						
Cost	Goodwill	Intangible assets				Total
		Software	Customer-related intangible assets	Technology-based intangible assets	Other	
As of March 31, 2025	262,025	423,692	292,166	56,515	211,758	984,138
Individual acquisition	-	42,974	-	-	3,339	46,320
Acquisition through business combinations	9,581	-	994	3,546	575	5,122
Sale or disposal	-	(66,303)	-	-	(2,933)	(69,237)
Exchange differences on translation of foreign operations	19,363	14,103	21,058	4,090	1,094	40,354
Other	-	(37)	-	-	56	18
As of March 31, 2026	290,971	414,429	314,225	64,158	213,903	1,006,729

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Millions of yen

Accumulated Amortization and Accumulated Impairment Losses	Intangible assets					
	Goodwill	Software	Customer-related intangible assets	Technology-based intangible assets	Other	Total
As of April 1, 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)
Amortization expense (Note)	-	(5,608)	(3,063)	(1,080)	(1,891)	(11,644)
Impairment losses	(25,889)	(704)	-	-	(159)	(863)
Acquisition through business combinations	-	-	-	-	-	-
Sale or disposal	-	10,530	-	-	447	10,977
Exchange differences on translation of foreign operations	(517)	(1,718)	(344)	(89)	(170)	(2,323)
Other	-	(19)	-	-	(6)	(26)
As of March 31, 2026	(26,406)	(42,515)	(5,056)	(1,521)	(31,613)	(80,707)

Thousands of U.S. dollars

Accumulated Amortization and Accumulated Impairment Losses	Intangible assets					
	Goodwill	Software	Customer-related intangible assets	Technology-based intangible assets	Other	Total
As of March 31, 2025	-	(281,421)	(10,307)	(2,189)	(186,584)	(480,507)
Amortization expense (Note)	-	(35,075)	(19,157)	(6,754)	(11,827)	(72,827)
Impairment losses	(161,922)	(4,403)	-	-	(994)	(5,397)
Acquisition through business combinations	-	-	-	-	-	-
Sale or disposal	-	65,859	-	-	2,795	68,655
Exchange differences on translation of foreign operations	(3,233)	(10,745)	(2,151)	(556)	(1,063)	(14,529)
Other	-	(118)	-	-	(37)	(162)
As of March 31, 2026	(165,156)	(265,909)	(31,622)	(9,513)	(197,723)	(504,781)

(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.

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Millions of yen

Carrying Amount	Goodwill	Intangible assets				Total
		Software	Customer-related intangible assets (Note)	Technology-based intangible assets (Note)	Other	
As of April 1, 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
As of March 31, 2026	20,116	23,745	45,183	8,737	2,587	80,254

Thousands of U.S. dollars

Carrying Amount	Goodwill	Intangible assets				Total
		Software	Customer-related intangible assets (Note)	Technology-based intangible assets (Note)	Other	
As of March 31, 2025	262,025	142,271	281,852	54,326	25,174	503,624
As of March 31, 2026	125,815	148,512	282,596	54,645	16,180	501,948

(Note) Among intangible assets, the significant items are customer-related intangible assets and technology-based intangible assets recognized as a result of the business combination with Fiery. The carrying amounts of these assets as of March 31, 2026 are ¥45,006 million (\$281,489 thousand) and ¥8,177 million (\$51,143 thousand), respectively (the carrying amounts as of March 31, 2025 are ¥44,973 million and ¥8,686 million, respectively), and the remaining amortization periods of these assets are 14.0 to 14.8 years and 7.3 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,
	2025	2026	2026
Balance at the beginning of the year	1,103	1,110	6,942
Transfer from (to) property, plant and equipment	249	(0)	(0)
Depreciation expense	(2)	-	-
Impairment losses	(233)	(151)	(944)
Sale or disposal	(7)	(126)	(788)
Exchange differences on translation of foreign operations	0	-	-
Balance at the end of the year	1,110	831	5,197
Breakdown of “Balance at the beginning of the year”			
Cost	3,125	4,036	25,243
Accumulated depreciation and accumulated impairment losses	(2,021)	(2,926)	(18,300)
Total	1,103	1,110	6,942
Breakdown of “Balance at the end of the year”			
Cost	4,036	831	5,197
Accumulated depreciation and accumulated impairment losses	(2,926)	-	-
Total	1,110	831	5,197

(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, 2025		March 31, 2026		March 31, 2026	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Investment property	1,110	2,330	831	2,060	5,197	12,884

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, 2025 is ¥1,256 million, mainly comprised of "Other" intangible assets of ¥336 million, "Buildings and structures" of ¥284 million, "Investment property" of ¥233 million and "Construction in progress" of ¥231 million.

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 is recognized. The recoverable amount of ¥4,070 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, 2026 is ¥29,238 million (\$182,868 thousand), mainly comprised of "Goodwill" of ¥25,889 million (\$161,922 thousand), "Buildings and structures" of ¥1,816 million (\$11,358 thousand) and "Software" of ¥704 million (\$4,403 thousand).

The main details are as follows.

Impairment loss recognized for the goodwill related to Fiery, LLC, which is included in the commercial and industrial printing business of the Printing Solutions Segment, is ¥25,889 million (\$161,922 thousand). This impairment loss is recognized due to a deterioration in market conditions in the commercial printing and industrial printing markets served by Fiery, LLC, which has become more severe than previously anticipated. Specifically, capital expenditure by the customers has been constrained amid factors such as the impact of U.S. tariff policies. Considering these circumstances, Epson conducted a prudent review of its business plans, and found that the recoverable amount fell below the carrying amount, resulting in the recognition of an impairment loss on a portion of the goodwill.

Further details are described in "(2) Impairment Test of Goodwill."

Impairment loss recognized for business assets that belong to the manufacturing solutions business, which is a part of the Manufacturing-related & Wearables Segment, is ¥1,295 million (\$8,099 thousand). Although Epson will continue to invest for future growth, the recovery of markets in major sales regions has been slower than expected, and there remain uncertainties in the investment trends of certain major customers. As a result, it is expected to take time to improve profitability, and the carrying amount of the business assets in the said business has been reduced to its recoverable amount. The recoverable amount of ¥4,146 million (\$25,931 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, 2026 is ¥20,116 million (\$125,815 thousand), compared to ¥41,894 million as of March 31, 2025.

The significant component of this goodwill relates to Fiery, LLC and its carrying amount as of March 31, 2026 is ¥13,827 million (\$86,480 thousand), compared to ¥36,103 million 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 the long-term growth rate used to calculate the value in use for the year ended March 31, 2026 are 15.1% (14.0% for the year ended March 31, 2025) and 2.2% (2.1% for the year ended March 31, 2025), respectively.

As a result of the impairment test performed for the year ended March 31, 2026, because the recoverable amount of ¥57,427 million (\$359,176 thousand) fell below the carrying amount, the carrying amount was reduced to the recoverable amount, resulting in the recognition of an impairment loss of ¥25,889 million (\$161,922 thousand) on a portion of the goodwill.

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,
	2025	2026	2026
Fixed assets	15,305	21,163	132,363
Inventories	25,467	16,171	101,141
Lease liabilities	7,575	10,193	63,752
Accrued bonus	8,311	8,776	54,889
Post-employment benefits	6,583	4,188	26,193
Carryforward of unused tax losses	1,884	3,470	21,703
Other	32,501	33,559	209,894
Total deferred tax assets	97,630	97,523	609,957
Undistributed profit	(23,359)	(27,209)	(170,178)
Fixed assets	(19,298)	(20,135)	(125,934)
Post-employment benefits	(12,091)	(12,982)	(81,195)
Right-of-use assets	(7,226)	(9,459)	(59,161)
Other	(4,756)	(7,107)	(44,450)
Total deferred tax liabilities	(66,732)	(76,894)	(480,933)
Net deferred tax assets	30,898	20,628	129,017

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,
	2025	2026	2026
Balance at the beginning of the year	26,963	30,898	193,251
Recognized through profit or loss	8,436	(6,893)	(43,112)
Recognized through other comprehensive income	1,526	(3,697)	(23,122)
Changes from business combinations	(5,397)	(189)	(1,182)
Other (Note)	(630)	511	3,196
Balance at the end of the year	30,898	20,628	129,017

(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-Term 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.

The amounts of deferred tax assets recognized in taxable entities that are incurring losses as of March 31, 2025 and 2026 are ¥2,099 million and ¥48,203 million (\$301,485 thousand), respectively. These deferred tax assets are recognized only to the extent that sufficient taxable income is expected to be available during the period of carryforward of unused tax losses in the countries where the entities are located.

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, 2025 and 2026, are ¥13,546 million and ¥53,535 million (\$334,834 thousand), respectively. The amounts of deductible temporary differences, for which deferred tax assets have not been recognized, as of March 31, 2025 and 2026, are ¥83,609 million and ¥87,474 million (\$547,105 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,
	2025	2026	2026
1st year	-	-	-
2nd year	-	-	-
3rd year	-	-	-
4th year	-	-	-
5th year and thereafter or indefinite periods	13,546	53,535	334,834
Total	13,546	53,535	334,834

Epson has no taxable temporary differences associated with investments in subsidiaries for which deferred tax liabilities have not been recognized as of March 31, 2025 and 2026.

(2) Tax Expense

“Tax expense” recognized as profit or loss is as follows:

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31,		Year ended March 31,
	2025	2026	2026
Current tax expense	(31,650)	(24,923)	(155,880)
Deferred tax expense	8,436	(6,893)	(43,112)
Total	(23,214)	(31,817)	(198,999)

Deferred tax expense decreases by ¥264 million and ¥1,410 million (\$8,818 thousand) for the years ended March 31, 2025 and 2026, respectively, due to the effect of changes in applicable tax rates.

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, current tax expense and deferred tax expense increase by ¥668 million and ¥12,982 million (\$81,195 thousand) for the years ended March 31, 2025 and 2026, 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, 2025 and 2026 respectively. Foreign subsidiaries are subject to income tax at their locations.

	%	
	Year ended March 31, 2025	Year ended March 31, 2026
Effective statutory tax rate	30.5	30.5
Different tax rates applied to foreign subsidiaries	(1.4)	(7.7)
Expenses not deductible for tax purposes	4.0	2.4
Reassessment of recoverability of deferred tax assets	0.9	26.0
Tax credits	(5.5)	(3.3)
Changes in applicable tax rates	(0.3)	(2.8)
Impairment of goodwill	-	15.8
Other	1.5	2.8
Actual tax rate	29.6	63.6

(4) Global Minimum Tax

In Japan, where the Company is located, the Income Inclusion Rule (IIR) of the Global Anti-Base Erosion Rules (GloBE Rules) was introduced through the FY2023 Tax Reform. As a result, if the tax burden of certain overseas subsidiaries falls below the minimum tax rate (15%), the Company, as a parent company, is subject to additional taxes for the shortfall.

In addition, in certain jurisdictions where Epson operates, a Qualified Domestic Minimum Top-up Tax (QDMTT) has been introduced. As a result, if the tax burden of subsidiaries located in those jurisdictions falls below the minimum tax rate (15%), additional taxes are imposed on such subsidiaries to cover the shortfall.

These additional taxes are recognized as current tax expense; however, their impact on the consolidated financial statements is not significant.

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,
	2025	2026	2026
Notes and trade payables	92,979	96,020	600,556
Other payables	65,106	68,458	428,170
Total	158,085	164,478	1,028,726

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	
	2025	2026	2026	rate (Note 1)	
Current borrowings	-	36,506	228,326	1.04	-
Current portion of non-current borrowings	29,997	500	3,127	0.29	-
Current portion of bonds issued (Note 2)	39,989	19,995	125,058	(Note 2)	(Note 2)
Non-current borrowings	9,494	38,996	243,900	1.03	2028
Bonds issued (Note 2)	109,707	89,796	561,628	(Note 2)	(Note 2)
Lease liabilities	35,520	45,664	285,605	2.08	2026 to 2068
Total	224,709	231,459	1,447,659		
Current liabilities	80,214	68,087	425,849		
Non-current liabilities	144,494	163,371	1,021,803		
Total	224,709	231,459	1,447,659		

(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:

Note 2) The summary of issuing conditions of the bonds issued is as follows:

Company	Name of bonds issued	Issue date	%	Collateral	Maturity date	Millions of yen		Thousands of
			Interest rate			March 31,		U.S. dollars
						2025	2026	March 31, 2026
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 (10,000)	62,544 (62,544)
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	62,544
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 (10,000)	62,544 (62,544)
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	125,089
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)	-	-
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	125,089
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	20,000	125,089
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	20,000	125,089
						150,000 (40,000)	110,000 (20,000)	687,994 (125,089)

*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.

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(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, 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
Changes from cash flows	36,096	-	(40,000)	(11,990)	(15,894)
Non-cash changes					
New leases	-	-	-	19,568	19,568
Foreign exchange movement	409	-	-	2,945	3,355
Other	-	4	95	(379)	(280)
As of March 31, 2026	36,506	39,496	109,791	45,664	231,459

Thousands of U.S. dollars					
	Current borrowings	Non-current borrowings	Bonds issued	Lease liabilities	Total
As of March 31, 2025	-	247,002	936,272	222,159	1,405,441
Changes from cash flows	225,762	-	(250,179)	(74,991)	(99,408)
Non-cash changes					
New leases	-	-	-	122,387	122,387
Foreign exchange movement	2,558	-	-	18,419	20,983
Other	-	25	594	(2,370)	(1,751)
As of March 31, 2026	228,326	247,027	686,687	285,605	1,447,659

20. Provisions

The breakdown and the schedule of “Provisions” are as follows:

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

FY2025: Year ended March 31, 2026

	Millions of yen				
	Provision for product warranties	Asset retirement obligations	Provision for loss on litigation	Other provisions	Total
As of April 1, 2025	14,853	4,036	580	5,114	24,584
Arising during the year	4,713	422	330	6,270	11,736
Increase due to business combinations	-	-	-	-	-
Utilized	(4,774)	(806)	(602)	(3,298)	(9,481)
Unused amounts reversed	(972)	-	-	(277)	(1,249)
Exchange differences on translation of foreign operations	1,039	120	51	599	1,811
As of March 31, 2026	14,860	3,772	360	8,408	27,401
Current liabilities	10,814	62	329	6,603	17,808
Non-current liabilities	4,046	3,710	30	1,805	9,592
Total	14,860	3,772	360	8,408	27,401

FY2025: Year ended March 31, 2026

	Thousands of U.S. dollars				
	Provision for product warranties	Asset retirement obligations	Provision for loss on litigation	Other provisions	Total
As of April 1, 2025	92,898	25,243	3,627	31,985	153,760
Arising during the year	29,477	2,639	2,063	39,215	73,402
Increase due to business combinations	-	-	-	-	-
Utilized	(29,858)	(5,041)	(3,765)	(20,627)	(59,298)
Unused amounts reversed	(6,079)	-	-	(1,732)	(7,811)
Exchange differences on translation of foreign operations	6,498	750	318	3,746	11,326
As of March 31, 2026	92,941	23,591	2,251	52,587	171,379
Current liabilities	67,636	387	2,057	41,298	111,380
Non-current liabilities	25,305	23,204	187	11,289	59,993
Total	92,941	23,591	2,251	52,587	171,379

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 assets” is as follows:

Millions of yen				
	Land, buildings and structures	Machinery, equipment and vehicles	Tools, furniture and fixtures	Total
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)
Impairment losses	-	-	-	-
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
Individual acquisition	17,392	1,873	668	19,935
Acquisition through business combinations	19	-	-	19
Depreciation	(10,303)	(1,443)	(400)	(12,146)
Impairment losses	(1,154)	-	-	(1,154)
Exchange differences on translation of foreign operations	2,676	317	4	2,998
Other	(180)	(320)	0	(500)
As of March 31, 2026	44,871	3,479	852	49,202

Thousands of U.S. dollars				
	Land, buildings and structures	Machinery, equipment and vehicles	Tools, furniture and fixtures	Total
As of March 31, 2025	227,794	19,082	3,621	250,498
Individual acquisition	108,778	11,714	4,178	124,683
Acquisition through business combinations	118	-	-	118
Depreciation	(64,440)	(9,025)	(2,501)	(75,967)
Impairment losses	(7,217)	-	-	(7,217)
Exchange differences on translation of foreign operations	16,737	1,982	25	18,750
Other	(1,125)	(2,001)	0	(3,127)
As of March 31, 2026	280,645	21,759	5,328	307,733

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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,
	2025	2026	2026
Interest expenses on lease liabilities	(927)	(1,063)	(6,648)
Short-term leases	(6,278)	(6,230)	(38,965)
Leases of low-value assets	(127)	(128)	(800)
Variable lease payments	(710)	(858)	(5,366)

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 ¥4,373 million and ¥5,016 million (\$31,372 thousand) for the years ended March 31, 2025 and 2026, 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 ¥2,002 million and ¥3,093 million (\$19,345 thousand) for the years ended March 31, 2025 and 2026, 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,
	2025	2026	2026
Accrued expense	29,662	31,296	195,740
Accrued bonus	36,039	39,072	244,375
Accrued employee’s unused paid vacations	31,587	31,365	196,172
Contract liabilities	35,045	40,596	253,907
Refund liabilities	41,847	46,912	293,410
Other	20,469	22,321	139,606
Total	194,652	211,565	1,323,232
Current liabilities	173,772	187,427	1,172,261
Non-current liabilities	20,880	24,138	150,971
Total	194,652	211,565	1,323,232

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 administered 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.

For some pension plans for the subsidiaries located in the U.K., pension buy-in, as part of the process toward pension buy-out, was implemented for the year ended March 31, 2024. As a result, these pension plans were released from the risk associated with the management of plan assets and the risk of an increase in defined benefit obligations due to a rise in longevity of pensioners and other factors. In addition, pension buy-out was implemented for a certain pension plan for the year ended March 31, 2026.

The remaining pension plan is scheduled to undergo pension buy-out for the year ending March 31, 2027. Until the pension buy-out is implemented, 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 additional payments.

(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,
	2025	2026	2026
Funded defined benefit obligations	257,068	226,433	1,416,224
Plan assets	(294,192)	(298,993)	(1,870,050)
Subtotal	(37,124)	(72,559)	(453,819)
Unfunded defined benefit obligations	10,094	10,626	66,460
Effect of the asset ceiling	42,618	78,133	488,682
Net defined benefit liabilities (assets) recognized in the consolidated statement of financial position	15,588	16,199	101,316
Net defined benefit liabilities	15,765	16,530	103,386
Net defined benefit assets	(177)	(331)	(2,070)
Net defined benefit liabilities (assets) recognized in the consolidated statement of financial position	15,588	16,199	101,316

(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,
	2025	2026	2026
Balance at the beginning of the year	288,494	267,162	1,670,963
Service cost	8,485	7,939	49,654
Interest cost	5,807	7,121	44,538
Remeasurement			
Actuarial gains and losses arising from changes in demographic assumptions	(196)	1,163	7,273
Actuarial gains and losses arising from changes in financial assumptions	(23,061)	(25,979)	(162,485)
Past service cost and settlement of plan (Note)	811	(7,667)	(47,953)
Exchange differences on translation of foreign operations	(498)	2,458	15,373
Benefits paid	(13,015)	(15,139)	(94,686)
Effect of business combinations	334	-	-
Balance at the end of the year	267,162	237,059	1,482,684

(Note) The decrease in the current fiscal year is mainly due to the implementation of the pension buy-out.

(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 ¥5,477 million (\$34,255 thousand) for the year ending March 31, 2027.

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31,		Year ended March 31,
	2025	2026	2026
Balance at the beginning of the year	298,065	294,192	1,840,022
Interest income	5,377	7,274	45,495
Remeasurement			
Return on plan assets	(3,823)	10,489	65,603
Exchange differences on translation of foreign operations	64	1,893	11,839
Contributions by the employer	5,790	5,833	36,482
Contributions by plan participants	1,070	1,062	6,642
Benefits paid	(12,363)	(14,278)	(89,301)
Settlement of plan (Note)	-	(7,475)	(46,752)
Effect of business combinations	11	-	-
Balance at the end of the year	294,192	298,993	1,870,050

(Note) The decrease in the current fiscal year is due to the implementation of the pension buy-out.

(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,
	2025	2026	2026
Balance at the beginning of the year	18,863	42,618	266,554
Interest income	324	1,018	6,367
Remeasurement			
Effect of changes in the asset ceiling	23,430	34,496	215,755
Balance at the end of the year	42,618	78,133	488,682

(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,
	2025	2026	2026
Investments quoted in active markets			
Equity securities	7,841	10,233	64,002
Bonds receivable	197	417	2,608
Alternative investments (Note 1)	458	8	50
Cash and deposits	1,872	1,651	10,326
Other	3,540	3,765	23,548
Total	13,910	16,076	100,547
Investments unquoted in active markets			
Pooled funds (Equity securities)	45,460	57,049	356,812
Pooled funds (Bonds receivable)	54,998	54,430	340,432
General accounts of life insurance companies (Note 2)	131,977	127,181	795,452
Alternative investments (Note 1)	33,134	35,778	223,773
Other (Note 3)	14,710	8,475	53,006
Total	280,282	282,916	1,769,496

(Note 1) Alternative investments are the investments through hedge 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 ¥14,710 million shown in “Other” for the year ended March 31, 2025 and ¥8,475 million (\$53,006 thousand) for the year ended March 31, 2026 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, 2025	March 31, 2026
Discount rate	2.8	3.7

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, 2026 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, 2026	March 31, 2026
Discount rate (1% increase)	(25,802)	(161,378)
Discount rate (1% decrease)	29,171	182,449

The weighted-average duration of the defined benefit obligations on March 31, 2026 is 12.1 years.

(7) Defined Contribution Plans

Expenses for the defined contribution plans are ¥24,384 million and ¥25,629 million (\$160,296 thousand) for the years ended March 31, 2025 and 2026, 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, 2024	1,214,916,736	385,022,278	53,204	84,042		
Increase (decrease) (Note 2)	-	(11,449,126)	-	(138)		
As of March 31, 2025	1,214,916,736	373,573,152	53,204	83,904	332,764	524,777
Increase (decrease)	-	-	-	45	-	281
As of March 31, 2026	1,214,916,736	373,573,152	53,204	83,949	332,764	525,058

(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 for 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, 2024 (Note 1)	53,398,912	55,455	
Increase (decrease) (Note 2)	(169,663)	14,805	
As of March 31, 2025	53,229,249	70,260	439,440
Increase (decrease) (Note 3)	(83,848)	(110)	(687)
As of March 31, 2026	53,145,401	70,150	438,752

(Note 1) The number of treasury shares as of April 1, 2024 includes 109,170 shares held by BIP trust.

(Note 2) Net decrease in the number of treasury shares for 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 Directors³ 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) Net decrease in the number of treasury shares for the year ended March 31, 2026 resulted from:

the disposal of treasury shares as restricted stock compensation (84,664) shares

the purchase of odd shares 816 shares

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 general meeting of shareholders.

(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 general meeting of shareholders.

(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:

FY2024: Year ended March 31, 2025

(Resolution)	Class of shares	Millions of yen	Yen	Basis date	Effective date
		Total dividends	Dividends per share		
Ordinary General Meeting of Shareholders (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.

FY2025: Year ended March 31, 2026

(Resolution)	Class of shares	Millions of yen	Yen	Basis date	Effective date
		Total dividends	Dividends per share		
Ordinary General Meeting of Shareholders (June 26, 2025)	Ordinary shares	11,852	37	March 31, 2025	June 27, 2025
Board of Directors Meeting (November 5, 2025)	Ordinary shares	11,855	37	September 30, 2025	November 28, 2025

FY2025: Year ended March 31, 2026

(Resolution)	Class of shares	Thousands of U.S. dollars	U.S. dollars	Basis date	Effective date
		Total dividends	Dividends per share		
Ordinary General Meeting of Shareholders (June 26, 2025)	Ordinary shares	74,128	0.23	March 31, 2025	June 27, 2025
Board of Directors Meeting (November 5, 2025)	Ordinary shares	74,147	0.23	September 30, 2025	November 28, 2025

Dividends whose effective dates fall in the next year are as follows:

The following matters are scheduled to be proposed at the Ordinary General Meeting of Shareholders held on June 25, 2026.

(Resolution)	Class of shares	Millions of yen	Yen	Basis date	Effective date
		Total dividends	Dividends per share		
Ordinary General Meeting of Shareholders (June 25, 2026)	Ordinary shares	11,855	37	March 31, 2026	June 26, 2026

(Resolution)	Class of shares	Thousands of U.S. dollars	U.S. dollars	Basis date	Effective date
		Total dividends	Dividends per share		
Ordinary General Meeting of Shareholders (June 25, 2026)	Ordinary shares	74,147	0.23	March 31, 2026	June 26, 2026

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,
	2025	2026	2026
Printing Solutions Segment	980,148	1,029,537	6,439,234
Office and Home Printing business	680,478	695,221	4,348,256
Commercial and Industrial Printing business	299,760	334,386	2,091,415
Inter-segment revenue	(89)	(70)	(437)
Visual Communications Segment	203,782	181,388	1,134,490
Manufacturing-related & Wearables Segment	181,463	206,062	1,288,813
Manufacturing solutions business	22,093	23,527	147,149
Wearable products business	39,348	41,095	257,028
Microdevices business and other	103,701	116,027	725,690
PC business	20,722	28,395	177,596
Inter-segment revenue	(4,401)	(2,984)	(18,663)
Others (Note 1)	(2,450)	(3,737)	(23,373)
Total	1,362,944	1,413,251	8,839,171
Revenue recognized from contracts with customers	1,357,525	1,406,935	8,799,668
Revenue recognized from other sources (Note 2)	5,418	6,316	39,503
Total	1,362,944	1,413,251	8,839,171

(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 sale 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, 2024	March 31, 2025	March 31, 2026	March 31, 2026
Receivables from contracts with customers	212,781	210,091	241,037	1,507,564
Contract liabilities	30,742	35,045	40,596	253,907
Current liabilities	15,364	16,606	19,185	119,992
Non-current liabilities	15,377	18,439	21,411	133,915

Contract liabilities are included in “Other current liabilities” and “Other non-current liabilities” in the consolidated statement of financial position.

The amount of revenue recognized from performance obligations satisfied (or partially satisfied) in previous periods is not material for the years ended March 31, 2025 and 2026.

(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,
	2025	2026	2026
Employee benefit expense	(156,858)	(167,137)	(1,045,357)
Research and development expense	(42,814)	(46,757)	(292,441)
Promotion expense	(33,433)	(32,297)	(202,001)
Depreciation and amortization	(19,705)	(25,380)	(158,739)
Transportation expense	(23,770)	(23,894)	(149,444)
Advertising expense	(23,502)	(23,681)	(148,112)
Service contract expense	(17,527)	(16,839)	(105,319)
Other	(85,823)	(80,975)	(506,457)
Total	(403,437)	(416,962)	(2,607,886)

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,
	2025	2026	2026
Salaries and wages	(278,316)	(284,190)	(1,777,465)
Legal welfare expense	(29,418)	(31,265)	(195,546)
Welfare expense	(14,340)	(13,984)	(87,462)
Expenses of post-employment benefits			
Expense for defined contribution plans	(24,384)	(25,629)	(160,296)
Expense for defined benefit plans	(9,101)	(10,475)	(65,515)
Total	(355,561)	(365,544)	(2,286,293)

29. Other Operating Income

Other operating income in the consolidated statement of comprehensive income for the year ended March 31, 2025 includes rental income of ¥958 million and government grant income of ¥677 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, 2026 includes insurance claim income of ¥2,023 million (\$12,652 thousand), rental income of ¥1,793 million (\$11,214 thousand), and government grant income of ¥1,050 million (\$6,567 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, 2025 includes foreign exchange loss of ¥9,520 million and business restructuring expenses of ¥3,453 million. These business restructuring expenses are mainly expenses related to the winding down of a manufacturing site in Singapore.

Other operating expense in the consolidated statement of comprehensive income for the year ended March 31, 2026 includes impairment losses of ¥29,238 million (\$182,868 thousand) and foreign exchange loss of ¥3,229 million (\$20,195 thousand). The details of the impairment losses are stated in “16. Impairment of Non-financial Assets.”

31. Finance Income and Finance Costs

The breakdowns of “Finance income” and “Finance costs” are as follows:

Finance Income	Millions of yen		Thousands of U.S. dollars
	Year ended March 31,		Year ended March 31,
	2025	2026	2026
Interest income	5,726	4,085	25,549
Dividend income	453	767	4,797
Total	6,180	4,853	30,353

Finance Costs	Millions of yen		Thousands of U.S. dollars
	Year ended March 31,		Year ended March 31,
	2025	2026	2026
Interest expense	(1,724)	(2,510)	(15,698)
Employee benefit expense (Note 1)	(754)	(865)	(5,410)
Foreign exchange loss (Note 2)	(311)	(863)	(5,397)
Other	(109)	(134)	(838)
Total	(2,900)	(4,373)	(27,350)

(Note 1) The employee benefit expense is the net amount of interest cost and interest income related to employee benefits.

(Note 2) The increase or decrease in the fair value of currency derivatives is included in the foreign exchange loss.

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:

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)

FY2025: Year ended March 31, 2026

Millions of yen					
	Amount arising	Reclassification adjustments	Before tax effects	Tax effects	Net of tax effects
Remeasurement of net defined benefit liabilities (assets)	1,375	-	1,375	(419)	956
Net gain (loss) on revaluation of financial assets measured at FVTOCI (Note)	5,214	-	5,214	(1,104)	4,110
Exchange differences on translation of foreign operations	48,568	-	48,568	-	48,568
Net changes in fair value of cash flow hedges	(6,721)	7,249	527	(161)	365
Share of other comprehensive income of investments accounted for using equity method	103	-	103	-	103
Total	48,540	7,249	55,790	(1,685)	54,104

FY2025: Year ended March 31, 2026

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)	8,599	-	8,599	(2,620)	5,979
Net gain (loss) on revaluation of financial assets measured at FVTOCI (Note)	32,610	-	32,610	(6,904)	25,705
Exchange differences on translation of foreign operations	303,768	-	303,768	-	303,768
Net changes in fair value of cash flow hedges	(42,036)	45,338	3,296	(1,006)	2,282
Share of other comprehensive income of investments accounted for using equity method	644	-	644	-	644
Total	303,593	45,338	348,938	(10,538)	338,393

(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,
	2025	2026	2026
Profit for the period attributable to owners of the parent company	55,177	18,201	113,838
Profit for the period not attributable to owners of the parent company	-	-	-
Profit used for calculation of basic earnings per share	55,177	18,201	113,838
Weighted-average number of ordinary shares outstanding (Thousands of Shares)	326,977	320,405	320,405
Basic earnings per share	(Yen) 168.75	(Yen) 56.81	(\$) 0.36

(2) Basis of Calculating Diluted Earnings per Share

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31,		Year ended March 31,
	2025	2026	2026
Profit used for calculation of basic earnings per share	55,177	18,201	113,838
Adjustments	-	-	-
Profit used for calculation of diluted earnings per share	55,177	18,201	113,838
Weighted-average number of ordinary shares outstanding (Thousands of Shares)	326,977	320,405	320,405
Effect of dilutive potential ordinary shares			
BIP trust for eligible officers (Thousands of Shares)	10	-	-
Weighted-average number of ordinary shares diluted (Thousands of Shares)	326,987	320,405	320,405
Diluted earnings per share	(Yen) 168.75	(Yen) 56.81	(\$) 0.36

(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)," 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 under condition on the execution of their duties for a certain period.

Once a year, Eligible Officers 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 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 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,
	2025	2026	2026
Grant date	July 17, 2024	July 11, 2025	July 11, 2025
Number of granted shares	61,091	84,664	84,664
Fair value at the grant date (Note)	¥2,450.5	¥1,856	\$12

(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) Stock Compensation Expenses

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31,		Year ended March 31,
	2025	2026	2026
Restricted stock compensation	149	157	981
Performance-linked stock compensation (Note)	4	-	-
Total	153	157	981

(Note) 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.

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,
	2025	2026	2026
Interest-bearing debt	224,709	231,459	1,447,659
Cash and cash equivalents	(267,000)	(288,582)	(1,804,934)
Net interest-bearing debt	(42,290)	(57,122)	(357,269)
Capital (equity attributable to owners of the parent company)	804,752	853,503	5,338,230

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 Corporate Strategy Council 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 of customers and suppliers, mainly for the purpose of investing surplus funds and strengthening relationships with them; those securities 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 Corporate Strategy Council 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 Corporate Strategy Council 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,
	2025	2026	2026
Balance as of April 1	1,047	1,012	6,329
Addition	283	560	3,502
Decrease (utilized)	(93)	(77)	(481)
Decrease (reversal)	(199)	(229)	(1,432)
Other	(24)	107	669
Balance as of March 31	1,012	1,373	8,587

(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 Corporate Strategy Council 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:

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	-	-	-	-	-

FY2025: As of March 31, 2026

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	164,478	164,478	164,478	-	-	-	-	-
Borrowings	76,002	76,006	37,006	9,000	30,000	-	-	-
Bonds issued	109,791	110,000	20,000	30,000	-	40,000	20,000	-
Lease liabilities	45,664	51,009	13,287	9,631	8,858	7,529	4,415	7,286
Other	5,694	5,694	264	2,126	317	32	1,150	1,804
Total	401,633	407,189	235,036	50,757	39,175	47,561	25,566	9,090
Derivative financial liabilities								
Foreign exchange forward contract	2,068	2,068	2,068	-	-	-	-	-
Total	2,068	2,068	2,068	-	-	-	-	-

FY2025: As of March 31, 2026

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	1,028,726	1,028,726	1,028,726	-	-	-	-	-
Borrowings	475,354	475,379	231,453	56,290	187,634	-	-	-
Bonds issued	686,687	687,994	125,089	187,634	-	250,179	125,089	-
Lease liabilities	285,605	319,035	83,103	60,237	55,402	47,090	27,613	45,570
Other	35,613	35,613	1,651	13,297	1,982	200	7,192	11,283
Total	2,512,011	2,546,761	1,470,031	317,459	245,019	297,470	159,902	56,853
Derivative financial liabilities								
Foreign exchange forward contract	12,934	12,934	12,934	-	-	-	-	-
Total	12,934	12,934	12,934	-	-	-	-	-

(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 Corporate Strategy Council of the Company.

The breakdown of currency derivatives is as follows:

Derivative transactions to which hedge accounting is not applied

FY2024: As of March 31, 2025

1202 12 AS of March 31, 2023

	Millions of yen				Average rate
	Contract amount	Over one year	Carrying amount		
			Assets	Liabilities	
Foreign exchange forward contract					
Selling					
Euro (Yen buying)	25,004	-	-	260	159.82 JPY / EUR
Australian Dollar (Yen buying)	2,607	-	88	-	96.64 JPY / AUD
Yuan Renminbi (U.S. Dollar buying)	17,036	-	258	-	0.14 USD / CNY
Non-Deliverable Forward					
Selling					
Indian Rupee (U.S. Dollar buying)	5,480	-	27	-	0.01 USD / INR
New Taiwan Dollar (U.S. Dollar buying)	2,037	-	75	-	0.03 USD / TWD
Won (U.S. Dollar buying)	2,609	-	162	-	0.00 USD / KRW
Total	54,776	-	612	260	

FY2025: As of March 31, 2026

	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)	10,810	-	-	732	171.57 JPY / EUR	67,611	-	4,578
Australian Dollar (Yen buying)	2,964	-	-	380	96.64 JPY / AUD	18,538	-	2,376
Yuan Renminbi (U.S. Dollar buying)	13,016	-	-	223	0.14 USD / CNY	81,408	-	1,394
Non-Deliverable Forward								
Selling								
Indian Rupee (U.S. Dollar buying)	5,916	-	326	-	0.01 USD / INR	37,001	2,038	-
New Taiwan Dollar (U.S. Dollar buying)	2,422	-	177	-	0.03 USD / TWD	15,148	1,107	-
Won (U.S. Dollar buying)	2,571	-	177	-	0.00 USD / KRW	16,080	1,107	-
Total	37,701	-	681	1,336		235,800	4,259	8,356

Derivative transactions to which hedge accounting is applied

FY2024: As of March 31, 2025

12027-13-01 March 31, 2025

	Millions of yen				Average rate
	Contract amount	Over one year	Carrying amount (Note)		
			Assets	Liabilities	
Foreign exchange forward contract					
Selling					
Euro (Yen buying)	44,094	-	-	592	158.50 JPY / EUR
Australian Dollar (Yen buying)	3,776	-	83	-	94.32 JPY / AUD
Yuan Renminbi (U.S. Dollar buying)	31,491	-	40	-	0.14 USD / CNY
Non-Deliverable Forward					
Selling					
Indian Rupee (U.S. Dollar buying)	12,128	-	-	129	0.01 USD / INR
New Taiwan Dollar (U.S. Dollar buying)	3,816	-	64	-	0.03 USD / TWD
Won (U.S. Dollar buying)	5,060	-	126	-	0.00 USD / KRW
Total	100,367	-	314	721	

FY2025: As of March 31, 2026

	Millions of yen				Average rate	Thousands of U.S. dollars		
	Contract amount	Over one year	Carrying amount (Note)			Contract amount	Carrying amount (Note)	
			Assets	Liabilities			Assets	Liabilities
Foreign exchange forward contract								
Selling								
Euro (Yen buying)	38,551	-	-	258	181.07 JPY / EUR	241,117	-	1,613
Australian Dollar (Yen buying)	3,532	-	-	148	103.28 JPY / AUD	22,090	-	925
Yuan Renminbi (U.S. Dollar buying)	31,544	-	-	287	0.14 USD / CNY	197,291	-	1,795
Non-Deliverable Forward								
Selling								
Indian Rupee (U.S. Dollar buying)	13,081	-	484	-	0.01 USD / INR	81,815	3,027	-
New Taiwan Dollar (U.S. Dollar buying)	3,490	-	113	-	0.03 USD / TWD	21,828	706	-
Won (U.S. Dollar buying)	5,087	-	217	-	0.00 USD / KRW	31,816	1,357	-
Total	95,287	-	815	694		595,972	5,097	4,340

(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, 2026 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, 2026	March 31, 2026
Profit before tax	10,951	68,492

(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.

Epson's exposure to interest rate fluctuation risk is limited, and the impact on profit before tax in the consolidated statement of comprehensive income is not significant as of March 31, 2026. Therefore, the information on the sensitivity analysis of interest rate is omitted.

(7) Market Price Fluctuation Risk

With respect to equity securities, Epson is exposed to equity price fluctuation 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, 2026 is ¥987 million (\$6,173 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)

When market values for equity securities are available, such values are used as the fair values. The fair values of the equity securities 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 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.

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(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.

FY2024: As of March 31, 2025

	Millions of yen				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
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

FY2025: As of March 31, 2026

	Millions of yen				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial liabilities measured at amortized cost					
Borrowings	76,002	-	75,318	-	75,318
Bonds issued	109,791	-	106,338	-	106,338
Total	185,794	-	181,656	-	181,656

FY2025: As of March 31, 2026

	Thousands of U.S. dollars				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial liabilities measured at amortized cost					
Borrowings	475,354	-	471,076	-	471,076
Bonds issued	686,687	-	665,090	-	665,090
Total	1,162,047	-	1,136,166	-	1,136,166

(ii) Financial instruments measured at fair value

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

FY2024: As of March 31, 2025

	Millions of yen			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Derivatives	-	1,265	-	1,265
Equity securities	7,912	-	7,168	15,080
Total	7,912	1,265	7,168	16,346
Financial liabilities measured at fair value				
Derivatives	-	1,321	-	1,321
Total	-	1,321	-	1,321

FY2025: As of March 31, 2026

	Millions of yen			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Derivatives	-	1,534	-	1,534
Equity securities	9,747	-	9,992	19,740
Total	9,747	1,534	9,992	21,275
Financial liabilities measured at fair value				
Derivatives	-	2,068	-	2,068
Total	-	2,068	-	2,068

FY2025: As of March 31, 2026

	Thousands of U.S. dollars			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Derivatives	-	9,594	-	9,594
Equity securities	60,962	-	62,494	123,463
Total	60,962	9,594	62,494	133,064
Financial liabilities measured at fair value				
Derivatives	-	12,934	-	12,934
Total	-	12,934	-	12,934

There are no transfers of financial instruments between Level 1 and Level 2 of the fair value hierarchy for the years ended March 31, 2025 and 2026.

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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,
	2025	2026	2026
Balance as of April 1	7,681	7,168	44,832
Gains and losses			
Profit or loss (Note 1)	(16)	-	-
Other comprehensive income	(1,589)	1,401	8,762
Purchase	1,092	1,916	11,983
Sales	-	(3)	(18)
Transfer from Level 3 (Note 2)	-	(489)	(3,058)
Balance as of March 31	7,168	9,992	62,494

(Note 1) Included in “Other operating income” and “Other operating expense” in the consolidated statement of comprehensive income.

(Note 2) The transfer from Level 3 is due to the listing of shares of investee companies.

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,
	2025	2026	2026
Short-term remuneration	283	281	1,757
Stock compensation	42	41	256
Total	326	322	2,013

(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,
	2025	2026	2026
Acquisition of property, plant and equipment	10,858	18,206	113,869
Acquisition of intangible assets	1,030	1,582	9,894
Total	11,888	19,788	123,763

*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 Osamu Shigemura (Executive Officer and General Administrative Manager, Business Management & DX Division) on June 23, 2026.

(2) Other

1. Six-month and annual financial information for the fiscal year

	Six months ended September 30, 2025	Year ended March 31, 2026
Revenue (Millions of yen)	667,352	1,413,251
Profit before tax (Millions of yen)	30,783	50,023
Profit attributable to owners of the parent company (Millions of yen)	18,664	18,201
Basic earnings per share (Yen)	58.26	56.81

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 Transfer agent Intermediary offices Purchase fees	(Special account) Mizuho Trust & Banking Co., Ltd. 3-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo Mitsubishi UFJ Trust and Banking Corporation 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo — 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) Annual securities report and attached documents, and Written confirmation
Business year: 83rd term (from April 1, 2024 to March 31, 2025) | Filed to Director-General of
Kanto Local Finance Bureau on
June 25, 2025 |
| (2) Internal control report
Business year: 83rd term (from April 1, 2024 to March 31, 2025) | Filed to Director-General of
Kanto Local Finance Bureau on
June 25, 2025 |
| (3) Extraordinary report
An extraordinary report based on the provision of Article 19
Paragraph 2 Item 2-2 (disposal of treasury shares as restricted stock
compensation) of the Cabinet Office Order on Disclosure of
Corporate Affairs. | Filed to Director-General of
Kanto Local Finance Bureau on
June 26, 2025 |
| (4) Amendment to Shelf Registration Statement
Amendment to the Shelf Registration Statement (corporate bonds)
filed on November 11, 2024 | Filed to Director-General of
Kanto Local Finance Bureau on
June 26, 2025 |
| (5) 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 27, 2025 |
| (6) Amendment to Shelf Registration Statement
Amendment to the Shelf Registration Statement (corporate bonds)
filed on November 11, 2024 | Filed to Director-General of
Kanto Local Finance Bureau on
June 27, 2025 |
| (7) Semi-annual securities report, and Written confirmation
Interim period of the 84th term (from April 1, 2025 to September 30,
2025) | Filed to Director-General of
Kanto Local Finance Bureau on
November 7, 2025 |
| (8) Extraordinary report
An extraordinary report based on the provision of Article 19
Paragraph 2 Item 19 (events which may have serious effects on the
financial position, etc.) of the Cabinet Office Order on Disclosure of
Corporate Affairs. | Filed to Director-General of
Kanto Local Finance Bureau on
May 1, 2026 |
| (9) Amendment to Shelf Registration Statement
Amendment to the Shelf Registration Statement (corporate bonds)
filed on November 11, 2024 | Filed to Director-General of
Kanto Local Finance Bureau on
May 1, 2026 |

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, 2026, 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, 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

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, including those applicable to audits of financial statements of public interest entities, 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.

Valuation of goodwill related to Fiery, LLC	
Description of Key Audit Matter	Auditor's Response
Seiko Epson Corporation (the "Company") recognized goodwill of 20,116 million yen in the consolidated statement of financial position as of March 31, 2026. Among this amount, as described in "Note 16. Impairment of Non-financial Assets" to the	We mainly performed the following procedures to assess the valuation of goodwill.

consolidated financial statements, goodwill of 13,827 million yen is related to the cash-generating unit associated with Fiery, LLC. The Company performed an annual impairment test on cash-generating unit containing the above-described goodwill during the fiscal year ended March 31, 2026, and recognized an impairment loss on goodwill of 25,889 million yen. The Company measures recoverable amounts at value in use when performing the impairment test for the 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 the business plan involve significant assumptions that require management to exercise judgment, such as revenue growth rates, gross profit ratios and the long-term growth rate. Given that the goodwill and the impairment loss on goodwill are material and that the significant assumptions used in measuring their recoverable amounts require management to exercise judgment and involve estimation uncertainty, we have determined that the valuation of goodwill related to Fiery, LLC is a key audit matter.	• We inspected business plan documents and obtained an understanding of the details of the business plan. • We compared the prior year business plan with actual results to evaluate the effectiveness of management's estimation process. • We inquired of management regarding revenue growth rates and gross profit ratios, which are the significant assumptions included 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 rate and the discount rate. We inquired of management regarding the long-term growth rate and compared the rate with available external data. We assessed the reasonableness of the discount rate by comparing the input data used in calculations with external data.
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Valuation of deferred tax assets

Description of Key Audit Matter	Auditor's Response
The Company recognized deferred tax assets of 35,596 million yen (2% of total assets) in the consolidated statement of financial position as of the current fiscal year end and as described in "Note 17. Income Taxes" to the consolidated financial statements, deferred tax assets before offsetting against deferred tax liabilities were 97,523 million yen. The Company takes account of material tax adjusting items, the expected future taxable income and the period in which carryforward of unused tax losses might expire, and recognizes deferred tax assets for deductible temporary differences and the carryforward	We mainly performed the following procedures to assess the valuation of the deferred tax assets. • We compared prior year business plans with actual results to evaluate the effectiveness of the process of developing the business plan for a basis of the estimates of future taxable income. • We inquired of management regarding the measures to be implemented to achieve the future business plan and inspected related documents to assess whether the projected growth in revenue and marginal profit ratios, which are the significant

of unused tax losses to the extent that it is probable that future taxable income will be available against which they can be utilized.

The recoverability of deferred tax assets is primarily based on estimates of future taxable income by management. These estimates are based on its future business plan, in which the significant assumptions are primarily projected growth in revenue and marginal profit ratios.

Given that the significant assumptions require management to exercise judgment and involve estimation uncertainty, we have determined that the valuation of deferred tax assets is a key audit matter.

assumptions included in the business plan, are reasonable. We also compared the market trends and the Company's market share trends with available external data such as market forecast reports published by third-party organizations.

- With an involvement of the tax specialists of our network firm, we recalculated the amounts of the deductible temporary differences and the carryforward of unused tax losses. We also evaluated scheduling of the reversals of the existing deductible temporary differences and the utilizations of the carryforward of unused tax losses by recalculating and agreeing to related documents.

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 IFRS Accounting Standards, 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 IFRS Accounting Standards, 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 IFRS Accounting Standards.
- 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, 2026 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, 2026 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 Part 1 of the Annual Securities Report for the year ended March 31, 2026 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 23, 2026

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/