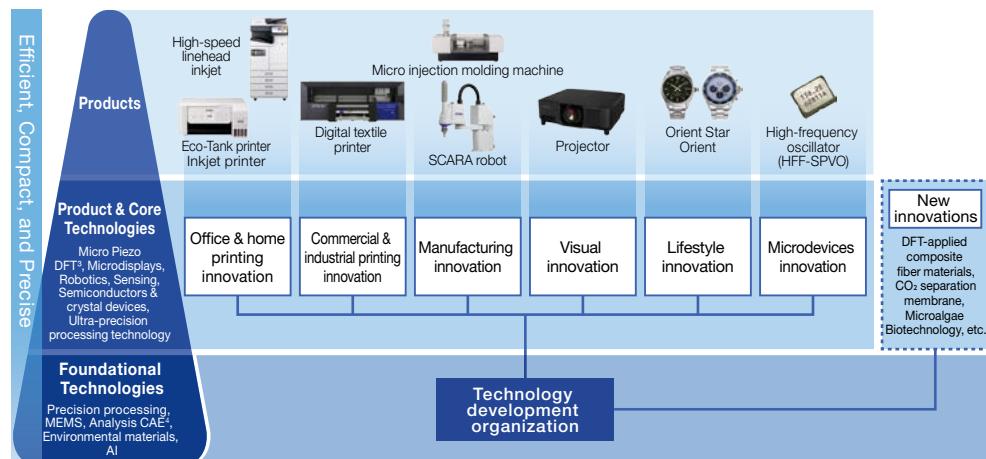


Building a Strong Foundation for Business Growth

Technology Development Strategy

Epson has always sought to advance its efficient, compact and precise technologies and to deliver value to the world by applying them. Our origins are in the wristwatch business, where we developed quartz crystal devices to provide accurate time to the general public. Today, this technology is used in all kinds of timing devices and sensors. In printing, Epson has refined its proprietary Micro Piezo inkjet technology and extended its application beyond home printers to office, commercial, and industrial printers. Our semiconductor devices, originally developed to reduce power consumption in wristwatches, are now also used in our own products, including inkjet heads and liquid crystal display drivers, as well as in the products of a wide range of customers who buy our ASICs¹ and LCD controllers. The liquid crystal displays used for showing the time on digital watches have also evolved into ultra-high-definition light valves², which are now widely used in projectors for offices, schools, and projection mapping applications and so on. To make technology useful, we must both respond to and anticipate the needs of society so that we can develop solutions in a systematic manner. Actions to address global environmental problems are particularly urgent, and Epson is working to achieve the goals of Environmental Vision 2050 by developing technology to circulate resources and become carbon-negative. To ensure sustainable business growth, Epson will build on its existing technologies and acquire new ones, driving innovation and creating products that surprise and delight the world.



¹ ASIC: Application Specific Integrated Circuit

² High-definition liquid crystal panels that control light to generate images

³ DFT: Dry Fiber Technology

⁴ CAE: Computer Aided Engineering

Creating and Co-creating Value with Our Technologies

Epson sees technology development as the source of competitiveness and corporate value, and we are working to create unique core technologies from foundational technologies, including things such as precision processing, MEMS, analytical CAE, environmental materials, and AI. These technologies are applied to product development in collaboration with our operations divisions and deployed widely across Epson's products and services, including printers, projectors, and industrial robots. Technology development focuses not only on improving product functionality but also on evolving manufacturing processes. For example, Epson is developing production technologies that raise productivity while reducing environmental impact, creating value throughout the entire product lifecycle. These technologies include things such as energy-efficient micro injection molding machines for making smaller parts with less waste. In addition to advancing existing innovations using MEMS processing technology (introduced in detail on the next page), Epson aims to create new innovations from a long-term perspective that address societal issues and support sustainable corporate growth. Examples include the development of fiber-reinforced plastics and recycled threads using Dry Fiber Technology, and CO₂ capture technologies leveraging thin-film technology from printheads. To further strengthen technology development, Epson is pursuing initiatives from a global perspective, collaborating with Group companies in North America and Asia, as well as co-creating with universities and research institutions worldwide to drive next-generation technology R&D. At the Seiko Epson × Tohoku University Sustainable Materials Co-Creation Research Institute at Tohoku University, we are leveraging the world-class high-brilliance synchrotron radiation facility "NanoTerasu" on campus to accelerate the development of materials such as fiber-reinforced plastics. Epson is also working with HKRITA⁵ to address challenges in the textile industry. As part of these efforts, Epson has developed a new production process using Dry Fiber Technology to recycle cotton fabric waste from garment factories into regenerated fibers. We are starting to see the early returns from co-creation, including the successful development of new regenerated cellulose fibers. Through these initiatives, Epson aims to realize its aspirational goal of achieving sustainability and enriching communities.

→See P38 for information about innovations in environmental technology development.

NanoTerasu,
a 3 GeV high-brilliance synchrotron radiation facility



Seiko Epson × Tohoku University Sustainable Materials Co-Creation Research Institute



Material Solutions Center that houses the joint research lab
(Tohoku University Katahira Campus)

▶ See P70 for footnote ⁵

Examples of Products Being Developed Using Precision Microprocessing Technology

Technology Development Strategy

Strengths of Epson's MEMS Processing Technology

MEMS processing technology is critical for integrating tiny mechanical and electronic components on substrates such as semiconductor wafers to realize sensors and actuators. Originally developed for watches, this technology has been progressively advanced and is now used to fabricate a wide range of microscale 3D devices with extraordinary accuracy and precision. Complex structures such as piezoelectric actuators for high-performance printheads are formed in materials such as silicon or quartz, with a height variation controlled to within one-fifth to one-tenth that of the industry standard.

1: Application to Innovative Printing Products

PrecisionCore printheads for inkjet printers

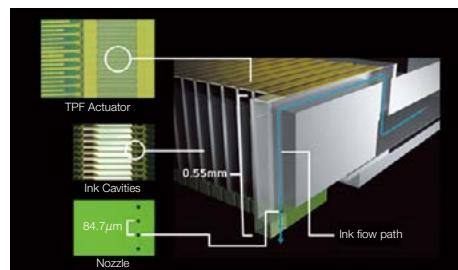
TFP⁶ actuators, ink channels, and nozzles that eject ink droplets as small as a trillionth of a liter are formed using MEMS processing technology. The nozzles are fabricated in two rows, each 1.33 inches (33.8 mm) long and containing 400 nozzles.

These printheads deliver stunning print quality at high speed and are used in a wide range of printing applications, in the home and office as well as in commercial and industrial printing.

⁶ TFP: Thin Film Piezo



PrecisionCore printhead nozzle face

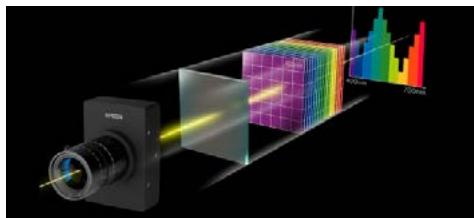


PrecisionCore microTFP printchip

2: Sensor Application: Improving Product Functions with a New Device

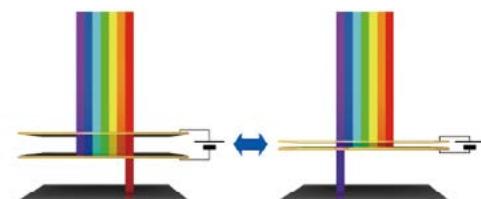
Application to spectroscopic sensors (colorimeters, spectroscopic cameras)

Optical thin-film technology is used to form a multi-reflection interference filter that precisely analyzes light characteristics. MEMS processing technology is used to form an actuator to drive the filter. The filter and actuator are combined to produce a spectrometer that is dramatically smaller than conventional models. This technology is utilized for commercial and industrial printers and industrial equipment for accurate color matching and accurate inspections.



Spectroscopic camera mechanism

Epson's spectroscopic camera incorporates a MEMS filter that rapidly⁷ acquires spectroscopic data for 16 wavelengths within the visible light range⁸, enabling detection of subtle color differences that are difficult to capture with RGB cameras.



MEMS Fabry-Perot Tunable Filter

This proprietary compact spectroscopic device integrates a Fabry-Perot interferometer⁹ and an actuator using MEMS fabrication processes. The device is small and thin yet provides outstanding accuracy at high speed.

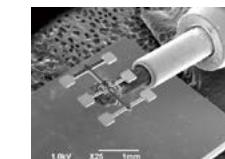
▶ See P70 for footnote ⁹

⁷ Color measurement processing time: 2-4 sec.
(Depending on what is being measured and the lighting conditions)

⁸ 400-700nm

3: QMEMS: Application to Microdevices

Quartz is known for having exceptional properties, including extraordinary accuracy and stability. We developed quartz gyroscopic (angular velocity) sensors that are produced using our proprietary quartz micro-electro-mechanical system (QMEMS). Our inertial measurement units (IMUs) were realized by combining QMEMS technology with the semiconductor technology and expertise developed for GNSS chips and other positioning devices. Integrating 3-axis gyroscopic sensors with 3-axis accelerometers enables the systems to measure and estimate orientation and trajectory. Our QMEMS processing technology enables us to produce miniature and high-performance sensors.



QMEMS: 3D quartz sensor produced using MEMS processing technology



Compact IMU

4: Watch Escape Wheel: Application to Wearable Products

MEMS processing technology is used to fabricate an innovative part used in Orient mechanical watches.

Mechanical watches, which use the torque of an unwinding mainspring to move the hour and minute hands, have a critical part called an escape wheel that affects a watches' timekeeping accuracy and power reserve. When fabricated in silicon with micron-order precision, this part is about one-third lighter than conventional metal escape wheels and conserves energy.

This silicon escape wheel is used in Orient Star skeleton models, where it extends the power reserve up to 70 hours¹⁰ while maintaining timekeeping accuracy. The surface of the escape wheel is given a beautiful blue reflective coating that simultaneously enhances both watch functionality and aesthetics.

¹⁰ Up to 20 hours longer than models equipped with conventional metal escape wheels.



Silicon escape wheel used in Orient Star watches



Orient Star internal structure

Future Prospects

MEMS processing technology will advance from the microscale to the nanoscale. On the materials side, NEMS¹¹ processing technology will enhance customization at the atomic and physical property levels, expanding material diversity. By integrating MEMS and NEMS technologies, we will drive dramatic advances in sensor, actuator, and timing device miniaturization, energy efficiency, precision, and sensitivity.

¹¹ NEMS : Nano Electro Mechanical Systems

Intellectual Property Strategy

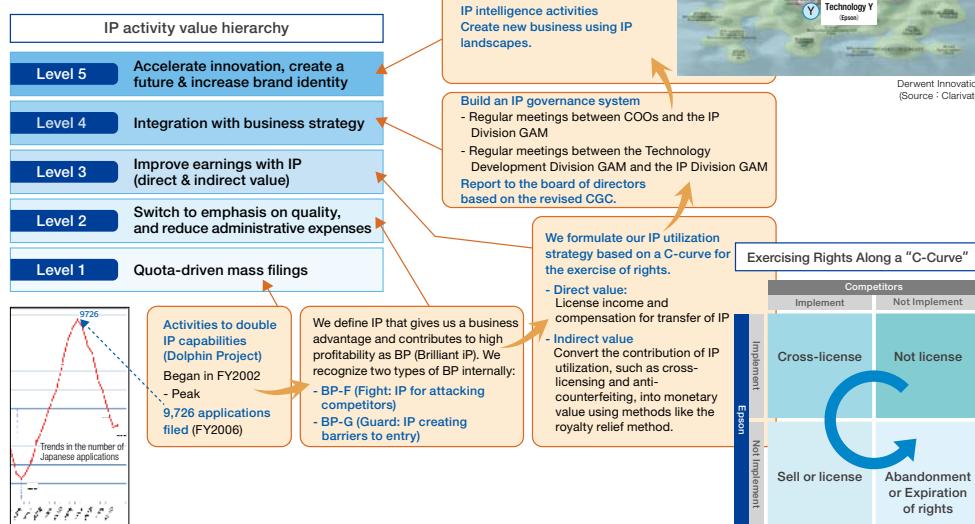
Epson believes that it is important to help sustain growth in corporate value by converting intellectual property—broadly encompassing brands, data, and other assets as well as intellectual property rights—into value.

Epson's intellectual property strategy follows the intellectual property activity value hierarchy shown in the diagram. Our activities have ascended the hierarchy step by step from Level 1. For example, at Level 2, where we switch to an emphasis on quality and reduce administrative expenses, Epson optimizes the portfolio by assessing the asset value of the intellectual property coming out of R&D. At Level 3, where we improve earnings with IP, Epson sets separate KPIs for indirect value, which measures how intellectual property contributes to strengthening business competitiveness, and direct value, which measures how intellectual property generates revenue and helps maintain profitability. At Level 4, where IP is integrated with business strategy, we establish an IP governance framework to formulate and execute IP strategies aligned with business strategies.

Epson's intellectual property activities are still evolving and are currently at Level 4 or below, but the groundwork has been laid to advance to Level 5. The goal at Level 5 is for IP activities to accelerate innovation, create a future for Epson, and increase brand identity through continuous innovation.

Intellectual Property Strategy (Schematic Diagram)

Develop higher-level activities based on lower-level activities



Examples of IP Activities That Support Inkjet Innovation

In Epson's core printing business, we are pursuing initiatives centered on inkjet technology and printheads to improve short-term performance and drive longer-term growth. Here, we introduce intellectual property activities that support inkjet innovation.

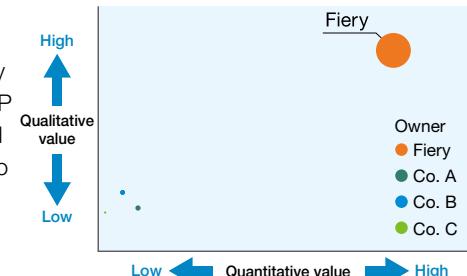
1: Intellectual Property Protection for Core Technologies

Printheads, one of Epson's core technologies, were first patented over 20 years ago, and the basic patents are now approaching expiration. To ensure ongoing protection, we continue to file and secure new patents as the technology evolves. Critical know-how required for printhead manufacturing is also safeguarded through strict confidentiality measures, and we strategically differentiate between patent filings and trade secret management to provide appropriate protection for core technologies. Even after the basic patents expire, we will promote Epson printhead branding by acquiring and leveraging trademark rights for PrecisionCore to secure continued customer trust and preference for Epson printheads.

2: Helping to Decide Whether to Pursue M&As

Providing management with early input on the IP of potential M&A targets is essential for making critical business decisions. In 2024, Epson made Fiery, a leading provider of digital front-end servers and workflow solutions for the printing industry, a wholly owned subsidiary. During this process, we utilized IP landscaping to evaluate Fiery's IP assets. We found that Fiery possesses an outstanding patent portfolio in both quality and quantity compared to competitors, confirming that it is a valuable company with strengths rooted in its technology.

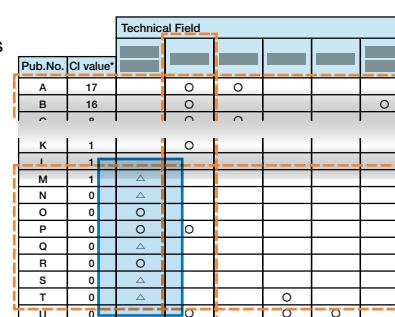
■ Evaluation of Fiery's patent portfolio
Circle Size: Patent Asset Index (Comprehensive Intellectual Property Portfolio)



3: Helping to Decide Investment in Startups

To expand into new domains, we identify and quickly evaluate potential investment targets from an IP perspective to support management decision-making. In April 2025, Epson invested in Gosan Tech to advance the application of inkjet technology to perovskite solar cells. Gosan Tech's strengths were analyzed based on patent information, and the findings were used in the investment decision-making process.

■ Analysis of Gosan Tech's strengths
■ Areas of strength



* CI value: Patent quality evaluations (competitive impact)

DX Strategy

The DX Division is advancing initiatives from both a customer's perspective and an employee's perspective, delivering customer-oriented solutions while driving innovations in the way we work. With the goals of Epson 25 Renewed in mind, we have been building a digital platform in conjunction with these initiatives to lay a foundation for transformation. As we move forward, we will continue to expand and evolve this foundation to enable further transformation.

DX Strategy Initiatives and Progress

The DX platform and IT platform are the twin pillars of digital transformation at Epson. By strengthening these, we aim to activate both customer-focused DX and employee-focused DX, leveraging data across all business domains—from customer touchpoints to management decision-making—to create new customer value and enhance operational sophistication.

For the DX platform, we collect and analyze customer behavior data and product operating conditions, using these insights to improve marketing and services, incorporate customer needs into design and manufacturing, and ultimately inform management decisions.

For the IT platform, we provide stable, secure IT for employees, encompassing IT cost optimization, security measures, infrastructure development, system operations, and internal service management. Through these actions, we are building the foundation for employee-focused DX, ensuring reliability and efficiency across the company's IT environment.

DX Roadmap		2025	2028	
Customer's perspective DX — Strategies —	DX platforms	Color management service	→ Example 1	
		EC sites & subscription services	→ Example 1	
		Productivity enhancement support services	→ Example 1	
		Implementation support & remote maintenance services	→ Example 1	
	Global management platforms	Service & sales platforms		
		Digital marketing, device management, design & manufacturing		
	IT platforms	New ERP system	→ Example 2	
		Global integrated database & CRM	→ Example 2	
		IT infrastructure & security		
		Internal IT services (RPA, BI)		
Employee's perspective DX — Strategies —		Generative AI utilization		
		Data utilization (prediction & optimization)		
		Automation of routine work		
		Data utilization (visualization & analysis)		

Examples of Strategic DX Activities

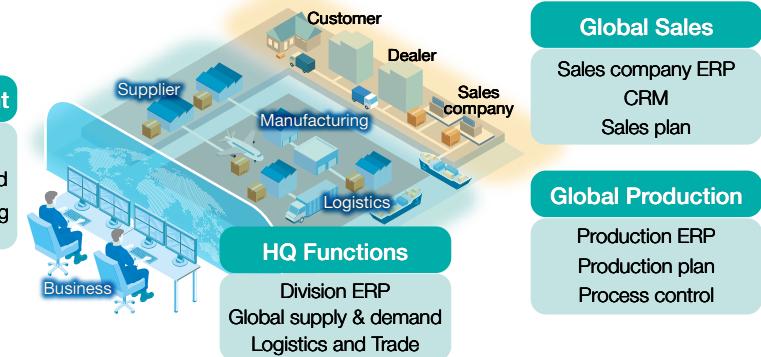
1: Enhancing Customer Insights with a Cloud-Based Solution

We are rolling out Epson Cloud Solution PORT as part of our integrated offering of hardware, software, and services for printer fleets. PORT raises productivity through remote monitoring and remote operation, accelerates service, and enhances the customer product usage experience. Some paid services even provide revenue. Looking ahead, we will deepen collaboration with more customers and conduct advanced analytics using data on things such as operating status and CRM¹ to generate proposals for new solutions. By continuing to deliver value even after product sales, we will forge stronger customer relationships while also pursuing an open platform strategy through partnerships with Fiery and other companies.

¹ CRM: Customer Relationship Management

2: Global Business Infrastructure Innovation Project

A project is underway to transform Epson's business processes and system infrastructure. This project is expected to deliver numerous improvements, including enhanced operational efficiency, stronger sales support, and faster decision-making. In May 2025, we launched a new ERP system at our domestic Group companies and plan to roll it out to overseas manufacturing and sales companies, driving further transformation.



Human Resource Development

To improve DX literacy, we encourage employees to acquire basic IT and data utilization skills and knowledge through a company-wide education program. We also provide employees with the tools they need to easily develop business applications, thereby accelerating the use of digital technology and supporting workplace-driven process innovation. For example, we are driving digital utilization across the organization by enabling all employees to use no-code or low-code development tools. Through this program, we aim to develop talent who take the initiative to drive digital transformation themselves. (As of FY2024, 2,200 employees have completed the Data Utilization & AI course and 800 the No-Code/Low-Code Development Tool course [3X the prior year].)

Environmental Strategy

Epson's "Environmental Vision 2050" presents ambitious goals and demonstrates our commitment to achieving sustainability and enriching communities and to the materiality (priority issue) of achieving sustainability in a circular economy.

Environmental Vision 2050

Goals	Epson will become carbon negative and underground resource ¹ free by 2050 to achieve sustainability and enrich communities	
	Actions	
	<ul style="list-style-type: none"> 2030: Reduce total emissions in line with the 1.5°C scenario² 2050: Carbon negative and underground resource¹ free <ul style="list-style-type: none"> Reduce the environmental impacts of products and services and in supply chains Achieve sustainability in a circular economy and advance the frontiers of industry through creative, open innovation Contribute to international environmental initiatives 	

¹ Non-renewable resources such as oil and metals

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

Environmental challenges, including climate change, are becoming increasingly severe. Excessive resource consumption caused by mass production, mass consumption, and mass disposal has serious implications for both the environment and life. To achieve sustainability as a society, we must transition to a circular economy, balancing economic activity with environmental conservation. This requires low-environmental-impact products and services, effective resource use, and technological innovation. Realizing our environmental vision involves challenges that cannot be solved by Epson alone. Raw material decarbonization requires supplier collaboration, and electricity decarbonization depends on society at large. Society must embrace the same goals and seek to achieve them at a high level. Epson is adopting circular processes in its own business operations. It is also working with suppliers through the Epson Green Supply Chain and collaborating with various stakeholders via open innovation to rethink economic models. Epson is committed to environmentally conscious manufacturing and accelerating efforts toward a circular economy.

Net-Zero Target Approved by SBTi

Epson's GHG emissions reduction targets were approved by the Science Based Targets initiative (SBTi) in May 2025 as being scientifically aligned with the Paris Agreement's 1.5°C goal.



SCIENCE
BASED
TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



THE NET
ZERO
STANDARD
APPROVED NET-ZERO TARGETS

Targets Approved by the SBTi

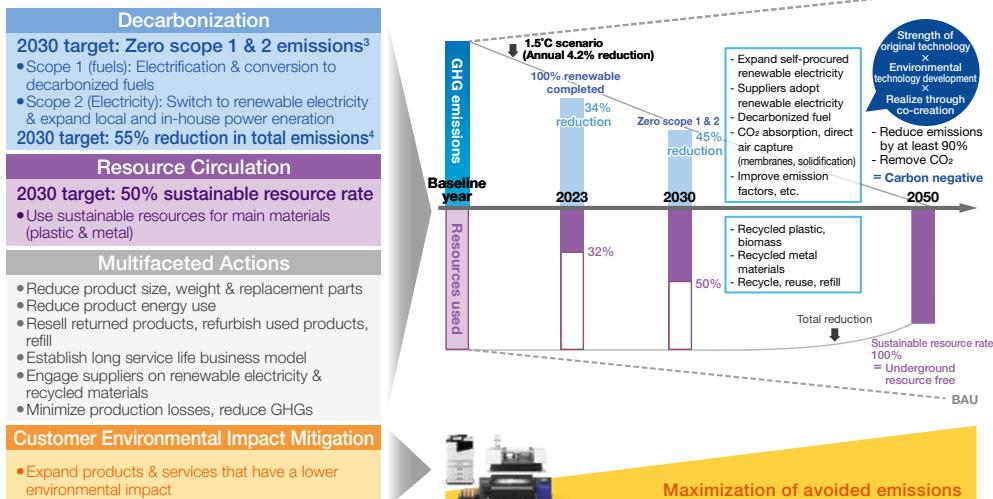
Near-term targets	Reduce total scope 1+2+3 emissions by 55% by 2030 Reduce total scope 1+2 emissions by 90% by 2030
Long-term targets	Reduce total scope 1+2+3 emissions by 90% by 2050 Achieve net-zero by 2050

* The base year for all is FY2017

Environmental Vision 2050 Roadmap

We are working toward our goals of becoming not just carbon neutral but carbon negative and underground resource free by 2050. Epson's Mid-Range Environmental Action Plan outlines specific scenarios for achieving these goals. Supply chain GHG emissions and resource use will increase as we expand our businesses in growth areas and new areas. So, each of our businesses established environmental value creation scenarios that align environmental strategy and business strategy. These scenarios will serve as a roadmap for achieving the goals set for 2050.

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



³ Prioritize reducing absolute scopes 1 and 2 emissions by 90% compared to 2017. All residual emissions will then be neutralized.

⁴ Scope 1, 2, and 3 emissions compared to 2017

Partnership for Watershed Conservation

In April 2025, Epson entered into a partnership with Conservation International, an international environmental NGO dedicated to nature conservation. Under the partnership, Epson will donate USD 1.27 million to support watershed restoration and water quality improvement projects.

These projects will include river basin management and forest restoration countries where Epson has major manufacturing sites. Local employees will participate in the projects and contribute to Epson's global water conservation efforts.



Projects

- Water quality restoration and conservation in the Calumpan River Basin (Philippines)
- Watershed restoration and conservation in West Java Province (Indonesia)
- Watershed restoration and conservation in the Amazon (Brazil)

Decarbonization

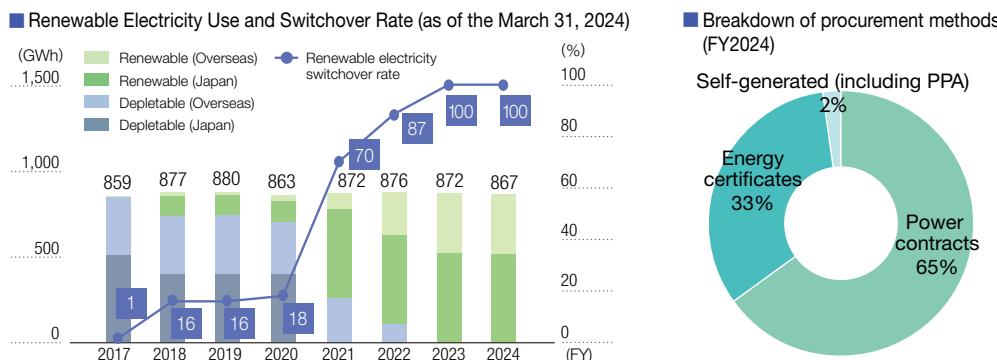
100% of the Electricity We Use is from Renewable Sources

Renewable electricity use is an important step toward achieving our decarbonization goal. We completed the switch to renewable electricity at our domestic sites in November 2021 and at our global Group sites⁵ in December 2023. This has reduced our consumption of fossil fuels and, again in FY2024, our GHG emissions associated with electricity use to zero.

In 2017, when we started to transition to renewables, 70% of our scope 1 and 2 emissions were from depletable energy sources. With Europe moving toward renewable electricity, we negotiated with office building owners for new power agreements.

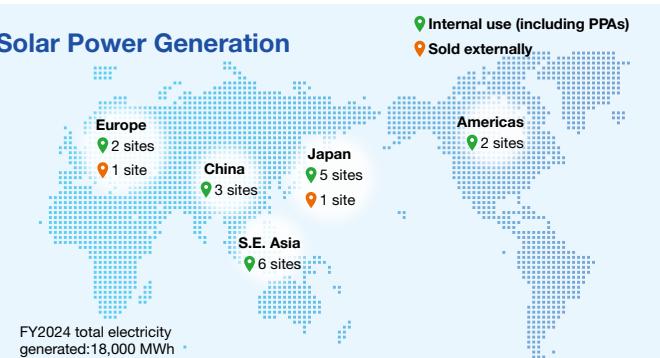
In Thailand, in addition to generating our own power with a mega-solar system installed on a factory roof, we switched to an agreement that utilizes power certificates from biomass (rice husk) power generation. Tenant offices and Epson sites operating where power agreements are not available are using renewable energy certificates and other methods of procurement available in their country or region.

⁵ Excluding some sales sites and leased properties where the amount of electricity consumed cannot be determined



Expansion of On-Site Solar Power Generation

We are implementing plans to maximize in-house power generation to ensure the stable and sustainable procurement of renewable energy. Our sites either invest to install rooftop or other solar panels or they enter into Power Purchase Agreements (PPA), whichever is best for their circumstances.



The Epson Green Supply Chain

Epson's transition to renewable electricity in 2023 was a significant first step. However, a substantial portion of Epson's GHG emissions originates from its supply chain, necessitating strengthened collaboration between Epson and its suppliers to promote decarbonization across society. Therefore, we launched an Epson Green Supply Chain program in 2024 to help our suppliers set decarbonization targets and adopt renewable electricity. Through these activities, we seek to increase the number of business partners who share our vision and engage the entire supply chain in the challenge of reducing environmental impact.

Main Activities

- Annual Supplier Conference
- Decarbonization seminars as learning opportunities
- Environmental action survey to ascertain suppliers' situation (steps)
- Environmental survey system introduced in May 2025 to efficiently collect information on company activities & visualize GHG emission
- Initiatives to reduce emissions across the supply chain (coordinated renewable energy procurement, collaborative approaches with upstream companies, etc.)



Utilization of Low-Carbon Shipping Services

In FY2024, Epson partnered with global shipping giant Maersk to begin using container ships powered by alternative fuels such as biodiesel and green methanol on some inbound ocean transportation routes to Europe. In the first year, Epson exported 100 forty-foot containers from the Philippines, reducing our GHG emissions by approximately 224 tonnes compared to conventional transport using heavy fuel oil vessels.

The GHG emissions associated with long-distance shipping and delivery (upstream) in Epson's value chain amount to approximately 130,000 tonnes of CO₂. Most of these emissions are from maritime shipping, the main means of international transport from manufacturing sites to sales areas.

Therefore, reducing the environmental impact of shipping is one of the important challenges in decarbonizing logistics. The adoption of low-carbon shipping services using alternative fuels produces synergies with environmental measures in other areas of logistics, further reducing the overall environmental impact of logistics.



A Maersk container ship powered by alternative fuel

Closed Resource Loops

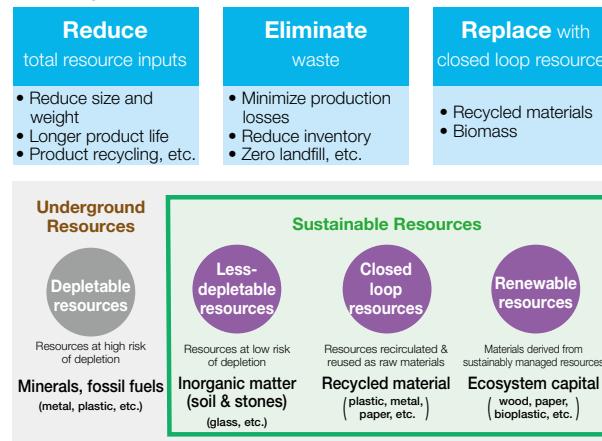
Initiatives to Become Underground Resource Free

The resources we use are called “natural capital” and include underground resources, abiotic flows⁶, and ecosystem capital. The mining of underground resources causes destruction of the biosphere. In addition, when mined resources are used as industrial products, they consume a great deal of energy and emit CO₂. We will utilize previously mined underground resources as existing above-ground resources (closed loop, or circular, resources) to reduce consumption of new underground resources and become underground resource free by 2050. Ecosystem capital is renewable and non-depletable if used wisely. We are endeavoring to reduce total resource inputs, eliminate wastes, and attain a sustainable resource rate⁷ of 100% to become underground resource free.

⁶ Renewable sources such as solar light, wind, water, geothermal heat

⁷ The proportion of sustainable resources (renewable resources + closed loop resources + less-depletable resources) to raw materials

■ Conceptual image of resource use for Epson to become underground resource free



Projector Resource Circulation

To realize Environmental Vision 2050, each of our businesses is developing strategies for creating environmental value and working to mitigate environmental impact. In the projector business, for example, we are focusing on resource circulation, using recycled materials in products and reducing packaging materials derived from underground resources.

Resource circulation

- Use of recycled plastics (Target: Apply to 20% of the entire lineup by FY2026)
- Expand the use of packaging materials that do not rely on underground resources (Target: Eliminate⁸ the use of underground resource-based materials in packaging by 2030)
- Eliminate paper manuals

⁸ Only products weighing less than 10 kg

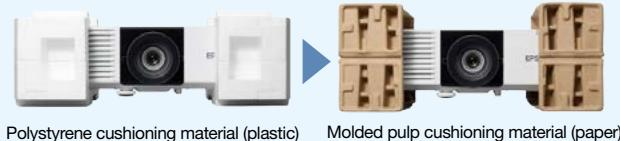
■ Use of Recycled Plastic (with 65% Recycled Content)

Recycled plastic is used in the exterior lower case and interior parts of the air duct. For standard models commonly used in corporate and educational markets, recycled plastic accounts for 21%⁹ of the total plastic used in the product body (by weight). We will continue to expand the adoption of recycled materials and contribute to resource circulation.



■ Use of paper resources in packaging

In the EB-L890E series of business projectors, we have replaced polystyrene cushioning material with molded pulp made from 100% recycled material. In addition, more than 80% of the cardboard used for packaging boxes is made of recycled materials. The use of paper products has allowed us to reduce the amount of petroleum-derived materials we use.



Customer Environmental Impact Mitigation

Estimating Avoided Emissions Based on Fairer Calculation Logic

Customer environmental impact mitigation is a part of Epson's growth strategy and a way to create value for society. As part of these efforts, we calculate and disclose our avoided emissions¹⁰, a quantitative indicator showing how our products and services contribute to reducing GHG emissions in society as a whole.

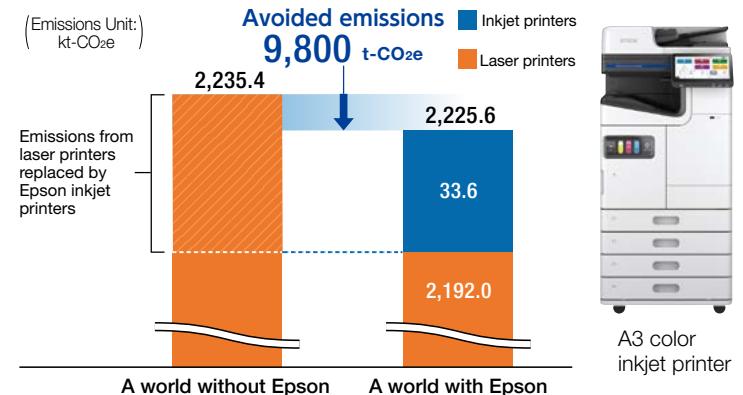
Epson's inkjet printers employ Heat-Free Technology, which minimizes power consumption because ink is ejected mechanically rather than by heating. They also have fewer limited lifetime parts than other printing systems. This means that replacing laser printers with Epson's inkjet printers reduces the environmental impact of printing while also mitigating the environmental impact on society as a whole.

To ensure that our data is fair, we developed the calculation logic based on third-party verification while referring to guidance published by the World Business Council for Sustainable Development (WBCSD).

In FY2024, emissions avoided by replacing laser printers with A3 color inkjet printers amounted to 9,800 t-CO₂¹¹.

Epson's efficient, compact and precise technologies can help to mitigate environmental impact. By applying the calculation methodology formulated for A3 color inkjet printers to other product genres, we will visualize Epson's goal of mitigating the environmental impact of our customers.

■ Avoided emissions for A3 color inkjet printers (FY2024 results)



▶ See P70 for footnotes ^{9, 10 & 11}

Environmental Technology Development

Driving a Circular Economy with Environmental Technology Developed to Address Societal Issues

In the Epson 25 Renewed corporate vision, Epson has identified and prioritizes four material issues based on societal issues. One of them—achieving sustainability in a circular economy—is a key pillar for realizing a sustainable society. To reduce dependence on underground resources and promote resource circulation, we focus on researching and developing environmental technologies centered on materials. Specifically, we utilize our Dry Fiber Technology, metal powder control and other advanced material technologies to create new products from unused and recycled materials. This enables us to replace materials derived from underground resources with those sourced from above-ground resources. Furthermore, we actively pursue co-creation with external partners to accelerate real-life implementation of environmental technologies.

In addition, to achieve our goal of becoming carbon negative, we are developing CO₂ absorption technology to address unavoidable greenhouse gas (GHG) emissions.

Dry Fiber Technology: Innovative Resource Circulation Using Dry-Process Defibration

Epson's proprietary Dry Fiber Technology is used to mechanically defiberize fibrous materials such as paper with almost no water, producing high-performance materials from ones that were previously difficult to re-fiberize. This technology is used in Epson's PaperLab, the world's first dry-process office papermaking system that turns used paper into recycled paper right inside the office. It also helps reduce CO₂ emissions from transportation and ensures secure disposal of confidential documents.¹² The greatest feature of Dry Fiber Technology is that it can control the length of the separated fibers. By keeping fibers long, the technology can be applied to fiber products such as recycled cotton yarn, with potential expansion into apparel and industrial materials. Conversely, the fibers can be shortened and made much finer for use in high-performance resin materials and molded materials, offering potential as alternatives to petroleum-derived plastics.

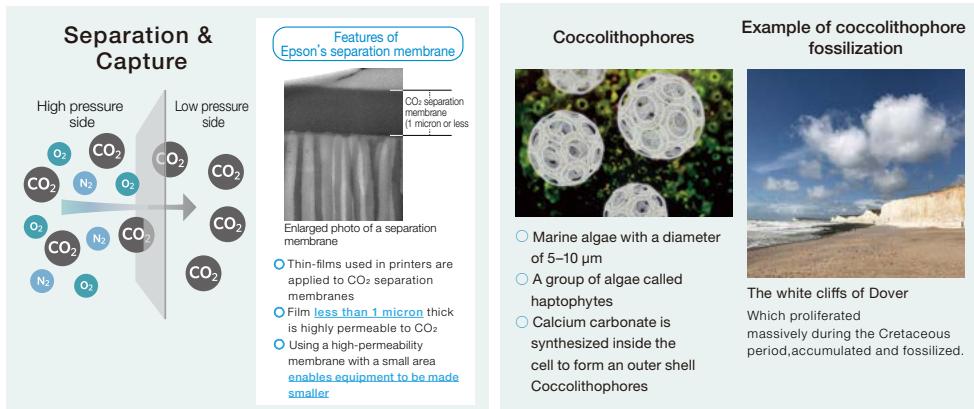
¹² A small amount of water is used to maintain humidity inside the system.

Status of Development				
In development	Practicable	Commercialized (PaperLab)	In development	Long-term goal
				
Fiber length ≥ 20 mm	Fiber length < 4 mm	Fiber length < 1 mm	Fiber length < 0.1 mm	Fiber length $< 1 \times 10^{-6}$
 Recycled cotton (goal: 100% recycled)	 Cotton Packaging	 Cushioning material	 Recycled office paper (Dry Fiber Paper)	 Automotive parts
 Robot covers	 Fiber-reinforced plastics	 Body materials (1/5th the weight of steel with 5X the strength)		

CO₂ Absorption Technology: A Long-Term Effort to Becoming Carbon Negative

Epson is applying its inkjet printhead fabrication technology to the development of a CO₂ separation membrane. The goal is to build a compact, energy-efficient system that efficiently separates and captures CO₂ from exhaust gases.

We are also working on bio-based technologies using microalgae (coccolithophores), exploring the potential for efficient carbon fixation by harnessing the power of nature. These technologies serve as complementary measures to address unavoidable GHG emissions from products and business activities, contributing to the creation of a sustainable carbon cycle.



Supporting Resource Circulation through Metal Powder Technology: Epson Atmix's Challenge

Epson Atmix Co., Ltd. is helping to realize a circular economy through technologies for manufacturing and recycling metal powders. The company's precision technology for manufacturing high-performance metal powders is critical base technology that contributes to the effective use of recycled materials and to production process efficiency, directly reducing environmental impact.

Leveraging these technologies, Epson Atmix launched operations at a metal refining plant in June 2025 to recycle unwanted metals into raw materials. The plant recycles metals from the Epson Group and the local community as raw materials for metal powder products. It is replacing virgin materials such as high-purity iron from blast furnaces with recycled metal materials, conserving underground resources and reducing CO₂ emissions. The high-quality raw materials produced at this plant have promising applications in things such as 3D printing and high-performance components, thanks to Epson's proprietary technology for precisely controlling powder particle size and shape.



Epson Atmix's Metal Refining Plant at Kita-Inter

Response to TCFD Recommendations



Response to TCFD Recommendations

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

Climate change is greatly impacting society and Epson sees it as a significant societal problem. The goal of the Paris Agreement is to achieve decarbonization and limit the global average temperature to well below 2°C above pre-industrial levels and try to limit the temperature increase to 1.5°C. To achieve this, Epson is working to reduce total emissions in line with a 1.5°C scenario by 2030.

We analyze scenarios based on the TCFD framework to quantitatively assess the financial impact¹ of climate-related risks and opportunities on Epson's strategy. In a 1.5°C scenario in which there is rapid decarbonization of society, we found that there is transitional risk of an increase in operating costs due to market changes, policies, and legislation, but we expect to limit the financial impact by strengthening products and services based on inkjet technology and paper recycling technology. We found that the impact of physical risks on our domestic and overseas sites due to damage arising from weather extremes would be small.

The table below shows the results of actions implemented in FY2024 with respect to risks and opportunities that could have a large to medium financial impact. Please click on the link above for details, including transitional risk and physical risk with a small financial impact.

Climate-Related Risks and Opportunities in a 1.5°C Scenario/ FY2024 Actions (Excerpt)

Category		Evaluated risks & opportunities	Actualization ²	Business impacts		Financial impact	FY2024 actions	Results of actions implemented in FY2024	
Transition risks	Market changes Policy & laws and regulations	(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	Invest a total of approximately ¥100.0 billion by 2030	• Maintained 100% renewable energy at all sites of the Epson Group globally ³ . • Started the Epson Green Supply Chain project that supports GHG emission reduction and the adoption of renewable electricity among suppliers.
					• Closed resource loop • Use resources effectively • Minimize production losses • Extend product service lives		• Expanded the use of recycled plastic products, and increased the long-term use of products through refurbishing/reuse. • Completed construction of a new plant to recycle metal waste as materials for metal powder products (June 2025, Epson Atmix).		
					• Environmental technology development • Dry fiber technology applications • Naturally derived (plastic-free) materials • Material recycling (metal, paper) • CO ₂ absorption technology		• Developed fabric fiber composite recycled plastic by applying dry fiber technology. • Promoted the development of a technology for separating and collecting CO ₂ using a separation membrane and a CO ₂ absorption technology utilizing algae.		
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	Large CAGR of 15% is expected in growth areas by FY2025	• Promoted initiatives in the growth areas (office printing, commercial & industrial printing, printhead sales, production systems) under "Epson 25 renewed."	
		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 drive market growth for recycled plastics, high-performance biomaterials, bioplastics and metal recycling.	Business opportunities	Medium	• Started PoC ⁵ of a business model for recycled fabric with an eye to business development with dry fiber technology as the core technology.	

¹ Financial Impact Small: < 1 billion yen Medium: 1-10 billion yen Large: >10 billion yen ² Actualization Short term: < 10 years Medium term: 10-50 years Long term: > 50 years ³ Excluding some rental properties housing sales sites.

⁴ Comparison of actual results for FY2022 to FY2024 forecasts at the time of announcement of Epson 25 Renewed. ⁵ PoC (Proof of Concept): A process to verify the feasibility and actual effect of a new technology, etc.

Response to TNFD Recommendations



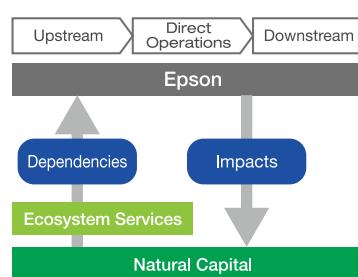
Taskforce on Nature-related Financial Disclosures

In June 2024, Epson expressed its support for the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD). We evaluated the Group's dependence and impact on natural capital and analyzed the associated risks and opportunities in accordance with the LEAP approach¹ recommended by the TNFD framework. Based on this analysis, we will contribute to the realization of a sustainable society by minimizing our negative impact on nature and biodiversity and further harmonizing with local ecosystems.

¹ The LEAP approach is an integrated approach for assessing nature-related issues, including nature contact, nature dependencies, impacts, risks, and opportunities.

Epson and Natural Capital

Epson's business activities and the lives of our employees are supported by the gifts of nature (ecosystem services) (dependency in the figure). In addition, our activities have a direct and indirect impact on nature (impact in the figure). The global loss of natural capital could severely disrupt our business activities and lives. To prevent the loss of natural capital, we must reduce our negative impact on nature. At the same time, as awareness of risks related to natural capital is increasing, we believe that Epson's technology can contribute to solving these issues. This also presents a business opportunity for Epson.



Environmental Strategy



Responding to TNFD Recommendations
<https://corporate.epson/en/sustainability/initiatives/tnfd.html>

Identification of Priority Regions

We assessed the risks to ecosystems and water at 42 sites in the Epson Group and identified 11 sites in North America, East Asia, and Southeast Asia as priority locations.

■ Priority locations (sites) for direct operations



Nature and Biodiversity-related Risks and Opportunities and Our Response to Them

We first identified risks and opportunities that are caused by, or depend on, nature. We then evaluated the importance of these risks and opportunities based on the likelihood of their occurrence and the degree of impact they would have. We identified six risks and two opportunities as material. The table below shows how we are responding to them.

Category		Value Chain	Risks & Opportunities		Response	Actualization ²
Risk	Physical/Chronic	Direct operations	Water	Reduction and depletion of water resources Lower production volumes due to limited water availability	• Improve water use efficiency at production sites in the medium term. • Mitigate risk at sites located in regions with water risks (drought, water quality)	Mid-term
	Transition/Regulation		Water and soil pollution	Water pollution, soil pollution Environmental degradation caused by other stakeholders		
	Transition/Market		Water and hazardous substances	Stronger regulations on water source conservation, water intake, and pollution	• Strictly control pollution at production sites • Reduce water consumption at production sites. Analyze site water consumption and usage. Implement reduction measures tailored to each site. Share case studies.	Short-term
	Transition/Regulation		Water	Higher costs for improving water and energy efficiency		
	Transition/Market		Resources and hazardous substances	Rules making mandatory the use of low-impact raw materials and stronger restrictions on the use of chemical substances	• Comply with environmental regulations. • Circulate resources. Refurbish and reuse ink bottles and cartridges. Use recycled and bio-based materials and practice design for environment. • Mitigate customer environmental impact. Expand products and services that mitigate environmental impacts on the public.	Short-term
	Transition/Market	Downstream	Environmental impact	Lower customer preference for products with high environmental impact		
Opportunities	Corporate perspective & nature & social perspective	Downstream	Environmental impact & resources	Enhancing Product & Corporate Value <ul style="list-style-type: none"> ● Company Perspective • Increased product competitiveness and customer value • Enhanced corporate brand value • Lower transportation costs <ul style="list-style-type: none"> ● Nature or Social Perspective • Lower GHG emissions during product manufacturing and use (miniaturization, weight reduction, energy savings) • Achieve sustainability in a circular economy 	• Develop lower-carbon products • Extend product life (reuse & recycle) • Use more recycled materials and biomaterials in Products	Mid-term
				Increasing need for solutions to environmental issues <ul style="list-style-type: none"> ● Company Perspective • Secure new sources of revenue and diversify and stabilize management <ul style="list-style-type: none"> ● Nature or Social Perspective • Provide solutions to environmental issues 		

² Short-term: by 2030. Medium-term: by 2050. Long-term: 2050 or beyond

Human Resources Strategy

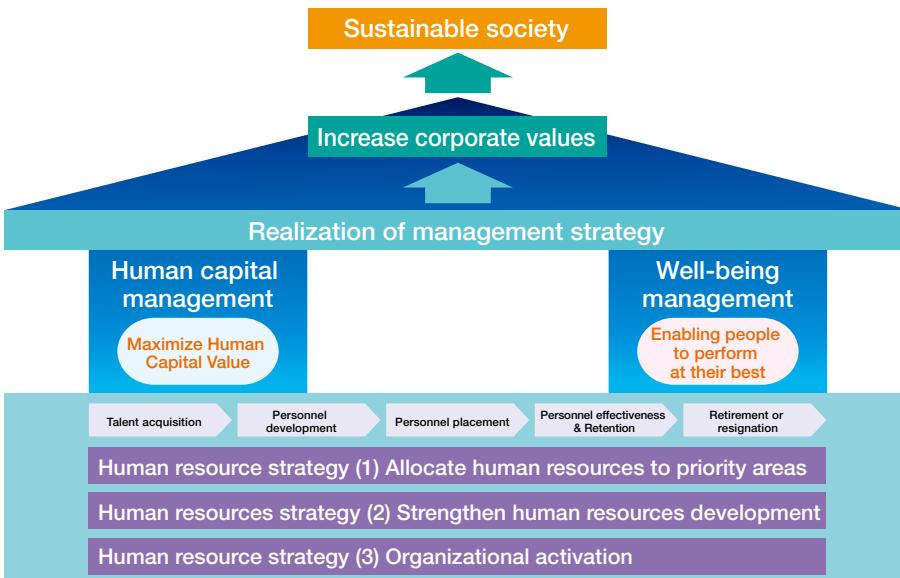
Epson was born and raised in Shinshu (Nagano Prefecture), and the prefecture is still home to our core business operations. Today, however, Epson is a multinational corporation, with R&D, production, and sales sites around the world. Overseas operations account for approximately 80% of our revenue and 70% of our employees. Given this, our basic strategy is to turn local employment and relatively long-term employment into a strength while also actively recruiting external talent to enhance diversity and building a workforce that can compete globally and achieve management goals. We also seek to enhance employee autonomy and responsiveness to change, as well as increase motivation and engagement, thereby fostering an organizational culture in which people create value and embrace challenges with confidence.

In short, we focus on the following:

- acquiring external talent with expertise in growth areas, new areas, and highly specialized fields, as well as management personnel capable of acting from a business perspective;
- providing growth opportunities through training, reskilling, rotations, and internal recruitment so that employees can seamlessly adapt to changing circumstances, and developing talent capable of thriving globally, including overseas personnel; and
- fostering an organizational culture that encourages people to embrace challenges proactively without fear of failure.

■ Epson's Human Resources Strategy Overview of Initiatives

Epson will enhance employee autonomy and responsiveness to changes in the environment, improve employee motivation and engagement, promote the activities of human resources that create value, and foster an organizational culture that continues to take on challenges in a positive manner without fear of failure. By doing so, we aim to maximize the value of our human resources and contribute to the enhancement of our corporate value over the medium to long term, and are developing a human resources strategy based on human capital management and well-being management.



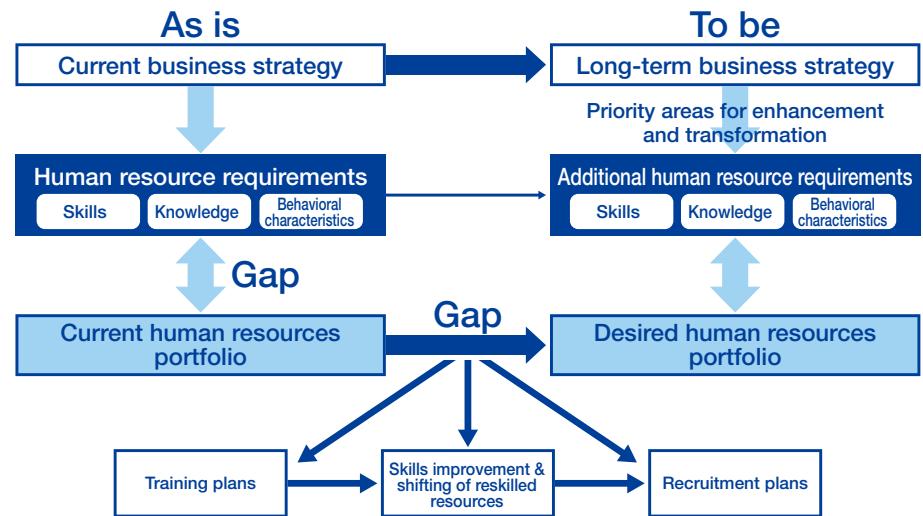
Type of Talent We Look For

To execute our business strategies and achieve our plans, we need individuals who have a broad perspective, professional expertise, and the ability to quickly respond to change. We need people with a customer perspective who can take initiative and autonomously create customer value. At the same time, we need to embed purpose and the Epson Way and embrace shared strategies and goals. Moreover, we are developing a global HR portfolio to compensate for Japan's declining birthrate and shrinking labor pool. In FY2024, 70% of our operations divisions and corporate divisions finished visualizing their current (as-is) human resource portfolio by defining human resource requirements in terms of skills, knowledge, and behavioral characteristics.

In FY2025, the remaining units will complete their as-is portfolios. The next step is to visualize the desired (to-be) human resource portfolio in parallel with the formulation of the management strategies in the upcoming long-term corporate vision so that we can identify gaps between the current and future portfolios in terms of both quantity and quality.

We will then fill those gaps by recruiting, reskilling, and shifting people as needed to execute the management strategies, build an optimal personnel structure, and formulate a human resource strategy that will contribute to the realization of our medium- to long-term business strategy.

■ Visualizing a Human Resources Portfolio



We formulate a human resource portfolio that shows the current [As is] and desired [To be] states of our human resources. We use it to identify gaps in the quality and quantity of human resources required to formulate and execute business strategies and establish new business models, primarily from the perspective of skills and behavioral characteristics. We refer to personnel skill level maps to determine whether the necessary people can be secured by upskilling, reskilling, or reassigning existing personnel or whether we need to acquire external talent. We also use the human resource portfolio as a communication tool between supervisors and subordinates to encourage their independent learning and growth.

Strategy 1**Allocate Human Resources to Priority Areas**

Formulate staffing plans based on forecasts of the future personnel structure and the talent required to achieve our business strategies. In the medium term, hire 350 or more new graduates and mid-career workers each year. We strategically allocate personnel to growth areas such as printing (office, commercial and industrial) and new areas such as environmental business and environmental technology. In addition, we are actively upskilling and reskilling employees to prepare them for different roles in priority areas. At the same time, we are clearly defining our talent requirements and recruiting external professionals, including management personnel and specialists in digital transformation (DX), to strengthen our organizational capabilities. In FY2024, 380 out of a total of 549 employees were assigned to priority areas.

Talent Placement and Promotion to Management

Talent placement and promotion to management are based on the concept of "role." We design global organizations to execute business strategies, define the role of each position in the organization, and then allocate and appoint the most appropriate people to that role. To achieve this, we conduct an annual human resources review at each level of the organization to get a bird's eye view of the staffing situation, list potential successors for each position, and review their skill development needs. Internationally, local top management and human resource departments work together to define roles and requirements and formulate succession plans and development plans. These actions are designed to optimally position human resources from a global perspective.

Number Hired

	FY2022	FY2023	FY2024	Future Goals
New graduates	250	344	373	Hire ≥ 350 /year ¹ continuously
Midcareer hires	241	204	70	

¹ Total hires each fiscal year, including new graduates who join on April 1 and mid-career hires

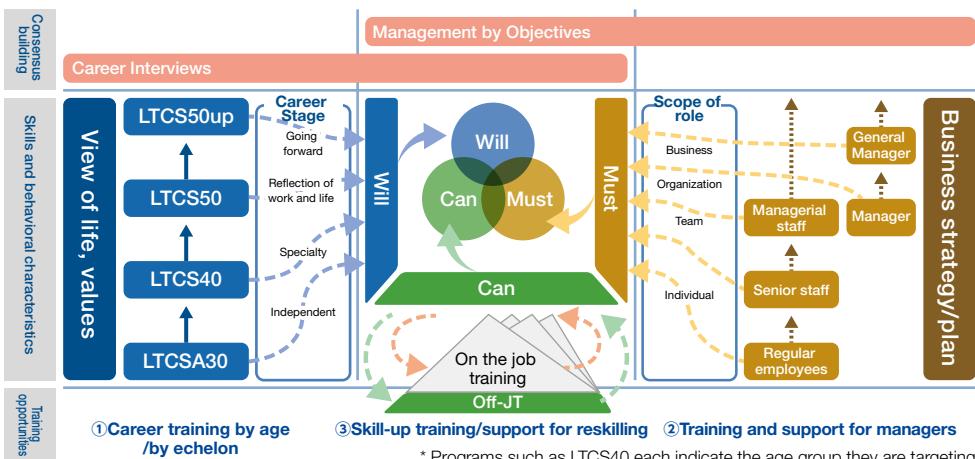
Allocation of Personnel to Priority Areas

	FY2021-2023 Total	FY2024 Plan	FY2024 Result
Total staffing	1,881	503	549
Number assigned to priority areas	1,313	374	380

* Number of employees assigned due to hiring and internal transfers

Strategy 2**Strengthen Human Resource Development**

Epson aims to be a company where people can develop their careers autonomously and continue to grow over a long-term time horizon. To support the career development and growth of each employee, we have created a training system concept using the "Will, Can, Must" framework. It consists of three major training categories: (1) age- and rank-based career training, (2) training and support to strengthen management capabilities, and (3) skills training and reskilling support. By linking training and systems to "Will, Can, and Must" respectively, we aim to enhance the effectiveness of learning and increase employee satisfaction and motivation for growth.

**① Career Training by Age and Level**

Epson is continually working to create an organization where people can grow, and we support employees in building careers that give them a sense of accomplishment and growth. In addition to developing the skills to quickly respond to shifts in business strategies and changes in the environment, we also provide "Lifetime Career Support Training" (LTCS) tailored to each age group and rank at each age milestone, so that employees can think about the career they want to pursue from a medium- to long-term perspective and take the initiative to work towards achieving that goal.

② Strengthening Management Capabilities and Providing Support

Supervisor management and communication in the workplace play an extremely important role in ensuring that employees thrive and grow. To strengthen and support management capabilities, we provide training programs for new managers, as well as 1-on-1 communication training. We also partner with external organizations to offer a variety of content for learning management skills.

③ Skills Training and Reskilling Support

Our reskilling efforts are designed to support employees' desire to continue to grow and develop their careers autonomously, as well as to enhance their skills and strengthen their ability to respond to change. Based on the acquisition of business core skills such as basic OA skills, logical thinking, and dialogue skills, we offer a wide range of specialized training programs tailored to the job and position. We also support skill development through individual self-development by providing external training sites and subsidizing qualification acquisition and correspondence courses.

Strategy 3

Organizational Activation

Engagement Survey

The results of the company-wide engagement survey conducted since FY2022 show that there is a foundation of trust in the organization and that employees will act if instructed to do so by their superiors. On the other hand, it has become clear that there are many issues that need to be addressed in order to realize an independent (self-driven) organization in which individuals take the initiative to resolve organizational issues. We have identified three areas of focus working toward this: embedding our corporate philosophy and fostering personal ownership, enhancing a mindset for transformation and an outward-looking perspective, and promoting personal growth and a sense of contribution through work.

We believe that strengthening management skills in the workplace is particularly important for these improvements. We are therefore sharing management information, conducting activities to instill the corporate philosophy, providing 1-on-1 training, reviewing training systems for managers, introducing subscription-based educational content, posting case studies on the intranet, establishing consultation services for managers, and providing individual workplace support.

As a result of these efforts, the overall company rating improved from B (the sixth highest of 11 levels) in FY2022 to BB (the fifth highest) in FY2023 and FY2024. We are making progress toward increasing productivity by developing human resources who are independent thinkers and doers and by building strong relationships of trust in the workplace to strengthen organizational capabilities.

Employee Engagement Survey Results and Targets

Company-wide Indicators	FY2022	FY2023	FY2024	Target (FY2025)
Overall rating	B	BB	BB	A
Score	51.8	52.9	52.2	58.0
Number of D-rank workplaces (units/sections) *	47	45	36	0

* Rank

A : Strong, trusting relationship

B : Trusting relationship; can communicate to resolve issues

C : Uncertain relationship D : Relationship has deteriorated

Diversity

Gender equality

Enable all employees to fully demonstrate their abilities regardless of gender. We recognize that gender equality is an urgent issue in Japan. Eliminate existing gender gaps and avoid creating new ones by motivating women to seek advancement and by promoting a company-wide shift in mindset, particularly among management.

Diversity Indicators

Women's Empowerment (Seiko Epson)	FY2024	FY2025 (Target)
(as of March 31, 2025) Percentage of women in management	5.3%	8%
Percentage of women in assistant manager positions	8.1%	10%

FY2024 Employee Satisfaction

Satisfaction² 93.5%

² Percentage of respondents who rated their satisfaction 3 or higher on a 5-point scale

Completion rate³ 95.8%

³ Seiko Epson regular employees and employees rehired after reaching mandatory retirement

Global Talent Utilization

To provide products that have customer value, the entire global value chain must operate effectively and efficiently. This requires global talent with extensive knowledge and experience in different functions who can effectively coordinate operations and rapidly make the right decisions. To develop leaders who share common values and promote personnel exchanges across regions, we hold a global seminar every year for managers at our overseas affiliates. For overseas talent, we work in collaboration with local top management and HR departments to define roles and requirements and formulate succession and development plans for key positions and key personnel. Through these actions, we are working to best position our people from a global perspective.

Global Professional Development

The Global Incubation Seminar (GIS) is an educational training program aimed at systematically developing the next generation of leaders at Epson Group companies worldwide. Through this program, we share Epson's vision and values and nurture the ability of these leaders to put the vision and values into practice within their organizations. More than 400 people have participated in the GIS since it was first held in 1999, many of whom now hold managerial positions in our overseas affiliates.

Global Talent Development and Engagement

Percentage of Women in Management at Regional Head Offices			
EAI	EEB	ESP	ECC
34.7%	28.6%	58.8%	30.0%

* Epson America, Epson Europe, Epson Singapore, Epson China

Percentage of foreign nationals among directors	40%
Percentage of foreign nationals in CEO positions	66%
Percentage of local hires among management	90%

* All overseas Group companies

Advancement of People with Disabilities

Epson regards the advancement of people with disabilities as a key diversity priority. We seek to create conditions that allow all individuals to make meaningful contribution by continuously challenging themselves and growing at a pace aligned with their roles and responsibilities. To achieve this, we are building connections and raising awareness both within and outside the company, as we want to play a leading role in promoting their participation within the community. One of our main focus areas is developing new businesses centered on office support tasks within our special subsidiaries.



By expanding job options, we can provide opportunities tailored to their specific characteristics and ensure that the value of each job is fairly evaluated. This will also contribute to sustainable business operations. We are committed continuing our efforts to empower people with disabilities.

Number of Employees with Disabilities (Seiko Epson and specially recognized Group companies in Japan)

(As of June 1, 2025)	FY2023	FY2024	FY2025	FY2030 (Target)
Number of employees	329	337	341	—
Percentage of workforce	2.65%	2.65%	2.58%	3.0%

Human Resources Strategy

Health and Productivity Management

Epson is working to create an enjoyable and dynamic workplace environment to ensure employee physical and mental well-being. The Health and Productivity Management Declaration explicitly applies to all workers in the global Epson Group, not just employees. Epson is committed to working as one with them to manage their health and achieve our goal of social sustainability.

Health and Productivity Management Declaration

At Epson, we consider the health of all people in the Epson Group to be our top priority. We therefore take a proactive, participatory approach to creating a rewarding, dynamic, and engaging workplace environment and promoting physical and mental wellness for all. Our goal is for all Epson Group contributors to feel energized, produce results that surprise and delight, and make the world a better place.

Workers: Persons performing work or work-related activities that are under the control of an Epson Group company, including top management and employees of Epson Group companies, contractors, and persons who, while not employed by a Group company, work under the control of an Epson Group company, such as student workers and temporary workers, etc.

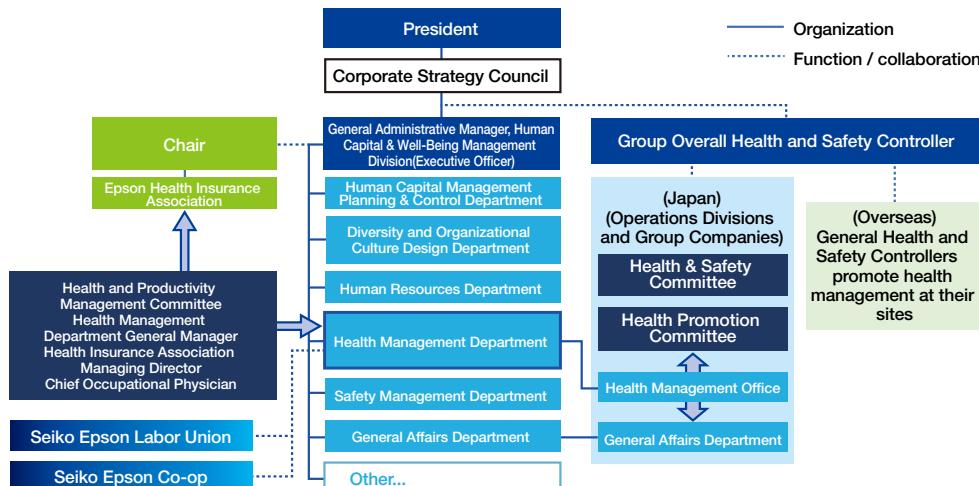
Junkichi Yoshida, President and CEO, Seiko Epson Corporation

Health and Productivity Management Organization

Seiko Epson created an integrated Human Capital and Well-Being Management Division under the president, who holds the ultimate responsibility for health management, to drive the Group's health initiatives forward. The Representative Director and General Administrative Manager of the division is responsible for overseeing all health management initiatives. As an Executive Officer, this individual participates in the Corporate Management Council and serves as the Chair of the Health Insurance Association. Our overseas sites are promoting health and well-being in stages based on the Epson Group Mid-Range General OH&S Plan and in line with local laws and culture.

A Health and Productivity Management Committee, which is jointly run by the company and the health insurance association, is responsible for analyzing health and productivity-related data and for establishing, evaluating, and improving health-related measures and policies. Health promotion committees, led by employees and involving the company and health insurance association, meet regularly to coordinate activities.

Epson Health Management Organization



Mid-Range Health Management Policy

Health Action 2025 Initiatives (Year 3)

In Japan, Epson has been establishing and regularly updating mid-range health plans since 2001. Under Health Action 2025, a four-year plan ending in FY2025, Epson is focusing on safeguarding mental and physical health and workplace health, which could be impacted by new work arrangements, an aging workforce, and other changes. Under the slogan "Notice, learn, act, and acknowledge," we aim to foster self-management of mental and physical health, achieve a balance between work and health, and develop a vibrant workplace climate where there is good teamwork.



Health Action 2025

<https://corporate.epson/en/sustainability/our-people/health-and-productivity.html>



Mid-Range Health Management Policy Indicators

Indicators of Employee Consciousness Transformation and Behavior		FY2022	FY2023	FY2024	FY2025 Targets
Mental and physical health	Percentage of people who are managing stress	—	82.0%	81.0%	Higher than last year
	Percentage of people who have identified stressors	—	87.3%	86.7%	
	Percentage of people who are acting to relieve stress	—	75.3%	75.9%	
	Percentage of people who can independently seek advice or help when facing problems	—	73.3%	74.0%	
Workplace health	Percentage of people who practice ≥ 6 of the 9 healthy lifestyle habits	42.8%	43.9%	44.9%	≥ 50%
	Percentage who maintain a suitable body weight	62.5%	62.5%	62.6%	≥ 60%
	Percentage of overweight people who lost ≥3% of their body weight from the previous year	19.2%	19.4%	18.3%	≥ 22%
	Percentage who undergo further tests based on results of physical	83.8%	89.8%	90.5%	≥ 90%
Workplace climate ⁴	Percentage who undergo further tests for cancer	67.0%	71.1%	70.7%	≥ 90%
	Percentage of people who are maintaining flexibility and strength to prevent falls & lower back pain	—	38.0%	39.3%	Increase from 38.0%
	Percentage of employees on mental health leave for 1 month or more	0.97%	0.98%	1.02%	≤ 0.8%
	Incidents of health issues among employees subject to medical checkups due to long working hours	1	1	1	0
Workplace	Number of infectious disease outbreaks in the workplace ⁵	2	0	0	0
	Number of high-risk workplaces	7	12	10	0
	Workplaces that continue to be or are once again high-risk	4	2	1	0
climate ⁴	Work engagement	2.49	2.50	2.48	2.52

⁴ Seiko Epson only ⁵ Outbreaks due to negligence

Recognition Under the Health & Productivity Stock Selection Program

In FY2025, Seiko Epson was recognized for the fourth consecutive year as an outstanding enterprise under the Health and Productivity Stock Selection Program by METI and the Tokyo Stock Exchange. The company was also certified for the ninth consecutive year under the Certified Health and Productivity Management Organization

Recognition Program (White 500) by METI and the Nippon Kenko Kaigi.



Human Rights Initiatives

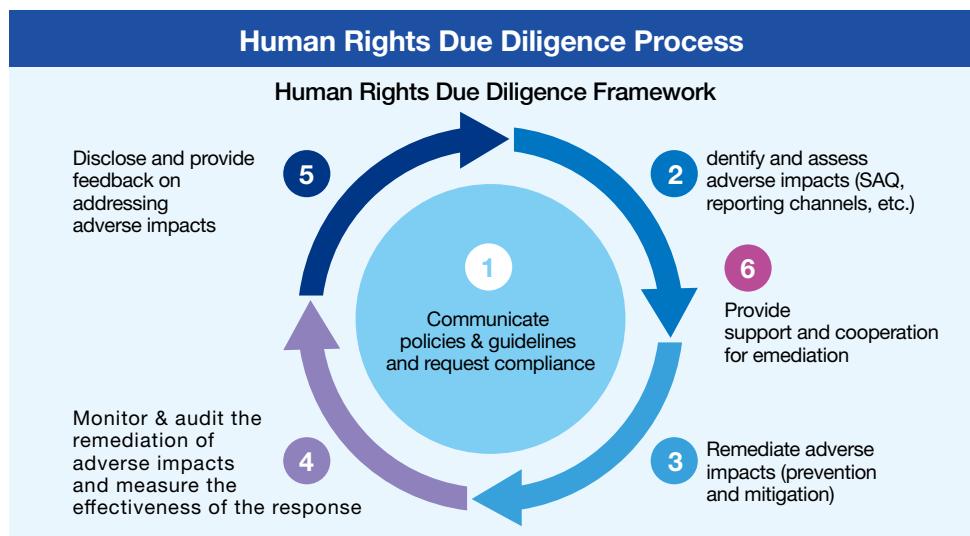
Epson's business operations are rooted in our corporate purpose and the Epson Way. We understand that respect for human rights in our business activities is an important responsibility, and we are fulfilling this responsibility through initiatives that are aligned with the UN Guiding Principles on Business and Human Rights.

Our human rights initiatives are spearheaded by Seiko Epson's Diversity and Organizational Culture Design Department under the executive officer in charge of human capital and well-being management. To appropriately address human rights issues in the supply chain, the department in charge of socially responsible procurement educates our personnel about Epson's human rights policy and code of conduct, assesses human rights impacts, and takes remedial action where needed. It has also set up a whistleblowing system that suppliers can use to report issues.

Our human rights initiatives are periodically reported to management meeting bodies and to the board of directors.

Approach to Human Rights Due Diligence

Epson continuously implements a human rights due diligence process to identify, investigate, prevent, and address human rights abuses across the value chain, including at Group companies and in our business partners' operations.



Examples of Remediation in the Epson Group Through Human Rights Due Diligence

What	Where	Remediation
Violation related to payment of wages after resignation, etc.	Manufacturing company	Make payments in compliance with relevant laws (system modification planned)
Failure to maintain safety equipment (eye wash stations)	Manufacturing company	Replace with stations that meet legal requirements
Insufficient paid leave granted to former dispatch worker	Manufacturing company	The method for calculating paid leave was revised and additional leave was granted as required by law.
Drinking water (tap water) was not tested for quality	Manufacturing company	Legal testing requirements were rechecked and test were conduct after procedures were revised
Failure to equip manufacturing machinery with safety devices	Manufacturing company	Equipped machinery with safety devices as required by law



Epson Group Human Rights Policy
<https://corporate.epson/en/philosophy/epson-way/principle/human-rights-policy.html>

1 Epson Group Human Rights Policy

The Epson Group Human Rights Policy was revised with board approval on April 1, 2022, to align it with the United Nations Guiding Principles on Business and Human Rights.

Serving as our top-level guideline, the Epson Group Human Rights Policy states our stance on human rights. Our efforts to engage in practices that demonstrate respect for human rights extend beyond the Epson Group and into our supply chain.

(In 9/2024, Article 1 of the Policy was revised to incorporate our corporate purpose.)

Human Rights Due Diligence Activities

Identify and assess adverse human rights impacts.

Epson is a member of the Responsible Business Alliance (RBA), a global coalition dedicated to corporate social responsibility (CSR) in global supply chains, and we adhere to the RBA Code of Conduct. Epson, the areas particularly susceptible and likely to occur to human rights abuses involve labor and occupational health and safety issues related to Seiko Epson and Epson Group company employees, temporary staff, supplier employees, on-site service vendor workers, and migrant workers. Geographically, this is particularly relevant in Asia, and in terms of industry, it is most prevalent in manufacturing.

2 Formulate a corrective action plan to prevent or mitigate adverse impacts.

Once a year, we ask all Epson business sites, Group companies in Japan and overseas, and suppliers to complete a CSR self-assessment questionnaire (SAQ) that conforms to the RBA SAQ. The CSR SAQ results are reported to the RBA. Sites and suppliers that identify adverse human rights impacts formulate corrective action plans to remedy or mitigate those impacts.

3 Monitor results and progress.

All sites, Group companies, and suppliers are, with the involvement of management, working to remedy and mitigate adverse human rights impacts in accordance with corrective action plans. We monitor the progress of corrective action to remedy significant adverse impacts and see them through to completion. Through the annual CSR SAQ, we monitor the state of corrective actions at each company and business site. In addition, seven of our major manufacturing sites in Southeast Asia and China continue to voluntarily undergo the RBA's Validated Assessment Program audits.

4 Communicate and report performance.

Epson's efforts to remedy issues are reviewed annually and reported on Epson's websites and in its Sustainability Report. The Epson Group's global efforts are also reported through statements on modern slavery and human trafficking. To build and maintain good labor-management relations, Epson actively provides information to its employees and engages them in sincere talks and discussions.

TOPIC

Addressing Customer Harassment

In 2025, Epson established guidelines for addressing instances of customer harassment in the domestic Epson Group. An advisory service was set up and employees were notified. Epson is committed to dealing firmly with instances of customer harassment as an organization and providing care for affected employees. At the same time, we will provide Epson Group employees with training and education to ensure that they do not engage in harassment of suppliers or others.

Grievance Mechanism

In addition to the Epson Helpline, Epson provides advisory services for reporting or discussing human rights-related issues such as harassment, long working hours, diversity and so forth. We also have supplier whistleblowing systems. Moreover, since April 2024, customers, investors, local residents, and all other stakeholders can file grievances via an Engagement and Remedy Platform provided by the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER).

These reporting channels strictly control the content of reports, protect the identity of person to lodge reports, and forbid reprisals against them.



About JaCER
<https://jacer-bhr.org/en/index.html>

Human Rights Measures in the Supply Chain

Supply Chain Initiatives

Epson has declared in its Human Rights Policy that both Epson and its suppliers shall respect human rights. As stated in our policy, we strive for complying with the United Nations Guiding Principles on Business and Human Rights and respecting internationally recognized human rights as stated in the Universal Declaration of Human Rights and other relevant instruments. Moreover, we support the purpose of the RBA and, as a member, seek to ensure that our suppliers also comply with the RBA Code of Conduct.

Epson, together with its suppliers, is committed to ensuring that human rights are respected throughout the supply chain.

Supply Chain Human Rights Due Diligence Framework

- 1 Communicate supplier guidelines, educate suppliers, and request compliance.
- 2 Assess adverse impacts at supplier sites through SAQs & whistleblowing systems.
- 3 Take corrective action to prevent, cease or mitigate adverse impacts.
- 4 Measure the effects of adverse impacts by monitoring, audits, and feedback from grievance mechanisms.
- 5 Disclose and provide feedback on addressing adverse impacts.
- 6 Provide for remediation.

Remediation Through Supplier Whistleblowing Systems 2

To provide remedy as required by the UN Guiding Principles on Business and Human Rights, all Epson Group companies worldwide have a whistleblowing system that suppliers can use to report or consult about issues. Reports can be made anonymously and in the local language. Retaliation against persons for having lodged a report is strictly prohibited.

In addition to promoting awareness and recommending system use during supplier conferences, we also provide a reporting channel on our website and try to make it as easy as possible for suppliers' employees to use.

When we become aware of adverse human rights impacts through a report from a supplier's employee or an audit, we provide support until a remedy is provided.

Reports function as a means to measure the effectiveness of remedies to address adverse human rights impacts.

Education

We have been communicating the RBA Code of Conduct and its requirements to relevant departments and people in Epson's global operations who are involved in human resources, health and safety, environmental issues, ethics, and supply chain management. In addition, to raise awareness of human rights issues, we have been providing an online course titled "Business and Human Rights" since FY2022. The course covers the fundamentals of respect for human rights and Epson's initiatives in this area. They are mandatory for all executives, employees, contract workers, and temporary staff of Seiko Epson and domestic affiliates, as well as for managers and above at all overseas subsidiaries. The completion rate is 87.9% in Japan and 95.8% overseas. We also continue to hold expert seminars on human rights for Epson Group officers and employees.

Human Rights Initiatives

Salient Human Rights Issues

Epson has identified particularly important human rights issues that must be dealt with on a priority basis. These were drawn from sources such as the ILO Core Labour Standards, the principles of the UN Global Compact, and the RBA Code of Conduct. When issues are reported or identified through periodic CSR risk assessments, the situation is monitored until it has been corrected.

- Prohibition of child labor (ILO Convention No. 138/182 & A2 in the RBA Code of Conduct)
- Prohibition of forced and compulsory labor (ILO Convention No. 29/105 & A1 in the RBA Code of Conduct)
- Proper management of working hours (a 60-hour maximum workweek and at least one day off every seven days) (A3 in the RBA Code of Conduct)
- Proper payment of wages (payment of the legal minimum wage and overtime wages, and timely payment of wages) (A4 in the RBA Code of Conduct)
- Humane treatment (no harassment) (ILO Convention No. 190 & A5 in the RBA Code of Conduct)
- Non-discrimination (ILO Convention No. 100/111 & A5 in the RBA Code of Conduct)
- Freedom of association and the right to collective bargaining (ILO Convention No. 87/98 & A6 in the RBA Code of Conduct)
- A safe and healthy work environment (ILO Convention No. 155/187 & B. Health and Safety in the RBA Code of Conduct)

Examples of Remediation at Supplier Sites Through Human Rights Due Diligence 3 6

- Proper management of working hours (granting of one day off per week and statutory holidays)
- Personal loans offered by a company were made interest-free
- Employment contracts were concluded and copies were provided to employees
- Workers were reimbursed for recruitment fees
- Workers were paid overtime wages due
- Reasonable accommodations were introduced for persons with disabilities
- Evacuation drills were conducted (enterprise wide, at night, in dormitories, etc.)
- Proper personal protective equipment was inspected, replaced, and provided at no cost to workers

Human Rights Education for Suppliers 6

To foster understanding of human rights, we ask suppliers to observe the Epson Group Supplier Guidelines. We also hold supplier conferences and seminars that many suppliers attend. We believe it is important for suppliers to understand the purpose of human rights initiatives and to engage in them voluntarily. Given the constantly evolving expectations of society, we hold annual seminars taught by outside consultants to provide suppliers with expert information.

Realizing Responsible Supply Chains

Epson wants to help solve societal issues and achieve sustainable growth through sustainability initiatives based on the idea of building social trust, the concept that underlies Epson's Management Philosophy. We are doing so by complying with international standards such as the SDGs and the U.N. Guiding Principles on Business and Human Rights, which call for action across entire supply chains. Epson also endorses the mission and Code of Conduct of the Responsible Business Alliance (RBA), a group dedicated to improving sustainability throughout the electronics supply chain. As a member of the RBA, we will fulfill our responsibility to society by meeting high standards of social, ethical, and environmental conduct.

To attain our goal of achieving sustainability and enriching communities, we are acting to ensure that our supply chains are socially responsible, sustainable, and committed to human rights. With the cooperation of our business partners, we are working to reduce environmental impact, including greenhouse gas emissions, through programs like the Epson Green Supply Chain while also ensuring business continuity (BCM).

Epson will strengthen its partnerships based on the fundamental stance of fairness, equity, and mutual prosperity with business partners, while working to build a responsible supply chain.

Supply Chain Sustainability Topics

Resilient and flexible supply chains are essential if we are to fulfill our responsibility to deliver products to our global customers. Responsible supply chains are among the key sustainability topics that we are addressing. As a Group, we are systematically carrying out programs focused on CSR, responsible mineral sourcing, and business continuity management (BCM).



Supply Chain CSR Strategy

We have defined strategic priorities for ensuring socially responsible supply chains initiatives in order to address societal issues and live up to the ideals expressed in the Epson Group's Management Philosophy and Principles of Corporate Behavior. Our approach focuses on human rights and sustainability, with our 2030 targets aligned with the SDGs timeline.



Policy on the Responsible Sourcing of Minerals

Principle 5: Ensuring effective governance and compliance

5.7 We will establish a system to investigate the source of minerals used in our products and supply chain and will take actions to responsibly source minerals to avoid using any minerals that could be involved in human rights abuses, conflicts or environmental degradation.

Supply Chain BCM Strategy

The actions taken under our business continuity management (BCM) strategy are designed to enable us to meet our commitment to supply products and services to our customers, as well as to minimize business losses. To mitigate potential supply chain risks, we are reinforcing BCM primarily by decentralizing operations, securing alternative sources, and increasing resilience.

Supplier Engagement

Epson's socially responsible supply chain initiatives are aligned with the requirements of international standards such as the United Nations Guiding Principles on Business and Human Rights and the RBA Code of Conduct. It is essential for suppliers to understand the underlying issues and objectives behind the societal expectations and norms and to take voluntary action. Equally important is staying abreast of the constantly evolving social environment and expectations. Epson engages its suppliers throughout the year in many different ways and at many different levels. These include procurement policy orientation conferences, which are top-level events at which we explain our procurement policies and provide an overview of our operations. They also include specialized training such as human rights seminars led by external experts, sessions explaining Epson's initiatives and the details of various assessments, as well as individual discussions with suppliers. Through these efforts, we strive to foster understanding and enhance supplier capabilities.

Whistleblowing System for Suppliers

Epson has established compliance hotlines as grievance mechanisms that suppliers can use to report or discuss violations or potential violations of legislative requirements and the Epson Group Supplier Guideline. By providing these hotlines and encouraging their use, we hope to further ensure ethical corporate conduct and remediation of human rights. Reports may be made anonymously, and whistleblowers are protected, including by strictly handling their personal data and prohibiting any form of retaliation in accordance with applicable laws and Epson's internal regulations.

CSR

Epson evaluates suppliers from multiple angles. In addition to regular assessments of supplier management that cover quality, cost, delivery, environment, management systems, and information security, we conduct an annual detailed CSR evaluation under our CSR due diligence program. The detailed CSR evaluation follows the RBA's membership requirements, beginning with obtaining supplier agreement to comply with the Epson Supplier Code of Conduct, which mirrors the RBA Code of Conduct and covers labor, health and safety, environment, ethics, and management systems. It includes self-assessment questionnaires (SAQs), risk evaluations, corrective actions, and audits. In 2024, we asked our major direct material suppliers (those that provide things such as parts used in production and assembly services) and certain other suppliers (on-site service companies at Epson manufacturing sites, labor agents, logistics warehouse operators, call centers) to complete a detailed CSR evaluation. No high-risk suppliers were detected, but we asked suppliers who had human rights issues or regulatory violations to take corrective action.

Companies/sites subject to detailed CSR evaluation in 2024: 676 direct material supplier sites and 438 other suppliers.

Examples of corrective action in 2024: Required clauses were included in employment contracts, workers were properly reimbursed for overtime, additional days off were granted.

Epson provides ongoing support to help suppliers improve. In addition to judging risk based on scores, we continue to address identified human rights issues and do our human rights due diligence through audits.

Responsible Mineral Sourcing

Profits from the extraction and sale of minerals such as tin, tantalum, tungsten, and gold (3TG) in conflict-affected areas such as the Democratic Republic of the Congo (DRC) and neighboring countries are a source of funding for armed groups and anti-government forces carrying out atrocities and gross human rights abuses. Furthermore, it has been pointed out that cobalt mines in the southern part of the DRC have become breeding grounds for child labor. Mineral mining and trade have negative social and environmental risks.

Epson avoids any association with any forms of human rights abuses and environmental destruction. As a member of the Responsible Minerals Initiative (RMI), Epson does not tolerate human rights abuses in the procurement of minerals used in Epson products. We will not engage in business relationships with any party involved in human rights abuses, nor will we support operations that result in the degradation of socioeconomic and environmental conditions.

We conduct supply chain due diligence annually in accordance with the OECD's five-step framework for components and materials used in the products we manufacture and that may remain in the final product. We disclose the results to the public and respond to survey requests from our customers.

■ 3TG and Cobalt Survey Results (FY2024)

	3TG Total	Tin	Tantalum	Tungsten	Gold	Cobalt
Number of identified smelters/refiners	382	95	46	58	183	98
Number of certified conformant smelters/refiners ¹	243	74	40	37	92	54
Number active smelters/refiners ²	4	1	0	1	2	8
Supplier response rate	99.6%					99.1%

▶ See P70 for footnotes ^{1, 2}

BCM

The risk of supply chain disruptions was found to be far greater than assumed when COVID-19 broke out in 2019, followed by global chip and shipping container shortages. Supply chain threats, including regional conflicts and geopolitical and disaster risks, have not been resolved. If anything, they have increased. Today's sophisticated and complex supply chains are susceptible to risks and crises. To establish a robust and sustainable supply chain, we are decentralizing functions, securing alternatives, and increasing resilience. We have divided the supply chain functions into five categories (suppliers, procurement, production, sales, and logistics) and are addressing the priorities that have been set for each. Our business continuity plans (BCP) are designed to ensure that we can supply products and services to our customers and minimize damage and losses, and we maintain and improve our BCP as needed.

Function	Key Action Items
 Suppliers	Impressing on suppliers the need to enhance their own supply continuity capabilities by, for example, evaluating their emergency response capabilities and safety management
 Procurement	Multi-sourcing, securing alternative sources for procured goods, executing long-term procurement contracts, strengthening partnerships, and maintaining inventory of parts and raw materials * Applies to direct materials and parts and to indirect materials
 Production	Strengthening the distributed production organization, increasing the resilience of facilities, strengthening measures to prevent the spread of infectious diseases, and securing product inventories
 Sales	Maintaining operations sites, business processes and organization, and IT backups
 Logistics	Diversifying logistics options (carriers, transportation routes, and warehousing), and securing carrier capacity

Supplier Guidelines

In April 2005, Epson established the Epson Group Procurement Guidelines (now called the Epson Group Supplier Guidelines) to ensure understanding of Epson's procurement policy and to promote cooperation in advancing CSR activities. These Guidelines set forth basic quality, price, and delivery requirements as well as Epson's expectations regarding environmental initiatives and compliance, including trade control and security. They also provide information about our supplier whistleblowing systems. The Epson Supplier Code of Conduct, which is part of the Guidelines, is based on the RBA Code of Conduct. It specifies supply chain requirements in the areas of labor, health and safety, environment, ethics, and management systems.

To gain the understanding of our suppliers around the world, we have had the Guidelines translated into multiple languages. The current version of the Guidelines (Ver. 8.0) is available in seven languages. The Guidelines are posted on Epson websites. All suppliers are notified about the Guidelines, and major suppliers are asked to sign a formal written agreement to comply with them.



Responsible Business Alliance

Advancing Sustainability Globally



**Discussion Between
Institutional Investors
and Outside Directors**

Corporate Governance Backing Strategic Execution

In September 2025, we hosted an open and frank discussion between institutional investors and Epson's outside directors. The main theme of this sixth session was "Challenges in executing strategy (execution capability and speed) and the state of board discussions," a topic that had drawn strong interest from investors during the previous session in February 2024.

Participating Institutional Investors

Sompo Asset Management Co., Ltd.
Mitsunori Itakura

Senior Investment Manager
Japanese Equity Group, Investment Department

Nomura Asset Management Co., Ltd.
Hideaki Takamoto

Senior ESG Specialist
Responsible Investment Dept.,
Sustainable Investment Strategy Dept.

Sumitomo Mitsui Trust Asset Management Co., Ltd.
Yuuichi Tezuka

Senior Stewardship Officer
Stewardship Development Department

Asset Management One Co., Ltd.
Kei Kawai

Analyst
Analyst team, Research & Engagement, Investments

BlackRock Japan Co., Ltd.
Kenji Nakada

Director
Investment Stewardship Department

(Titles and positions at the time discussions took place)

Outside Directors (As of 8/2025)



Tadashi Shimamoto
Outside Director



Masaki Yamauchi
Outside Director



Kahori Miyake
Outside Director



Susumu Murakoshi
Outside Director
Audit & Supervisory Committee Member



Michiko Ohtsuka
Outside Director
Audit & Supervisory Committee Member



Akira Marumoto
Outside Director
Audit & Supervisory Committee Member

Introduction

Miyake This is my first time here, so please allow me to introduce myself. I come from a background of addressing environmental issues at an operating company. This is my first experience working in a manufacturing company, and there is still much I need to learn about technology, but I do know that there are many environmental challenges that must be solved through technology. I hope to contribute, even in a small way, to helping a Japanese company with strong technological capabilities address environmental issues through their business activities.

Marumoto Since stepping down as president of Mazda, I have served on Epson's Audit and Supervisory Committee, starting in June 2024. I provide oversight and advice based on my experience managing a global manufacturing and sales company and my engineering background. This is a critical year for formulating Epson's next strategic corporate vision, and I intend to leverage my previous experience to help guide the company in the right direction.

Strategy Execution Speed

Yamauchi At the last discussion, I raised concerns about execution speed. Since then, there has been some improvement. For example, in September 2024, a decision was made to acquire Fiery, following discussions that began that June. This rapid decision-making was enabled by a restructuring at the top last April. The president and several executive officers now operate as a single management team, engaging in deep discussions to set direction. On the other hand, when it comes to the speed of business execution, we have yet to see tangible progress. I look forward to seeing the new team, under President Yoshida's leadership, deliver results in this area.

Ohtsuka At five years, I am the longest-serving outside director. I feel that the speed of execution has improved compared to five years ago. Reports to the board have also improved. In the past we had to ask questions to identify where the problems were and how they would be addressed. Now, those points are included from the outset in the reports, which allows us to engage in deeper discussions.

Murakoshi I have also served for five years, so let me share my perspective. Epson has always had outstanding technology and talent, but in the past, my impression was that people worked hard within their own business areas, but the company lacked unity and a strong sense of teamwork. Since last year, the management team has become much more effective, and both the quality and speed of discussions have improved significantly.

The Practical Effectiveness of Governance for Future Growth



For example, when certain parts of the business portfolio were underperforming, we would expect outside directors to recognize these issues and encourage corrective action by the executive side. Could you share how oversight is being exercised and what discussions are taking place in this regard?

Shimamoto The strategic direction of the business portfolio short-term was clear, but that from a long-term perspective was somewhat hazy. I have stressed to the executive side that defining long-term strategic goals is essential, and short-term

Takamoto Recently, I had the opportunity to hear from President Yoshida. He shared an optimistic vision for the future, which left a very positive impression from an investor's perspective. At the same time, looking back, there were times when plans did not go as intended.

Discussion Between Institutional Investors and Outside Directors

measures by themselves are meaningless. We are now engaged in serious discussions as we prepare the next strategic corporate vision.

I believe Epson is addressing individual short-term issues. However, challenges remain in interdepartmental collaboration, so I have requested more attention to horizontal connections. The atmosphere of the board is positive, with candid and active discussions on themes such as quality and governance, which I think is a good sign.

Marumoto There are two types of long-term business portfolio. The first is businesses inside the existing portfolio. These are controllable to some extent. The second is new businesses outside the current portfolio, which naturally involve risk. As outside directors, our role includes advising on risk avoidance, but depending on the case, we also advise taking risks as needed. While we must increase added value in the existing portfolio, we also need to launch new businesses, and the next strategic corporate vision must clearly outline that path. In this sense, I believe this year is extremely important.

Itakura You mentioned that the Fiery acquisition was executed quickly, but, at present, I am interested in your discussions surrounding U.S. tariff policies. There must have been a lot of decisions to make. Could you share what kind of discussions took place?



Marumoto Decisions within the existing business portfolio—such as shifting production locations to minimize impact—were made quickly, in my view. The challenge lies in making decisions for businesses outside the current portfolio. That's considerably more difficult.

Organizational Climate and the Embedding of Purpose



Tezuka Epson has established a corporate purpose, but how well is it being embedded across the organization? What do you feel is still lacking for employees to fully understand the purpose and translate it into action? Also, there was mention of encouraging risk-taking, but does a culture of risk-taking actually exist?

Yamauchi I believe there is a culture of risk-taking and that employees take pride in the corporate purpose and have a strong desire to create social value through our efficient, compact and precise technologies. However, I think we still tend to be too product-out oriented. It's not that we aren't taking on challenges—far from it. We have great confidence in our technological capabilities, but that confidence sometimes makes us less effective at truly understanding our customers' real pain points.

Shimamoto Former President Ogawa made a lot of effort to engage directly with employees on the corporate purpose, and I believe there is an established commitment to solving societal issues and enhancing customer value. But when it comes to executing the purpose, there is still a strong tendency toward a technology-driven, product-out approach, and the perspective of how to deliver value to customers and society seems weak. Going forward, I feel it will be important to articulate a clearer value-creation story and strengthen initiatives that clarify our connection with society.

Miyake As someone coming from a different industry, I get the impression that Epson is a very cautious, risk-averse company. Caution has both positive and negative aspects, but when it comes to new businesses or portfolio reviews, I think it would

be better to allow more freedom and encourage moving forward without fear of failure.

Marumoto We are developing new businesses and already have pilot projects in areas such as medical technologies and environmental solutions, but moving from pilot development to full commercialization will take several additional steps. It is essential to accurately assess the potential of these technologies and identify the challenges and risks involved in commercialization. As an outside director, I believe it is our responsibility to provide appropriate oversight and guidance throughout this process.

The Business Portfolio

Kawai How does Epson determine whether something is a good fit for its business portfolio?

Shimamoto The business portfolio is weighted fairly heavily toward printing. The executive side shares this concern, so how to grow businesses beyond printing will be a key focus in the next strategic corporate vision. We will also support this effort so that investors can see that Epson is changing.

Ohtsuka We do not expect the current business portfolio to remain unchanged over the next 10 or 20 years; transformation is necessary. But new businesses require cash and resources, and the reality is that we are currently earning those from the printing business. While some may view the printing market as in decline due to the shift toward paperless solutions, Epson is expanding into commercial and industrial printing, such as textiles and labels, and developing new areas using printheads as core devices. We believe these remain growth businesses.



Discussion Between Institutional Investors and Outside Directors

Growing new businesses requires not only cash but also talented people. I feel that the biggest challenge facing companies is the shortage of talent, and in Japan, with its aging and declining population, securing top talent is difficult for any company, including Epson. So, in addition to automating and utilizing digital, we need to focus on developing and reskilling existing employees and increasing mid-career recruitment. I understand that the HR department is examining a talent portfolio to realize the desired business portfolio. I expect Epson to put the right people in the right positions and execute its human resource strategies to fulfill the strategic corporate vision.

Reasons for CEO Appointment and Director Selection

Nakada A new president took office in April. What convinced you that he is the right person for the job?

There was mention of being too technology-oriented—was this intended as a strategic shift? Also, how are internal directors selected? Most companies appoint a chairperson, president, CFO, COO, or business heads, but Epson's approach seems well-mixed and not fixed to specific roles.

Shimamoto As chair of the Director Nomination Committee, I will answer. In June 2024, with input from the outside directors, we appointed three new internal directors, including Mr. Yoshida, because we wanted them to lead the company as a team. Later, Mr. Yoshida's name came up as someone who could take on the responsibility for formulating and carrying out the next strategic corporate vision. He has extensive experience in the printing business and deep knowledge of global sales and marketing, making him well-suited to lead the development and execution of the vision. That's why we recommended him and why the Board approved his appointment.

Yamauchi I'd like to add that Epson's Director Nomination Committee is unique in that all outside directors serve on it. Some companies leave the selection of internal directors to the CEO, but Epson incorporates the perspectives of all outside directors. Rather than fixing directors to specific roles, we select them based on the roles and functions we expect them to play within the kind of management team we want to build in order to enhance corporate value.

Preparing for the Next Strategic Corporate Vision

Nakada Epson 25 Renewed is in its final year. It may be a little early, but what is your view as to the progress on that plan and, if possible, what do you consider to be the priorities in the next strategic corporate vision?



Yamauchi We are off track from the plan, and the results are likely to be unsatisfactory. I feel that the discussion on what businesses in the portfolio can successfully compete was weak. As mentioned earlier, how we tie technology to customer value is a key challenge for the next strategic vision.

Marumoto In the printing business, the gradual decline in developed markets has been greater than expected, and the anticipated growth in emerging markets has not materialized as hoped. The visual products business has been impacted by flat-panel displays. We need a Plan B so that we can quickly pivot when changes beyond our control occur.

Itakura As an investor, I would like you to analyze, identify, and share the reasons for the gap between the plan and performance. Without that analysis, investors might wonder if the same issues will arise. A review is the starting point for the next strategic vision.

Marumoto All outside directors have said that the next strategic vision should be formulated only after a thorough review, and Mr. Yoshida understands this as well. Simply saying "the environment changed" is not an acceptable reason. That is why we need to prepare a Plan B and maintain a strong determination to survive going forward.

Investor Perspectives

Yamauchi Since we have this opportunity, may I ask you, as investors, a question? Are there aspects of Epson that you feel are underutilized, or areas where management should focus more to enhance corporate value?



Tadashi Shimamoto
Outside Director

Discussion Between Institutional Investors and Outside Directors



Takamoto To be valued by the stock market, you need to provide some level of expectation to investors. I understand Epson's potential, but there were periods of weak performance in the past, and you haven't yet won sufficient investor trust. It would help if you could present strategies that show a high likelihood of leading to specific results.

Tezuka You have good technology, but the challenge seems to be using it to drive innovation. I hope to see you create opportunities to turn technology into innovation and secure resources for employees to take on challenges.

Insights from Investors

I want to thank the institutional investors for giving us the opportunity to speak with them. We appreciate the candid feedback. These discussions have heightened our sense of urgency and awareness of key issues as outside directors. This year is a critical one for Epson as we formulate the next strategic corporate vision. We will work diligently to incorporate the insights shared by investors and make Epson an even more attractive company.

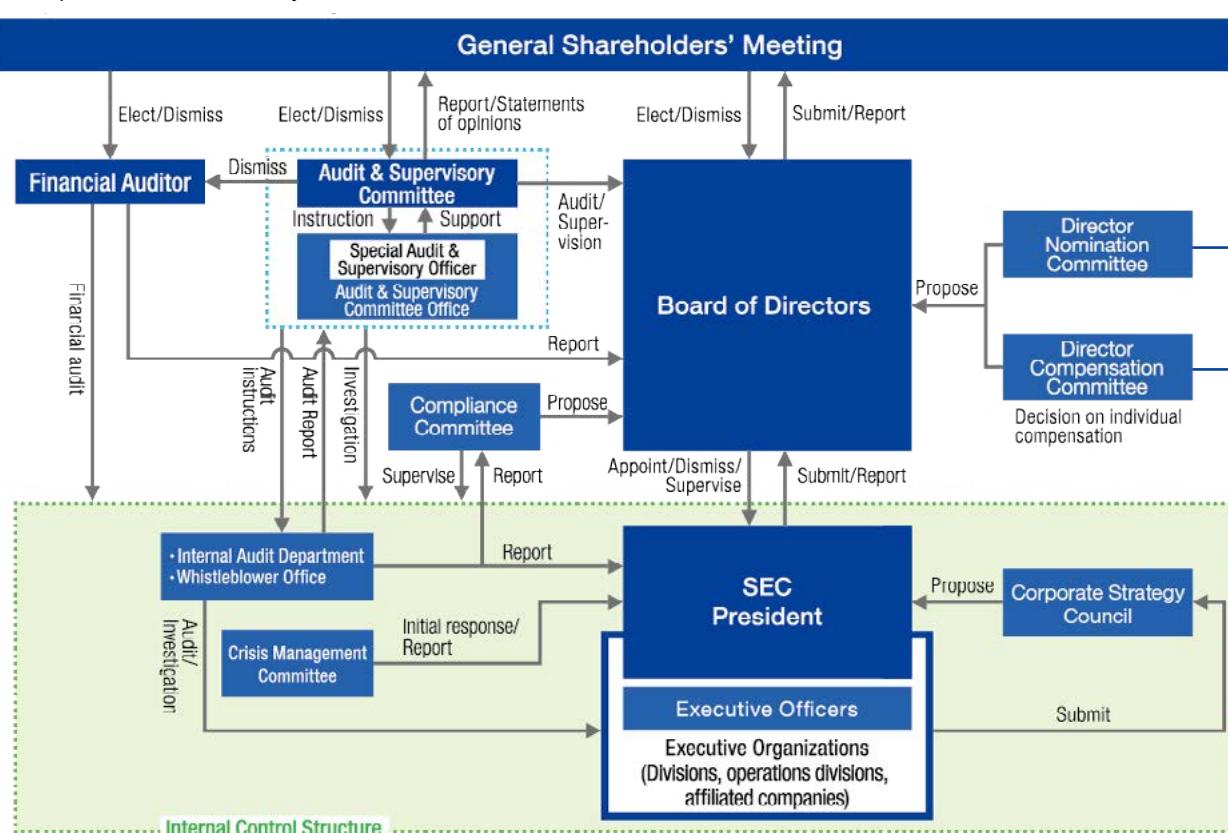
Strengthening Governance

Corporate Governance

Basic Principles

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

Corporate Governance System



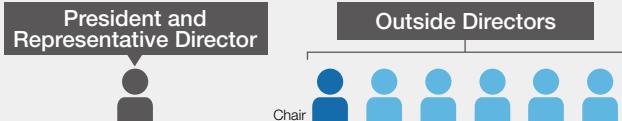
Optional Deliberative Body Activities

* The committee chairs are elected from among the outside directors by mutual vote.
* Outside directors have comprised the majority of both committees since June 2016, when Epson transitioned to a company with an Audit & Supervisory Committee.



Director Nomination Committee Met 15 times(4/2024–6/2025)¹

- Deliberate on the selection of directors, & executive officers, etc.

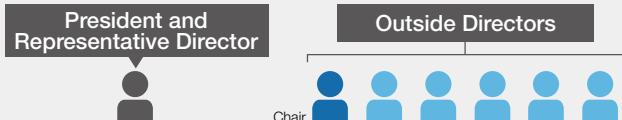


Content of Discussions

- Succession plans for the President & Representative Director
- Officer (director, executive officer, special audit & supervisory officer) selection policies and proposed candidates

Director Compensation Committee Met 10 times(4/2024–6/2025)¹

- Review of compensation for directors, executive officers, etc.



Content of Discussions

- Individual base compensation
- Bonus payment coefficient and individual bonuses
- Assignment coefficient, number of shares allocated, and amount of monetary compensation claims under the restricted stock compensation plan
- Renewal of liability insurance for officers
- Conclusion of corporate indemnity agreements and liability limiting agreements
- Procedures related to the liquidation of the former performance-linked stock compensation plan (officer compensation BIP trust)

¹ By the time of the ordinary general meeting of shareholders

Board of Directors Effectiveness Evaluation

Seiko Epson seeks to continuously enhance the effectiveness of its board of directors pursuant to its Corporate Governance Policy. Toward this end, Seiko Epson has been analyzing and evaluating the effectiveness of its board of directors every year since FY2015 based on a self-evaluation questionnaire that all board members complete. To incorporate a more objective perspective, an independent third-party organization conducts an evaluation every three years². The results of the FY2024 effectiveness evaluation confirmed that the board has maintained overall effectiveness.

² Most recently, this was conducted for the FY2023 board of directors.

FY2024 Activities	
① Discussion and oversight of response to Epson 25 Renewed financial targets and strategy implementation efforts	The Board primarily discussed and oversaw businesses identified as growth areas. Every quarter, it also discussed and supervised action items aimed at securing earnings from a short- to medium-term perspective.
② Holding and acceleration of discussions on long-term corporate strategy	Using an arrangement that allows for free discussion among Board members from the early stages of key management topic exploration, the Board members discussed analyses of the internal and external business environments, as well as preliminary strategic proposals developed by the executive team. In addition, opportunities were provided outside of Board meetings for the heads of the businesses to explain the fundamental structure and medium- to long-term direction of their businesses to the Outside Directors. This helped to build a shared understanding of strategies, challenges, and risks among the Board members, thereby laying the groundwork for future discussions on long-term strategy.
③ Human capital management initiatives linked to management strategy	At Board meetings, Board members shared issues related to the vision for human capital management and talent strategy and discussed and monitored initiatives in human capital management.

Audit & Supervisory Committee Effectiveness Evaluation

The effectiveness of the Audit & Supervisory Committee has been evaluated to improve audits and corporate governance since 2017. The evaluation consists of six areas and is carried out through a questionnaire in which committee members quantitatively score themselves on a three-point scale for each area and write free comments. The committee then discusses the results and applies the PDCA cycle, thereby further enhancing effectiveness.

It has been standard practice since FY2019 to share the findings of committee effectiveness evaluations with the board of directors. The effectiveness evaluations are also used as the basis for recommendations for improving internal control and corporate governance.

Providing Information to Outside Directors

We provide opportunities for outside directors to deepen their understanding of the company's management, governance, and business characteristics so that they can adequately fulfill their supervisory functions. When they are first appointed, we brief them on our business in overview, our strategy, and so on. Thereafter, we support their efforts to gain the knowledge they need. During the fiscal year under review, the heads of divisions and businesses gave briefings and site tours, among other opportunities to learn. In addition, outside directors may ask for explanation or reports from executive directors, executive officers, and employees, or request internal documents whenever needed. There are systems in place for outside directors to work with the Audit & Supervisory Committee and get support from the department serving as the board of directors secretariat so that directors are better able to gather information without it affecting their independence.

Topics on the Board Effectiveness Evaluation Questionnaire for FY2024

- ① Composition of the Board of Directors and how it is positioned
- ② Operation of the Board of Directors
- ③ Board of Directors discussions and functions
- ④ Directors' activities
- ⑤ Training
- ⑥ Dialogue with shareholders (investors)
- ⑦ Functions and operations of advisory bodies to the Board (the Director Nomination Committee, Director Compensation Committee, and Compliance Committee)
- ⑧ Summary

FY2025 Activities

Board effectiveness in the 2024 fiscal year was evaluated by having all Board members complete a questionnaire that covered the topics below, and then analyzing and evaluating effectiveness based on the answers. For certain items, executive officers and others who attend Board meetings were asked to complete a questionnaire that was then analyzed to determine whether there were any significant gaps in understanding between the Board of Directors and the executives responsible for business execution.

The results of the evaluation showed that the Board of Directors as a whole is generally functioning effectively. However, after discussions at a meeting of the Board and after also taking into consideration the results of the 2023 fiscal year Board effectiveness evaluation, the Board identified the issues below in order to improve effectiveness in the future.

Issues Addressed in FY2025

- ① Support for deepening strategic discussions and strengthening execution capabilities of the executive management team
- ② Oversight of the progress of deliberations on the next long-term strategy and progress on Epson 25 Renewed
- ③ Improvements to Board operations aimed at strengthening collaboration between the Board of Directors and the executive team

Main Issues	<ul style="list-style-type: none"> ● Taking more proactive steps to translate management issues identified through audit activities into concrete executive actions ● Monitoring, verifying, and promoting further improvements in the effectiveness of the internal control system
Recommendations	<ul style="list-style-type: none"> ● Formulating the next strategic corporate vision based on a review of the current vision, Epson 25 Renewed ● Ensuring the management team functions effectively under the new president

Strengthening Governance

Appointment of Officers

To ensure transparency and objectivity, the Director Nomination Committee, which is chaired by an outside director and composed of a majority of outside directors, recommends candidates for director positions, and the board of directors makes the final decision on whether to approve their appointment.

■ Policies

- ① Considering the role that Officers of the Company are required to fulfill and the nomination criteria that Epson has established, Officers must meet the standard requirements of insight, accountability, and ethics. They must also satisfy the selection criteria in 2, depending on their respective roles, and must be able to contribute to an increase in corporate value.
- ② In addition to the foregoing requirements, Officers of the Company shall satisfy the selection criteria below

A Non-Executive Director candidates

Oversight capability, management knowledge, professional knowledge

B Executive Director candidates

Oversight capability, foresight/insight, the ability to conceive a vision, decisiveness/courage, the ability to execute and produce results, an inclination to drive change and innovation, the ability to be a unifying force

A candidate for President and Representative Director in particular shall possess the following:

- The ability to face societal issues, construct a vision based on deep insight, and the courage to carry out that vision
- A strong sense of ethics and the ability to humbly accept diverse values, tap the initiative of employees, and be a unifying force that consolidates the power of the entire company

- ③ Outside Directors must satisfy criteria concerning the independence of Outside Directors in order to guarantee their independence. The Board of Directors established "Criteria for Independence of Outside Directors."

In addition to the foregoing, we appoint a well-balanced group of diverse individuals as outside directors based on our Corporate Governance Policy and skills matrix. Selection deliberations are conducted primarily with reference to the three roles they are expected to serve. They are expected to:

- (1) contribute as an experienced manager;
- (2) contribute based on specialized expertise; and
- (3) contribute from the perspective of diversity.

We take multiple opportunities to contact potential candidates to learn not only general background information, but also how they think. This is used as basic information for our selection process.

Evaluation of the President and Representative Director and Directors

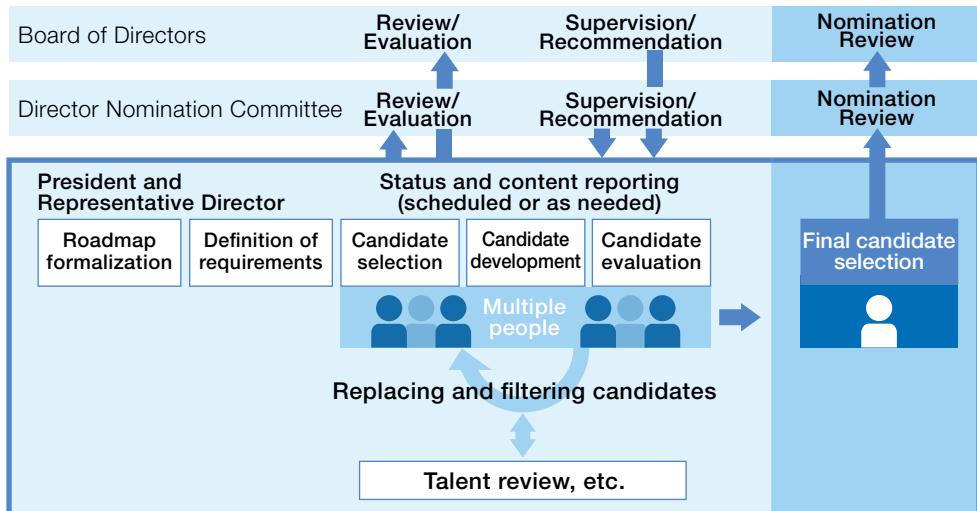
Officers are evaluated annually through a regular review process designed for executive management. All internal directors, including the president, are evaluated against defined requirements, roles, and themes. They are also the subject of a 360-degree evaluation. The results of these evaluations are reported when the Director Nomination Committee deliberates on the board structure and serve as a reference for selection decisions.

Succession Plans

In April 2025, a new president was tapped to lead the company. Succession planning for the position began in 2020 when the previous president assumed the role, with efforts focused on detailing and formalizing the roadmap. Based on this plan and selection process, Junkichi Yoshida was nominated and appointed as the new president.

Succession planning is a process whereby the president drafts a list of candidates and plans for their development based on the results of an HR executive management review and talent requirements. This is followed by deliberation by the Director Nomination Committee and final discussion and resolution by the board of directors. With the recent change in president, we are revisiting succession planning to prepare for unforeseen circumstances and future changes. This includes considering multiple possible timing scenarios for leadership transition and developing plans that take into account the composition of the entire management team, including executives who will work alongside the president.

■ President & Representative Director Successor Selection Process



Experience in the areas below is considered desirable before taking on an executive management role. We try to ensure that each candidate can gain sufficient experience in these areas through our development program.

- 1) Experience as a business leader during critical phases of corporate strategy
Ex. core businesses, businesses with significant challenges, new businesses
- 2) Experience across multiple businesses and functions, including areas outside one's specialty
Ex. roles broadly overseeing corporate functions, head of a subsidiary or overseas affiliate
- 3) Sufficient experience participating in corporate management at the same level as executive management, through discussions in top level management meeting
- 4) Experience leading company-wide projects, such as projects to formulate the next medium- and long-term plans
- 5) Experience in external exchange programs with other industries, gaining exposure to diverse values, acquiring new perspectives, thinking about business from a broad viewpoint, objectively assessing the company's strengths and weaknesses, and building cross-industry networks

Officer Compensation

The Director Compensation Committee's purpose is to plan and review the compensation system and internal regulations for the Company's officers (directors, executive officers, and special audit & supervisory officers), and to deliberate fairly on the amount of compensation to individual officers through a process that ensures transparency and objectivity. The Committee is mandated by the board of directors to determine the amount of compensation to individual directors who are not Audit & Supervisory Committee members. The maximum amount of compensation for directors is determined by resolution of shareholders.

Officer Compensation Policy

Compensation for executive officers

1. 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.
2. Compensation shall be sufficient to attract and retain qualified persons both from within the Company and from outside.
3. Compensation shall be commensurate with period performance so that directors and executive officers can demonstrate their management capabilities to the fullest during their tenure.
4. 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.
5. A mechanism to suppress fraud shall be embedded.
6. The process for determining compensation shall be highly transparent, objective, and fair.

Compensation for non-executive officers

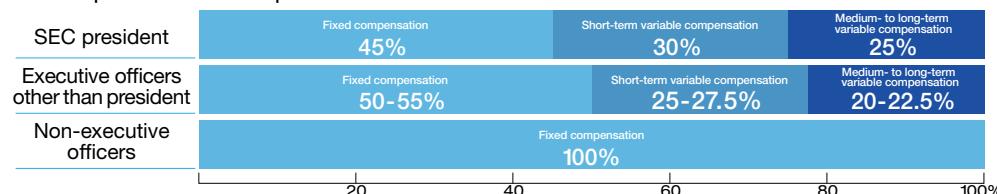
1. The composition of compensation shall guarantee independence so that these Officers can suitably exert their general management supervisory function, etc.
2. Compensation shall be sufficient to attract and retain qualified persons both from within the Company and from outside.

Compensation Structure

Officer compensation at the Company consists of base compensation, bonuses, and restricted stock compensation. Directors who do not have executive duties receive only base compensation (which is fixed) because their role is to generally supervise management from a perspective that is independent from executive functions. Total and base compensation are set at levels at or above the median of peer companies in Japan to enable the Company to secure and retain top talent.

The compensation mix varies depending on the individual's position and the size of his or her role and assigned duties (this is called the "role grade"). For officers who have executive duties, the higher the role grade, the greater the proportion of variable compensation, thereby strengthening the link to performance and share value. The composition of president and representative director's compensation is benchmarked against major Japanese corporation in the TOPIX 100 and Nikkei 225 and is determined with reference to survey data provided by multiple external services.

Composition of Compensation



Officer Compensation System

Strengthening Governance

How Compensation Is Calculated

Fixed compensation	Base compensation is a monetary amount paid on a monthly basis. It is determined by the individual's position and role grade. Base compensation may be raised or lowered by the board of directors if warranted by Company performance or for other reasons.		
Short-term variable compensation	<p>Bonuses are monetary compensation paid once a year. They serve as a short-term incentive. The amount is determined based on the company's annual performance indicator and the degree of achievement with respect to individual objectives.</p> <p>Seiko Epson uses return on equity (ROE) as the annual performance indicator. It is incorporated into the compensation system to promote improved profitability by</p> <ul style="list-style-type: none"> • improving profit margins; • utilizing assets efficiently; and • achieving an optimal capital structure. 		
Medium- and long-term variable compensation	<p>Restricted stock compensation is non-monetary compensation paid once a year. It is designed to provide greater incentive to increase the share price, sustain growth, and increase long-term corporate value. Seiko Epson uses ROIC as an indicator for long-term corporate value creation. We aim to generate returns that exceed the cost of capital by optimizing our business portfolio. The degree of achievement with respect to sustainability objectives is also incorporated into evaluations. Officers are evaluated on the basis of annual objectives for the following:</p> <ul style="list-style-type: none"> • Measures to become carbon-negative by 2050, including energy-saving measures for facilities, greenhouse gas removals, supplier engagement, and decarbonized logistics • Realizing responsible supply chains • Leveraging diverse talent • Strengthening the foundation of compliance management <p>(See P24, Key Sustainability Topics and KPIs.)</p> <p>A number of shares equivalent to the following amount is allocated.</p>		
	Standard bonus (Total compensation for the year x bonus ratio)	Degree of achievement with respect to the corporate ROE target ^{3,6} (0% - 200%)	Degree of achievement of personal objectives (60% - 140%)
	<p>³ FY2024 corporate ROE used in the calculation: 6.5%</p> <p>⁴ FY2023 corporate ROIC used in the calculation: 4.4%</p> <p>⁵ Degree of achievement with respect to FY2023 sustainability objectives used in the calculation: 80%</p>		

⁶ Coefficients may be amended after deliberation by the Director Compensation Committee in the event of any variability factors that need to be considered. If so, the board of directors shall pass a resolution on the matter.

Total Amount of Compensation (FY2024)

(Millions of yen)

Director category	No. of individuals paid	Base compensation	Bonus	Restricted stock compensation	Total
Directors who are not Audit & Supervisory Committee members (amount accounted for by outside directors)	10 (4)	162 (44)	39 (-)	40 (-)	242 (44)
Directors who are Audit & Supervisory Committee members (amount accounted for by outside directors)	5 (4)	81 (48)			81 (48)
Total	15	244	39	40	324

Compliance

Epson engages in a variety of compliance activities to ensure that we observe all applicable laws, regulations, company rules, and business ethics and meet the expectations of society. The Epson Way (comprising the Management Philosophy, Principles of Corporate Behavior, and the Epson Global Code of Conduct) represents the shared values and expectations of conduct within the Epson Group, forming the foundation for our compliance efforts. We strive to build, maintain, and strengthen trust with all stakeholders by ensuring management transparency and fairness and practicing swift and effective compliance management based on the Epson Way.

Compliance Organization

An advisory body to the board of directors, the Compliance Committee is made up of six outside directors and a director who is a full-time member of the Audit & Supervisory Committee. Chaired by the latter, it oversees compliance activities and makes reports and suggestions to the board of directors. The Chief Compliance Officer (CCO) supervises and monitors the execution of all compliance operations and periodically reports the state of compliance affairs to the Compliance Committee. Under the supervision of the president, the compliance control department globally promotes and enforces compliance in cooperation with businesses and subsidiaries.

To advance effective compliance initiatives globally, Epson has appointed a Regional Chief Compliance Officers (R-CCOs) in each of five regions, grouped by geography, language, legal, regulatory, and cultural similarities. At global compliance meetings, the CCO impresses upon the R-CCOs the importance of compliance and promotes collaboration across the Group by sharing compliance incidents and discussing effective preventive measures.

Compliance Activities

To engrain compliance awareness and ensure effectiveness, we have translated the Principles of Corporate Behavior and Epson Global Code of Conduct into 17 languages. We provide compliance training to all personnel, including online courses and rank-specific training given by internal and external instructors. October is Compliance Month at Epson. One of the things we do across the global Epson Group during the month is remind all personnel of the Epson Way, the foundation on which our business activities rest, and urge them to maintain high ethical standards. We raise compliance awareness by having the COO and the heads of our business units and subsidiaries issue compliance messages, familiarizing employees with the Epson Global Code of Conduct, requiring compliance training, and conducting a compliance awareness survey. Survey answers are analyzed for each department and subsidiary to give us ideas for further improvement.

Whistleblowing Systems

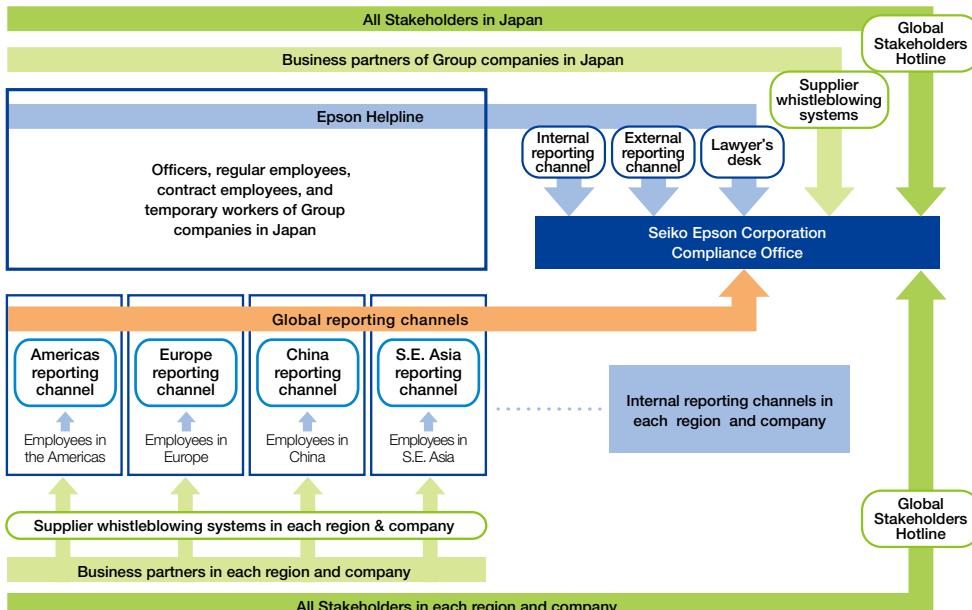
Epson guarantees strict control of information in whistleblower reports and whistleblowers anonymity and protection from reprisals in Principles of Corporate Behavior and the Epson Group Whistleblowing Systems Regulation. We continuously revise the system to adapt to situational

changes. For example, we established systems in compliance with the amended Whistleblower Protection Act designating persons to respond to whistleblowing reports.

Whistleblowing systems have been introduced at all Group companies and are open to officers, employees, dispatch workers, external business partners, and others. In Japan, the Epson Helpline has three reporting channels: an internal channel for reporting to a party within Epson, an external channel for reporting to a third-party company, and a channel that can be used to contact an external attorney. We also have a system to take reports from suppliers. The number of reports received in Japan has been rising every year. In FY2024, 144 reports were received. All were investigated and dealt with appropriately. Group companies abroad provide local reporting channels for employees and suppliers. The Epson Executive Compliance Hotline is a global reporting system that directly takes reports on compliance issues involving executives at subsidiaries outside Japan. This helps us to improve the reliability and effectiveness of the Group's reporting system. In 2025, we established a Global Stakeholders Hotline (GSH) at Seiko Epson⁷. By accepting reports from a broader range of people, we aim to detect compliance issues and other risks early.

⁷ We have established a separate channel to handle stakeholder inquiries and reports regarding human rights issues. For details, see P46, "Grievance Mechanism."

Epson Group Whistleblowing System

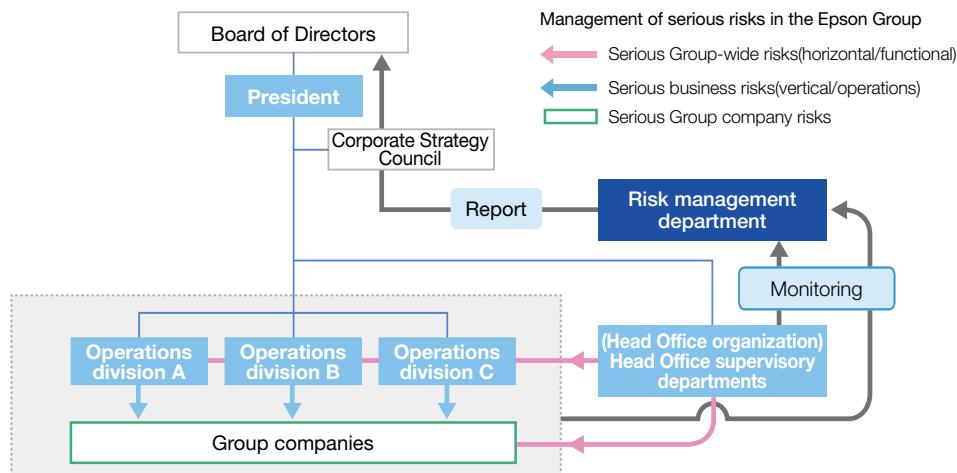


Risk Management

Risk Management Organization

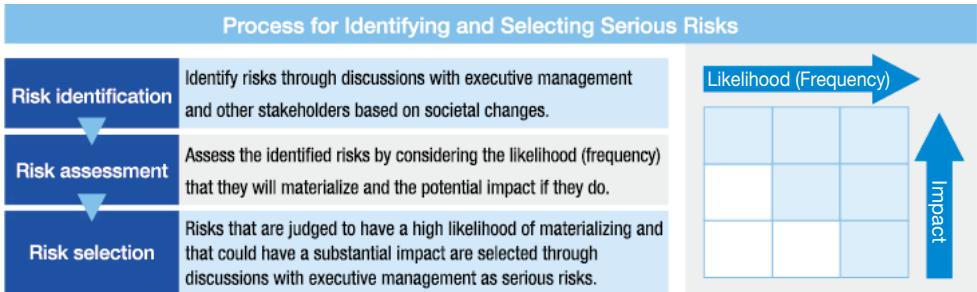
Based on the Basic Internal Control System Policy, overall responsibility for risk management in the Epson Group, including subsidiaries, belongs to the president of Seiko Epson. Group-wide risk management is carried out by Head Office supervisory departments with the cooperation of the operations divisions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

Risk Management Structure Chart



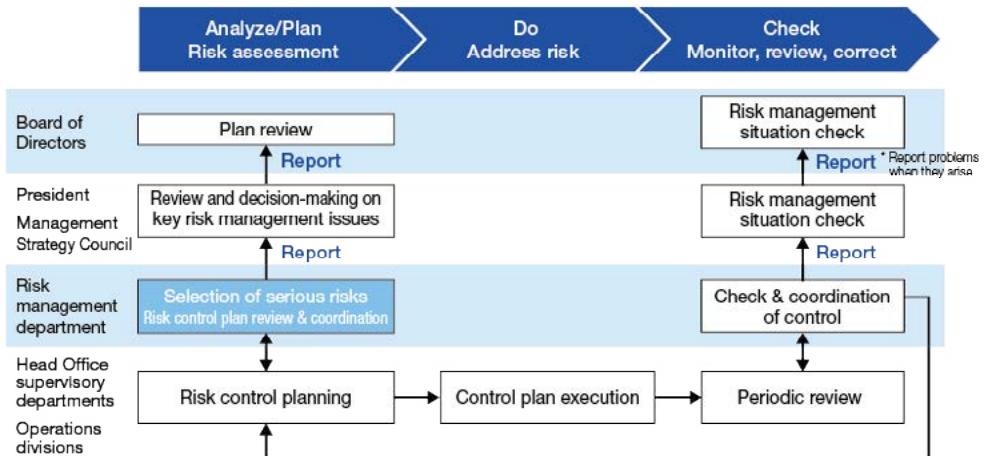
Epson identifies a wide range of ethical risks as important business challenges based on the Code of Conduct of the Responsible Business Alliance (RBA), such as information transparency, IP protection, fair competition, whistleblower protection, responsible mineral procurement, and privacy protection, 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 "COSO⁸" 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."

⁸ 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



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 of control activities by evaluating activities related to "serious Group-wide risks" every quarter and evaluating "serious business risks" and "serious subsidiary risks" every six months, as well as by striving to monitor the risk environment at all times and, if any change that may become serious is found, by analyzing and assessing the relevant risk and revising the control plans so that the risk is handled as a serious risk as necessary. The president of Seiko Epson reports important risk management affairs to the Board of Directors quarterly. Furthermore, the company fulfills its accountability to a wide range of stakeholders in and outside the Group, such as shareholders, customers, employees, business partners, communities, and the environment, while continuously working to improve the transparency and effectiveness of risk management.

Management Cycle for Controlling Serious Risks



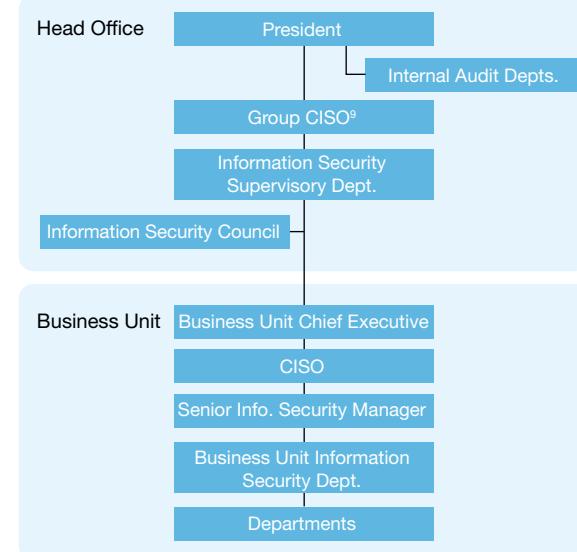
Information Security

Epson recognizes all information used in its business activities as a vital management resource and regards information security to be a management priority. We are working to ensure that every member of the Group understands the importance of information security and to create information security governance and a corporate culture that reflect this mindset in daily operations.

Information Security Framework

Epson has a system in which each business unit is responsible for establishing and maintaining its information security framework based on standard Group-wide regulations under the governance of Chief Information Security Officer (Group CISO). Under this system, the systems and controls of each business unit are internally assessed to check whether information security risks are being managed effectively.

Information Security Organization



* Chief Information Security Officer

Cyber Security

To deal with increasingly sophisticated cyber security threats and attacks, we have established a medium-term plan that defines our cybersecurity strategy on a global level and are strengthening our countermeasures. For reference, we have used the Cyber Security Management Guidelines of the Ministry of Economy of Japan, Trade and Industry and the Cybersecurity Framework developed by the U.S. National Institute of Standards and Technology.

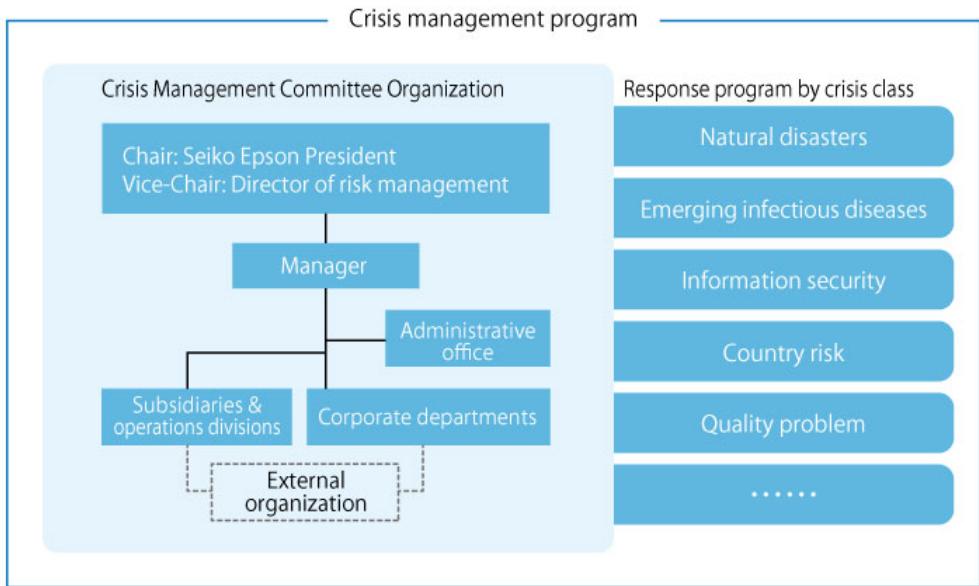
As part of this effort, we have established a 24/7 security monitoring system, enabling a rapid response to alerts related to malware, including ransomware. We also use case studies of past incidents as training material and revise our response procedures accordingly.

We continue to improve and reinforce our cyber security. To detect cyberattacks as early as possible and to minimize potential damage, we have introduced managed detection and response (MDR), a service that monitors IT equipment and networks and detects and responds to suspicious behavior.

Crisis Management

At Epson, we maintain a standing crisis management program to enable us to quickly address incidents that could have a significant impact on Group management. This program provides for a Crisis Management Committee chaired by the president and vice-chaired by the general manager in charge of risk management, and initial response procedures are in place to handle crises.

Strengthening Governance



In the event of a crisis, the general manager of the relevant Head Office department in charge of the type of crisis will act as the person responsible for crisis management and will set up a system that enables a rapid response based on a quick decision made by the chairperson of the Crisis Management Committee through direct confirmation. The crisis management program includes response programs for each type of crisis, which specify initial procedures to be taken in response to anticipated crises. The relevant organizations promptly work together to grasp and analyze the situation and draft and implement measures to prevent further damage. If necessary, we also seek the cooperation of external organizations such as lawyers, consulting firms, and government authorities to ensure a thorough response.

The crisis management system will be lifted when the situation stabilizes. However, the situation will continue to be monitored within the risk management cycle, and measures will be taken to ensure recovery, prevent recurrence, and share information within the Group. These will be regularly reported to executive management, including outside directors, through meetings of the Board of Directors and other bodies. The crisis management program will be reviewed, and measures in risk control activities will be reflected to improve the ability to respond to new crises.

List of Main Risks

Note: The content of the list was excerpted from "Risks related to Epson's business operations" in Epson's Annual Report. Please see the Annual Report for additional details.



Epson's Annual Report 2025
<https://corporate.epson/en/investors/publications/annual-report.html>

Strengthening Governance

Main risks	General description of risk	Main countermeasures
Parts procurement risks from certain suppliers	<ul style="list-style-type: none"> A supplier parts shortage or quality problem with supplier parts could interfere with Epson's manufacturing and selling activities. 	<ul style="list-style-type: none"> Procure parts and materials from multiple suppliers whenever possible. Work with suppliers to maintain or improve quality and reduce costs to ensure stable and efficient procurement.
Intellectual property rights risks	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Independently develop technologies we need; acquire patent, trademark, and other IP rights for them; and license the rights for products and technologies. Strengthen our intellectual property portfolio by placing personnel in key positions to manage our IP.
Environmental risks	<ul style="list-style-type: none"> An environmental problem could arise that would require us to pay damages and/or fines, bear costs for cleanup, or halt production. New regulations could be enacted that would require major expenditures. 	<ul style="list-style-type: none"> Develop and manufacture products with reduced environmental impact, develop environmental technologies, reduce energy consumption, recover, recycle, and reuse products, comply with international chemical substance regulations, and improve environmental management systems in line with Environmental Vision 2050, under which Epson aims to become carbon negative and underground resource¹⁰ free by 2050. Grow revenue by selling commercial and industrial inkjet printing solutions and printheads that reduce environmental impact, increase productivity, and reduce printing costs, and by providing production systems with a reduced environmental impact. Develop environmental business by establishing material recycling technology and Dry Fiber Technology applications to combat global warming and transition to a circular economy.
Hiring and personnel retention risks	<ul style="list-style-type: none"> Competition could intensify for the best talent to develop advanced new technologies and manufacture advanced new products. 	<ul style="list-style-type: none"> Secure and retain top-notch talent by introducing role-based compensation, developing internal talent, promoting diversity, implementing flexible work arrangements, managing health, and promoting global talent to create an amenable work environment and climate in which diverse human resources can make the most of their abilities.
Legal, regulatory, licensing and similar risks	<ul style="list-style-type: none"> Epson conducts business internationally. In the event of an international legal or regulatory violation, or in the event of an investigation or proceedings against Epson by responsible authorities, the introduction of stricter laws or regulations or their more rigorous enforcement by the authorities, Epson could incur damage to its credibility, large civil fines, constraints on its business activities, higher expenses to comply with laws and regulations, or other negative consequences. 	<ul style="list-style-type: none"> Ensure compliance by building a robust compliance framework in each country and business and through internal awareness campaigns. Treat compliance as a high management priority, and develop measures to prevent and control potential issues as appropriate.
Natural disasters, infectious diseases, etc.	<ul style="list-style-type: none"> There could be war, acts of terrorism, and supply chain disruptions caused by unpredictable events such as natural disasters, pandemics involving new infectious diseases like COVID-19, disasters emerging infectious diseases, or disasters affecting suppliers. There is potential for epidemic caused by a new strain of pathogen that is highly infectious and brings the risk of severe disease, or an emerging infectious disease epidemic to replace COVID-19. 	<ul style="list-style-type: none"> Conduct disaster drills, prepare earthquake disaster action plans, and establish business continuity plans to mitigate the effects of disasters to the extent possible. Insure against losses arising from earthquakes. (However, the scope of indemnification is limited.) Establish a business continuity plan (BCP) for emerging infectious diseases. Establish action plans for normal times, the early stages of an epidemic, and during the epidemic itself, and minimize risk.

Board of Directors (As of June 26, 2025)

* See the Notice of the 83rd Ordinary General Meeting of Shareholders for details of the reasons for the election of each director.



Yasunori Ogawa

Chairman of the Board

Reasons for Selection

As the former president and representative director, Mr. Ogawa has considerable business experience and a proven track record in leading the development of the Group. He will continue to provide excellent leadership for the company's sustainable growth and long-term corporate value.



Junkichi Yoshida

President and Representative Director

Reasons for Selection

Mr. Yoshida, drawing on his experience in overseas sales and marketing, business development, and strategic execution in the printing solutions business, has led the planning and execution of long-term business strategy. He can demonstrate leadership in increasing corporate value.



Yasunori Yoshino

Director, Executive Officer

Reasons for Selection

Mr. Yoshino has extensive experience in the visual products value chain, a customer-centric mindset, and sharp business acumen. As head of the Corporate Strategy Division, he is also involved in formulating the next long-term strategic plans for the company and will contribute to corporate value.



Notice of the 83rd Ordinary General Meeting of Shareholders (2025)
<https://corporate.epson/en/investors/information/meeting.html>



Akihiro Fukaishi

Director, Executive Officer

Reasons for Selection

Mr. Fukaishi has extensive experience in driving sales strategies and managing business operations. He has played a pivotal role in strengthening the Group's management foundation, leading initiatives that span both corporate and business domains. He is expected to be able to contribute to corporate value going forward.



Masayuki Kawana

Director, Full-Time Audit & Supervisory Committee Member

Reason for appointment

Mr. Kawana has considerable experience and a proven track record, particularly in human resources, and as a director. He makes decisions on important management matters and monitors the execution of operations appropriately. He will continue his contributions to monitoring management and ensuring sound management in order to improve corporate value.



Tadashi Shimamoto

Outside Director

Independent Director



Masaki Yamauchi

Outside Director

Independent Director



Kahori Miyake

Outside Director

Independent Director



Susumu Murakoshi

Outside Director, Audit & Supervisory Committee Member

Reason for appointment

Mr. Murakoshi has a high level of expertise as an attorney and considerable experience in the legal community, including as president of the Japan Federation of Bar Associations. He will continuously contribute to monitoring management appropriately and ensuring sound management.



Michiko Ohtsuka

Outside Director, Audit & Supervisory Committee Member

Reason for appointment

Ms. Ohtsuka has a high level of expertise as a certified public accountant and considerable insight and experience as an outside officer of a listed company. She will continuously contribute to monitoring management appropriately and ensuring sound management.



Akira Marumoto

Outside Director, Audit & Supervisory Committee Member

Reason for appointment

At Mazda Motor Corporation, Mr. Marumoto was in charge of a wide range of administrative areas, including corporate planning and production and sales operations in the U.S. Since becoming president, he has dealt with various management issues and strengthened earning power, and his experience and knowledge will contribute to monitoring management appropriately and ensuring sound management.

Areas of Particular Expertise (Skill Matrix)

Strengthening Governance

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 diverse persons who combine a broad spectrum of knowledge, experience, and skill in their respective areas of expertise. Since the Annual General Meeting of Shareholders in June 2023, outside directors have comprised the majority of the board of directors. We will continue to review the composition of the board, taking into account the Company's medium- to long-term direction.

Title	Name	Tenure as a director at the end of the 6/26/2025 general shareholders' meeting	Voluntary Committee		Independent Director	Areas of expertise and skills particularly expected by the company							
			Director Nomination Committee (○Chair)	Director Compensation Committee (○Chair)		Corporate Management	Development, Design, Business Development	Sales & Marketing	IT, Digital	Finance, Accounting, Investment	Compliance, Governance	HR Development, HR Management	Environment, Sustainability
Chairman of the Board	Yasunori Ogawa	7 years					●				●		●
President and Representative Director	Junkichi Yoshida	1 year	○	○		●		●	●				
Director, Executive Officer	Yasunori Yoshino	1 year					●		●	●			
Director, Executive Officer	Akihiro Fukaishi	—						●				●	●
Outside Director	Tadashi Shimamoto	2 years	○	○	○	●	●		●				
Outside Director	Masaki Yamauchi	2 years	○	○	○	●		●				●	
Outside Director	Kahori Miyake	1 year	○	○	○			●				●	●
Director, Full-Time Audit & Supervisory Committee Member	Masayuki Kawana	11 years								●	●	●	
Outside Director, Audit & Supervisory Committee Member	Susumu Murakoshi	5 years	○	○	○					●	●		●
Outside Director, Audit & Supervisory Committee Member	Michiko Ohtsuka	5 years	○	○	○					●	●	●	
Outside Director, Audit & Supervisory Committee Member	Akira Marumoto	1 year	○	○	○	●	●						●

* Up to three areas of particular expertise are indicated.

Achieving Our Purpose

“Our philosophy of efficient, compact and precise innovation enriches lives and helps create a better world.” This statement of purpose distills our reason for being and serves as a compass for the entire Group, even in times of rapid change.

The pursuit of ever greater efficiency, compactness, and precision that we have embraced for so long goes well beyond technology. “Efficient, compact and precise” are more than just technologies. They reflect a unique approach to eliminating waste, making things smaller and achieving greater precision. This philosophy is the foundation of innovation at Epson. It is what enables us to reduce environmental impact, enrich the global environment and create greater social value. Guided by the purpose, we continuously demonstrate a spirit of creativity and challenge and seek to address global environmental problems and other pressing societal issues to deliver new value that only Epson can provide. Achieving this vision requires shared belief and collaboration—not only from our employees but also from customers, partners and communities worldwide. Together, we will forge a future in which we enrich lives and help create a better world, one in which we remain a trusted and valued company for generations to come.

Internal Purpose Activities

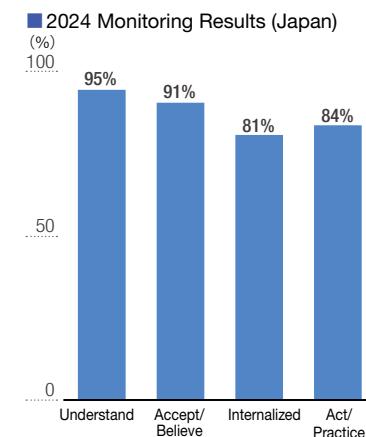
Since defining the corporate purpose in 2022, Epson has implemented activities to help every employee understand its meaning and practice it in their own work. These activities go beyond simply sharing the purpose. They are designed to translate it into concrete action and value creation.

We conduct engagement surveys and questionnaires to assess employee mindfulness and response to the activities so that we can continuously improve the quality of our activities. The 2023 survey results indicate that accepting and believing in the purpose lead to purpose-driven actions. Accordingly, in 2024, we focused on activities that build belief in the purpose.

We will continue initiatives to embed the purpose and encourage all personnel to live it.

2024 Monitoring Results (Japan)

The percentage of employees in Japan who accept and believe in the purpose has reached 91%. The purpose is thus becoming embedded as a meaningful compass for most employees. Moreover, over 81% of employees have internalized it as their own and are translating it into concrete actions, and a growing number are making workplace decisions and taking action based on the purpose. These changes suggest that the company as a whole is evolving into an organization that thinks and acts in accordance with shared values.



At the same time, some employees have expressed uncertainty about what specific actions they should take. Going forward, we believe it is important for each individual to consider how their actions relate to the purpose and to improve the quality of those actions.

Transitioning to the Action Phase

Epson is now transitioning from the phase where belief in the purpose is understood and deeply absorbed to the action phase where our activities embody our purpose. Epson personnel have begun to consciously incorporate the purpose into their work and decision-making, and we are gradually seeing more people put the purpose into practice across different regions and businesses. To create unique Epson value, we will continue to put purpose at the heart of everything we do and to deepen our commitment to realizing social sustainability.

Initiatives to Put the Purpose into Practice

Epson Innovation Challenge (Epson Korea)

To enrich lives and create a better world, Epson collaborates with startups and partners across industry, government, and academia to address societal issues through innovation. As part of this effort, we began in 2019 to host events at which partners pitch original business solutions that utilize our open Web API, Epson Connect API. These competitive events, held previously in North America and Asia, bring together partners with ideas for developing services and apps that enhance the customer experience.

In 2024, Epson Korea hosted the seventh such event, the “Epson Innovation Challenge in Korea.” The event attracted 30 teams and 95 participants who received training in API usage, business development and programming. They worked on creating new business models and added value in fields such as education, e-commerce and K-culture. Award-winning projects included a children’s app combining voice recognition and generative AI to create coloring book pages, and a remote book-scanning solution. Some of ideas have already been commercialized, with further collaborations underway.

This program aims to enrich learning and everyday life through digital technology and creative ideas. By co-creating value with diverse partners, the program is putting Epson’s Purpose into action. We will continue to go beyond providing technology and products, driving meaningful change for people and society as we advance toward our purpose.

