CEO Message

ENGINEERED FUTURE 2035

— Refining our technologies, engineering the future and delivering real-world value —

Junkichi Yoshida

President and Representative Director,
Chief Executive Officer,
Seiko Epson Corporation

To our shareholders and investors, and to all stakeholders who support Epson every day, I would like to express my sincere gratitude.

The optimal solution implementation capabilities demanded of companies, in an era of volatility as the norm

The changes we have seen in the world over the past ten years, the past five in particular, have far exceeded our expectations and have left the world at a major inflection point. Long-held assumptions about society and business are being challenged in a major way, including those related to the environment, energy resources, human capital and geopolitical stability. In addition, fluctuations in energy and resource prices, tighter environmental regulations, accelerating technological innovation, including AI, and a global shortage of talent are driving the uncertainty surrounding companies to levels never seen before.

At the same time, these changes also present opportunities for new value creation. The world is increasingly voicing demands for sustainable growth and reduced environmental impact; the need for energy and resource conservation is expanding worldwide. As labor shortages become more severe, expectations are also rising for automation, labor-saving initiatives, and productivity enhancement. On top of these, advances in AI and digital technologies are poised to change the very nature of society and industry. I believe these changes signal the arrival of an era in which Epson's efficient, compact, and precise technologies will be needed more than ever before.

Since our founding, we have effectively utilized limited resources, addressed the issues faced by our customers and society, and pioneered new possibilities. Underlying this is our belief that technology has meaning only when it is used for society. That is why I believe that, in an era in which change has become the norm, what will be important is the ability to design optimal solutions within real-world constraints and to ensure that they function reliably in the field.

It is because we live in an era of great change and high uncertainty that the ability to transform technology into value and to deliver that value to society will determine companies' competitiveness. We will continue to advance our efficient, compact, and precise technologies, ensure that they are implemented in ways that generate genuine value for our customers and society. Over time, doing so will enhance our corporate value and fuel sustainable growth.

The source of Epson's strengths: Our efficient, compact and precise technologies and philosophy

Since its founding in 1942, Epson has developed a vast portfolio of proprietary technologies. These technologies range from precision micromachining, MEMS, materials and processing to optical, sensing and control. We have fostered the ability to integrate these technologies into value that we deliver to the world. Underpinning the creation of value are our efficient, compact and precise technologies and philosophy. With them, we are reducing the use of energy and resources (efficient), pursuing miniaturization and space saving in products and processes (compact), and simultaneously achieving high precision and high quality (precise). We have continued to deliver products and services that balance reduced environmental impact with high added value. Our efficient, compact, and precise technologies and philosophy are a constant strength for Epson and will serve as the foundation for growth as we move toward 2035.

ENGINEERED FUTURE 2035: Evolving beyond our reputation as a printer company

In March 2026, we presented our new long-term vision, ENGINEERED FUTURE 2035, accompanied by the aspiration, “Refining our technologies, engineering the future, and delivering real-world value.” Grounded in our efficient, compact, and precise technologies and philosophy, this vision outlines how we will leverage technology innovation and engineering to achieve a sustainable global environment and society while enhancing our corporate value.
Our reputation as a printer company reflects our strong market presence and widespread recognition as a manufacturer of finished products. However, we are looking to evolve beyond this and become known for technology innovation and engineering.

We have no intention of abandoning this strength. Rather, we will build on the technologies, customer base, and implementation capabilities that we have cultivated through our printer and projector businesses to address a broader range of societal challenges.
The finished products business will remain an important earnings base. We will leverage that strength to broaden the scope of value we deliver across our finished products, devices, and materials.

Our materialities and value creation: Advancing solutions for societal issues while enhancing corporate value

In ENGINEERED FUTURE 2035, we identified the four areas below as those in which Epson will deliver value. The markets for products and services related to these areas are growing rapidly, which we see as a significant business opportunity.

(1) Supporting energy and resource efficiency

(2) Supporting advances with precision technology

(3) Addressing labor shortages with productivity and reliability

(4) Supporting learning, working and lifestyles

What we consider important is viewing these four areas not as individual business opportunities but as value creation domains where we can maximize Epson's strengths. Our contributions to these four domains are not based on separate resources. What supports everything is our efficient, compact and precise technology platform. We will not sell our technologies in isolation, but will deploy them in integrated, multidimensional ways and implement them in the real world. This is the growth model we are seeking to recreate now.
These four value creation areas are also materialities (priority issues) for us. By clarifying the relationship between value creation and the foundation that supports it, we will plan and steadily execute initiatives that will lead to future value creation under optimal capital allocation.

■ Materiality

Value creation	Supporting energy and resource efficiency 	Supporting advances with precision technology 	Addressing labor shortages with productivity and reliability 	Supporting learning, working and lifestyles 
Business functions supporting value creation	Human capital transformation to support innovation		Generating intellectual capital for innovation	
	Responsible management and implementation that enable long-term value creation			

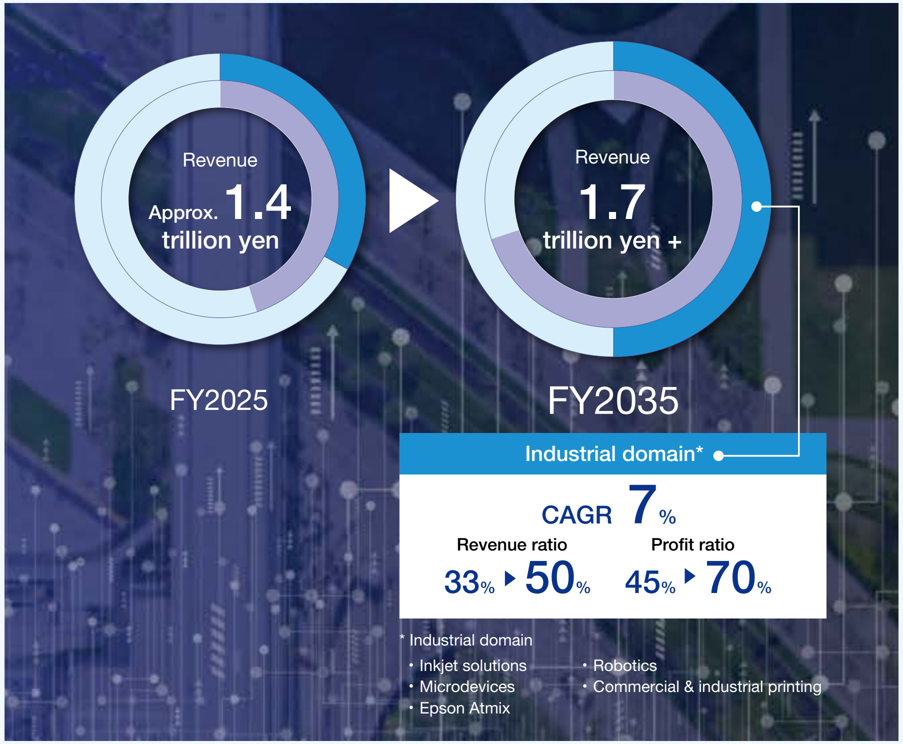
We will also continue to strengthen the environmental initiatives that we have long emphasized. However, we do not view environmental value as a separate set of activities. Our environmental initiatives are a part of Epson's competitiveness. By leveraging technologies that save energy and resources and by expanding sales of products and services with low environmental impact, we will simultaneously advance solutions to customer challenges and capture and expand business opportunities, thereby maximizing our environmental contribution across the market.
Such environmental competitiveness is not built on product performance and technology alone. Initiatives across the supply chain are also critical as a foundation for environmental competitiveness.
Efforts in the supply chain to use renewable energy and promote resource circulation are important not only for reducing environmental impact, but also for improving cost structure and strengthening business resilience over the medium to long term.
Through ingenuity in design and implementation, we will continue to take on the challenge of achieving both reduced environmental impact and business growth, not treating these as a trade-off.

LINK For details, see P37, "Value Creation Process."

Business structure transformation for 2035: Growth in industrial domains

Leveraging the technologies and customer touchpoints cultivated in our finished products business, we will evolve our business structure toward industrial domains in which we can generate higher added value. Specifically, by driving growth in industrial fields by capitalizing on our inkjet solutions, microdevices, advanced materials, robotics, and other precision technologies, we will increase the share of industrial businesses from the current 33% to 50% of total revenue. Given the high value-added nature of these businesses, we also plan to significantly increase their contribution to profit from 45% to 70%.
By simultaneously transforming our existing business models and proactively investing in growth areas, we will expand our revenue while fundamentally reshaping our profit structure. This is Epson's basic scenario for the years leading to 2035.

■ Revenue & profit ratios (Outside ring: Revenue composition, Inside ring: Profit composition, Based on assumption of same foreign exchange rates (JPY): USD 150/EUR 170)



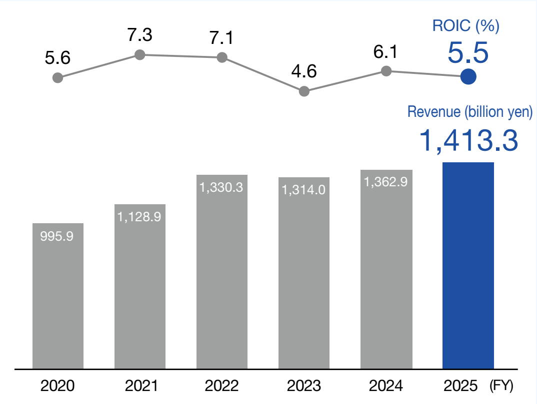
Where Epson stands today: Review of our FY2025 financial results and Epson 25 Renewed

In formulating ENGINEERED FUTURE 2035, we first carefully reviewed what we accomplished and where there were issues under the previous long-term vision, Epson 25 Renewed. We had a certain level of success in initiatives to advance inkjet technology, expand high-capacity ink tank printers in emerging markets, restructure profit-challenged businesses, shore up the foundations for future growth, and promote renewable energy.

As one indication of the progress we made, in FY2025 we achieved revenue of ¥1,413.3 billion, exceeding expectations despite the impact of changes in the external environment. This performance was supported by stronger-than-anticipated sales of office and home inkjet printers and printheads. Meanwhile, business profit and profit for the year were affected by U.S. tariffs and the recognition of an impairment loss related to Fiery in the fourth quarter. As a result, business profit totaled ¥83.8 billion and profit for the year amounted to ¥18.2 billion.

However, even excluding special factors such as the Fiery impairment loss in FY2025, we did not achieve any of our key financial targets: ROIC of 7% or higher, ROE of 8% or higher, and ROS of 7% or higher. I do not view this result as simply a market environment issue. I recognize the issue as a failure to fully translate Epson's technology assets, fundamental business strengths, and past investments into sufficient value creation.

■ Achieving sustainable growth and improving capital efficiency remain critical management challenges



	FY2025 targets*	FY2025 result
ROIC	7.0 % +	5.5%
ROE	8.0 % +	2.2 %
ROS	7.0 % +	5.9 %

* Announced April 2024

Mid-Term Business Plan Phase 1 (2026–2028): Addressing remaining issues to complete a transformation

To address the challenges that remained under our previous long-term vision—notably the need to further improve capital efficiency and accelerate the development of growth businesses—we have structured Engineered Future 2035 into three phases spanning the 10 years through 2035. The first of these, Phase 1 (2026–2028), will serve as the starting point for transformation.

The goal in Phase 1 is not a simple improvement of performance. We will closely examine the fundamentals of our businesses, including our fixed-cost structure, inventory levels, business portfolio, and capital allocation. Our top priority will be to build a business structure capable of generating sustainable earnings while also supporting future growth. From there, we will allocate generated cash to growth investments, laying the groundwork for the next stage of growth.

We will shift toward growth that is accompanied by higher capital efficiency and improved quality of earnings. We will fully deliver that transformation over the course of three years. I view Phase 1 as a critically important period that will determine Epson's growth trajectory toward 2035, and we will move forward with these reforms decisively and without delay.

■ Long-Term Corporate Vision & Mid-Term Business Plan

Transformation to disciplined ROIC-based management with a focus on capital efficiency

As an outcome of the transformation advanced in Phase 1, we aim to achieve a ROIC of 8% by FY2028. Looking ahead, we will position ROIC, which we have used as a reference indicator, as a core management discipline for prioritizing businesses and making growth investment decisions. By focusing on capital efficiency, we will enhance the quality of management. To do so, we will rebuild our earnings base by improving asset efficiency, including fixed costs and inventory levels, and transform into a business capable of generating the resources needed to fund its own growth investments.

LINK For details, see P16-18, "Financial Strategy."

To strengthen our earnings base, we need to enhance our ability to reliably create customer value and to connect that to continuous earnings. Epson generates 84% of its revenue overseas. To date, growth in emerging markets, particularly in high-capacity ink tank printers, has supported our growth. With further demand growth expected in emerging markets and other high-potential regions, we will leverage our established sales and marketing capabilities to strengthen customer-centric solution offerings tailored to local needs. Guided by the belief that every sale is the beginning of a relationship, not the end, we will accelerate our transition to a business model that generates earnings by continuously creating value.
For a manufacturer like us, the supply chain is what makes or breaks competitiveness. By building on a resilient supply chain and advancing operational excellence through the use of digital technologies, we will enhance our ability to respond flexibly to changing external conditions while further improving quality and cost competitiveness.

LINK For details, see P19-22, "Transformation of Our Earnings Base."

■ Transformation to disciplined ROIC-based management

FY2028 target
ROIC
8%

Transform the earnings base
- Efficiency
  - Disciplined ROIC-based prioritization
  - Streamline fixed-costs
- Sales
  - Strengthen the competitiveness of existing businesses and shift the earnings model

Focus resource allocation on growth domains
- Resource allocation
  - Accelerate investment in strategic domains
  - Enhance the competitive advantage of core technologies

■ Mid-Term Targets

	FY2025 result	FY2028 target
Revenue	1,413.3 billion	1,500 billion
ROIC	5.5%	8.0%
ROE	2.2%	10.0%
ROS	5.9%	8.0%
Industrial domain* as % of profit	45%	60%
Assumed exchange rates (JPY)	USD:150.69 EUR:174.74	USD:150 EUR:170

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

Business strategy: The roles of our business segments and the path to growth

In formulating our new long-term vision and Mid-Term Business Plan, we redefined growth domains and reorganized our business segments. We have positioned Precision Innovation as the Group's growth engine, while Industrial & Robotics will be strengthened as a key domain for the next phase of robust growth. Office & Home Printing will serve as the cornerstone of a stable earnings base. Leveraging its extensive customer touchpoints and global installed base, the business will pursue continued growth through the evolution of its business model. In the Visual & Lifestyle segment, we will leverage strong customer trust and relationships to further increase its contribution to profitability.

Segment	Precision Innovation	Industrial & Robotics	Office & Home Printing	Visual & Lifestyle
Business	• Inkjet solutions • Microdevices • Epson Atmix	• Commercial & industrial printing • Robotics	• Office & home IJP	• Visual products • Wearable products • PCs
Role	Growth engine	Generate robust growth in Phase 2	Earnings base	Earnings base

The roles, targets, and measures for each segment are described below. We will move forward toward future growth while maintaining a stable earnings base.

Precision Innovation

Drive Epson's growth and profitability by advancing our technology and capturing growth opportunities

Precision Innovation is the engine for company-wide growth and profitability, bringing Epson's efficient, compact, and precise technologies and philosophy to markets that hold the highest growth potential. With the spread of AI and high-speed communications, we believe demand will further increase for devices and production methods that contribute to low power consumption and resource savings. Leveraging Epson's strengths in areas including precision machining, materials and process technologies, and MEMS design, we will accelerate technology development in the business inkjet solutions, microdevice, and high-performance metal materials businesses to solve societal issues and achieve sustainable business growth.

Industrial & Robotics

Lay the foundation of a business that will support growth from Phase 2 onward

Industrial & Robotics is a strategically important segment that will drive robust growth from Phase 2 (2029–2031) onward. As societal issues such as labor shortages and the need for higher productivity become increasingly acute, we will provide solutions that support operational transformation for our customers through our commercial and industrial printing and robotics businesses.
In Commercial & Industrial Printing, we will accelerate market growth by supporting the transition from analog to digital processes. In Robotics, we will leverage our sensing, AI, and control technologies to address growing demand for labor-saving and automation solutions, not only in manufacturing but across a wide range of industries. During Phase 1, we will focus on developing new markets and strengthening our earnings base, thereby laying the groundwork for robust growth in Phase 2.

Office & Home Printing

Serving as a stable earnings base that supports company-wide growth

Office & Home Printing is a foundational segment that supports Epson's stable earnings and cash generation. We have expanded the market, especially for high-capacity ink tank printers, by leveraging a globally expanding customer base, growth in emerging markets, and a competitive supply chain.
We will accelerate the shift toward inkjet technologies across a wide range of industries and business sectors. Moreover, we will evolve the business itself by strengthening our in-market product planning and design capabilities, as well as our ability to provide tailored solutions.
In emerging markets, while aiming to expand share beyond market growth, we will support investment in growth areas as a stable earnings base and drive Epson's overall growth.

Visual & Lifestyle

Leverage proprietary technologies and brand assets to enhance profitability

The Visual & Lifestyle segment leverages Epson's unique technologies and brand assets to enhance profitability and cash generation.
We will build on the No. 1 global market share* of our projector business and focus on applications where we can capitalize on our projection technology, including education, projection mapping, and immersive experiences. By evolving our earnings structure in response to changes in the market environment, we will work to achieve stable profit generation.
In the Wearable Products, we will build on the structural reforms completed under the previous long-term vision, continue our collaboration with OEM customers, and enhance the value of our own brand. By steadily translating the technological capabilities we have cultivated since our founding into earnings, we will contribute to strengthening company-wide earning power.

* FY2024 projector market share for models of 500 lumens or higher, excluding screenless TV products. (Source: Futuresource Consulting Ltd.)

LINK For details, see P25-32, “Business Strategy.”

Evolving human capital: Redesigning the human capital and global organizational for sustainable growth

People are the driving force behind transformation and sustainable growth. In Phase 1 of our long-term vision and Mid-Term Business Plan, we will review and improve our organizations and systems to fully leverage the human capital of the global Epson Group. I believe it is management's responsibility to create an environment in which all our 75,000 employees worldwide can demonstrate their capabilities, take initiative, and embrace new challenges.
To realize the goals of ENGINEERED FUTURE 2035, all employees must embrace a shared engineering mindset. Epson is a technology-driven company, and our engineers play a central role in value creation. However, engineering, as we define it, is not limited to a particular profession or job function. It is a mindset of starting with a vision of the future we aspire to achieve, working backward to design the optimal solution, executing it, and continuously refining it to create new value. For a multinational company like Epson, employees who bring different experiences, expertise, and perspectives are a vital source of innovation and new value creation. We view diversity not simply as workforce representation, but as the cornerstone of organizational strength. We will combine diverse perspectives across countries, regions, and job functions to achieve better decision-making and value creation.

Town Hall Meetings: Aligning the Group Around Common Goals

When I became president, I launched town hall meetings at different Epson sites to share our management policies and strategies with employees and align the entire Group around common goals. They provide a forum for employees and management to consider together how Epson can further build on its strengths and become a stronger team, and to translate those discussions into action. By personally visiting sites around the world, listening directly to employees' perspectives, and engaging in open dialogue, I seek to incorporate insights and identify challenges that can help drive business growth. As of the end of June 2026, we have held meetings at 49 locations (17 in Japan and 32 overseas), with 5,302 participants.

Toward that end, we will put in place supporting human resources and organizational infrastructure that can be shared across the globe. At the same time, we will strengthen leadership, promote initiatives that turn diversity into strength, and expand opportunities to put the values of Integrity and Effort and Creativity and Challenge into practice, thereby encouraging endeavors and fostering an organizational culture of autonomous action. I believe that the growth and willingness of each employee to take on new challenges will make us stronger as an organization and serve as a driving force behind the realization of ENGINEERED FUTURE 2035.

LINK For details, see P23-24, “Transformation of Our Earnings Base | Human Capital & Organization.”

Creating intellectual capital: An integrated business strategy aimed at maximizing our technological strengths and accelerating growth

Epson's growth is underpinned by its technological development capabilities, grounded in our philosophy of efficient, compact, and precise. It is not enough simply to advance technology itself; we must translate technological innovation into business and social value.

Accordingly, to realize ENGINEERED FUTURE 2035, we have undertaken extensive discussions on the future direction of our technology development efforts. As a result, we are evolving our structure to nurture technologies from a medium- to long-term perspective while integrating development with clear commercialization pathways, focusing on the materials and process technologies and MEMS technologies that are at the core of Epson's competitiveness.

We have also reviewed our organizational structure to strengthen collaboration with the businesses that serve as the destination for these technologies. By having business leaders take responsibility for medium- and long-term technology development, we are bringing technology development and business strategy closer together and accelerating value creation.

LINK For details, see P33-34, “Feature Article | Technology Innovation x Engineering.”

Intellectual property is also a critical management asset that supports technological competitiveness. Through an IP strategy spanning R&D to commercialization, we will establish technological leadership and accelerate value creation.

LINK For details, see P41-42, "Intellectual Property Strategy."

Responsible management and execution that support long-term value creation: Enabling challenge and transformation

I emphasize the importance of continuously enhancing corporate value while growing our business and creating social value. To do so, we must strengthen not only our business and financial strategies but also the management infrastructure that supports them.
At the end of last fiscal year, we articulated Epson's long-term vision in ENGINEERED FUTURE 2035 and identified the key issues that must be addressed to achieve it. This year, we moved into the implementation and execution phase, advancing transformation through an integrated framework that spans our businesses, technology, human capital, and finance functions. By clearly defining what we aim to achieve, by when, and how, we are practicing accountable management with clearly defined ownership and responsibilities.
Achieving the goals of ENGINEERED FUTURE 2035 and our Mid-Term Business Plan requires a Group-wide commitment to addressing key management priorities, including decarbonization, the use of renewable energy, strengthening supply chain resilience, respect for human rights, compliance, and information security. We view these not merely as risk-management measures, but as strategic management priorities for supporting long-term growth.
Governance is a cornerstone of effective execution of these initiatives. Under the strong oversight of the board of directors, which includes independent outside directors, we are enhancing the quality and speed of decision-making through open and constructive discussions grounded in healthy tension, while ensuring that management risks and opportunities are appropriately identified and addressed.
Looking ahead, we will continue to ensure responsible management and, building on the trust we have established with our stakeholders, create lasting value for the future.

To our stakeholders: Our commitment to sustainable growth through transformation

Epson aims to be a company that continues to grow toward the future while simultaneously enhancing social value and corporate value. By designing and effectively implementing optimal solutions grounded in our philosophy of efficient, compact, and precise, we will enhance the productivity and reliability of industry, improve the quality of learning, working, and living, and contribute to a future in which people and the planet can continue moving forward together.
In this time of rapid and profound change, the ability to continually evolve is a prerequisite for future growth. As we work toward achieving the goals of ENGINEERED FUTURE 2035, we will execute Phase 1 as the starting point for transformation and demonstrate results to our stakeholders.
I sincerely appreciate your support and look forward to receiving your candid feedback and insights as we move forward together.

Junkichi Yoshida

President and Representative Director,
Chief Executive Officer,
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