

Business Strategy (Phase 1 2026–2028)

Segment Precision Innovation

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

Precision Innovation is a growth engine for company-wide growth and profit generation. It is the segment from which we expect the highest sales and profit growth in Phase 1. The segment comprises Inkjet Solutions, which is centered on printheads; Microdevices, which focuses on timing devices; and the Epson Atmix business, which boasts the top share in high-performance metal materials. Epson is one of the few companies capable of integrating precision processing, materials processes, and MEMS design in-house. Based on these strengths, we will invest ¥130.0 billion over fiscal years 2026–2028 to strengthen inkjet, microdevices, and fine alloy powder on a cross-functional basis.

Segment
target

CAGR 8%

Key actions

Inkjet Solutions

- Leverage competitive printheads to drive technological advancement and engineering strength
- Drive manufacturing transformation by expanding applications and markets through co-creation and strategic investments.

Microdevices

- Expand market share by increasing production capability and efficiency
- Meet needs in growth markets such as AI, data centers and automotive through technological innovation and an expanded lineup of differentiated products

Atmix (superfine alloy powder)

- Maintain world-class market share² and expand profits
- Capture maximum demand by increasing production capacity
- Enhance functionality and added value through in-house metal refining

² In terms of sales of amorphous alloy powder manufactured in an atomizing process

Growth investment (FY2026–2028 total)

¥130.0 billion



New building (Building 6)
Tohoku Epson



Plant 2 at Epson Atmix's
Kita-Inter Plant

Opportunities and risks

Against a backdrop of rising geopolitical risks and progress in decarbonization, demand is growing for the efficient use of energy and resources and for a closed resource loop. In addition, accelerated technological innovation in the AI, semiconductor, and communications fields is strengthening the need for higher performance combined with lower power consumption. As a result, demand is expanding for high-efficiency products and manufacturing technologies that deliver energy savings and conserve resources, as well as for devices that offer high precision, low power consumption, and high reliability. Business opportunities are also growing in areas related to resource circulation and recycling, representing significant growth opportunities for Epson. On the other hand, as the pace of technological innovation accelerates, competition in development is intensifying and required performance levels are rising. We view delayed response to these changes as a risk that could lead to missed market opportunities and reduced price competitiveness, resulting in lower market share and deteriorating profitability.

Business strategy and value Creation

Inkjet Solutions

Epson's inkjets employ additive technology that ejects the required amount of material at the required locations, without using heat. Epson has refined this technology over many years and has now expanded its applications beyond the realm of home printers and into a wide range of industrial fields, including signage, digital textile printing, electronic circuit board wiring, display manufacturing, coating of precision parts, medical care, and solar cell manufacturing. Amid increasingly severe social issues including energy constraints, environmental regulations, soaring material prices, and labor shortages, there is an accelerating shift toward inkjet technology that delivers resource conservation, lower environmental impact, and high efficiency. Epson's print heads underpin these changes, driving application development and technological innovation by improving ejection accuracy and productivity and expanding compatible materials. We are also working to create an environment that makes it easier for customers to adopt our products by providing peripheral systems and solutions. Leveraging our strengths in industry-leading production scale and development resources, we will create new industries and markets through co-creation with partner companies and customers around the world. By further evolving our philosophy of efficient, compact, and precise, we will contribute to building a sustainable society and shaping the future of industry.

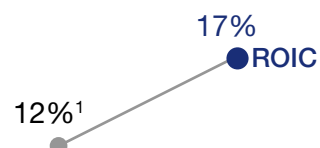


For details, see the
Feature Article on P33–34.



Shunya Fukuda

Executive Officer
Chief Operating Officer,
US Operations Division
Head of Advanced MEMS &
Device Technology Center



Revenue
¥210.0 billion

¥167.5 billion

FY2025

FY2028

¹ Estimation as of Mar. 2026

Microdevices

For details, see the
Feature Article on P33–34.

In response to rising demand for power driven by the rapid expansion of AI and data infrastructure and technological advancements, as well as the need to decarbonize, we have worked to provide accurate, compact devices that operate on low power. For these three performance requirements, which generally exist in a trade-off relationship, Epson has leveraged its strengths in both crystal manufacturing technology and semiconductor logic design technology, deriving optimal solutions through proprietary integrated design that fuses these technologies. We have long implemented these solutions in society in the form of high-frequency oscillators and high-precision timing devices.

The importance of precise timing signals that support high-capacity, high-speed computing and communications is expected to grow further in expanding sectors such as data centers, high-speed communications infrastructure, AI, and mobility applications, including autonomous driving. Recognizing this as a significant opportunity, we will continue to provide devices that underpin technological advancement while accelerating the development of next-generation devices that leverage our proprietary technologies. As one of Epson's growth engines, the device business will also enhance its capabilities and improve manufacturing efficiency through strategic growth investments. This will allow us to further develop and expand business.

Tsutomu
NorimatsuExecutive Officer
Chief Operating Officer,
Microdevices Operations
DivisionFor details,
see FEATURE.

Epson Atmix

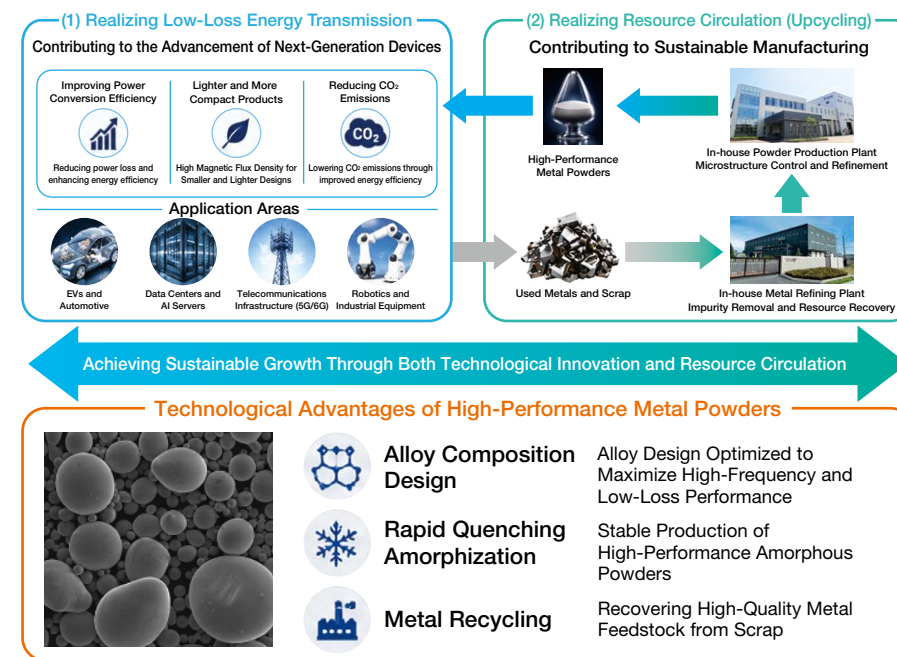
Epson Atmix operates an integrated business encompassing the development, manufacture and sale of high-performance metal powder products. As part of the Precision Innovation domain, a key growth engine for Epson, it plays a vital role in supporting company-wide growth and profitability. Production operations are based at the Head Office Plant and Kita-Inter Plant in Hachinohe City, Aomori Prefecture. In June 2025, a metal refining plant was completed at the Kita-Inter No. 2 Plant, the company's third production site. We continue to make strategic investments, including the decision to commence construction of a new SWAP[®] plant⁴ at the same site in September 2026. We are also advancing a growth strategy based on our technological strengths to reliably capture growing demand for fine alloy powders. In particular, amorphous alloy powders produced using our proprietary SWAP[®] process are high-performance metal powder materials that meet societal needs for energy savings and miniaturization associated with increasing operating frequencies. Leveraging these strengths, we are expanding our business in growth markets, including automotive devices and power supplies for AI servers and data centers. Through these initiatives, we will strengthen our production capabilities and establish our technology development structure in line with our growth strategy for target growth markets. By bringing to market high value-added products that capitalize on our technological strengths, we will contribute to societal solutions and achieve sustainable growth.



Isamu Otsuka

Executive Officer
Head of Advanced Materials &
Manufacturing Process
Technology Center
Head of Advanced AI, Analytics,
& Simulation Technology Center
President, Epson Atmix
Corporation▶ See P66 for footnotes ³, ⁴

FEATURE

Examples of
value CreationHigh-Performance Metal Powders Driving
Technological Innovation and Resource Circulation

Rapid growth in AI and data centers has made rising electricity demand and improved energy efficiency critical societal challenges. Epson Atmix's amorphous alloy powders contribute to reducing power losses in power supply components and are seeing increasing adoption as materials that support energy-efficient data centers and AI servers.

A key strength of Epson Atmix lies in its unique technological platform, which integrates the entire value chain from materials development to powder production and processing using recycled materials. At the metal refining plant that commenced operations in 2025, we established a resource circulation system that recycles used metals and transforms them into high-performance metal powders, creating new value from recovered resources.

Furthermore, by developing materials and processing technologies and integrating them with digital technologies, we are advancing optimization across the entire value chain, from material design to mass-production processes. This is allowing us to strengthen our competitiveness in growth markets while achieving both enhanced product performance and resource circulation.

Business Strategy (Phase 1 2026–2028)

Segment

Industrial & Robotics

Create new growth markets with inkjet and robotics technologies

The Industrial & Robotics segment is an area in which we expect further growth from Phase 1 to Phase 2. To support this growth, we will significantly expand our solutions portfolio by committing to greater integration of hardware, software, and services.

In commercial and industrial printing, in addition to offering a lineup centered on high-productivity models as finished products, we will expand solutions integrated with Fiery to strongly support customers' transition from analog to digital and accelerate market change.

In robotics, we will expand beyond the manufacturing sector by integrating AI and other advanced technologies with Epson's strengths in sensing and control. We will also implement business models designed to deliver long-term value in response to labor-saving needs and opportunities across a wide range of service sectors.

These initiatives will enable us to steadily build strong relationships with customers and establish a promising pipeline for the future. Toward that end, we are planning investment of ¥50.0 billion in FY2026–FY2028.

Segment
targetCAGR
4 % or more

Key actions

Commercial & Industrial IJP

- Rapidly broaden our high-productivity product lineup
- Increase development efficiency by consolidating platforms
- Expand our one-stop digital print workflow solutions through the integration of Fiery

Robotics

- Enhance cost competitiveness to expand share
- Expand the lineup with high-payload and collaborative robots
- Accelerate entry into service applications through enhanced sensing control and AI integration
- Implement recurring business

Growth investment (FY2026–2028 total)

¥50.0 billion



Opportunities and risks

With a declining population causing labor shortages, rising labor costs, and increasing difficulty in transferring skills, demand is growing for ways to improve productivity and quality. As a result, demand for automation, labor-saving solutions, and process optimization is increasing, driving growth in the production-related solutions market. At the same time, demand is expanding for high-quality, efficient manufacturing optimization across entire production processes.

Furthermore, advances in AI and sensing technologies are expected to broaden the range of applications for automation solutions, creating significant growth opportunities for Epson. At the same time, amid intensifying price competition and increasingly diverse customer needs, we recognize the risk an inability to sufficiently differentiate our offerings through solutions and services could lead to a decline in market share and profitability.

Business strategy and value Creation

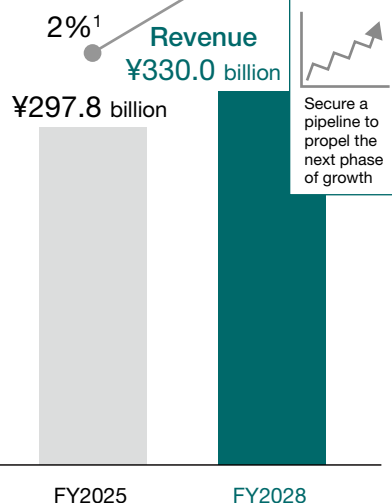
Commercial & industrial printing

The P Commercial and Industrial Solutions Division will address structural challenges facing the commercial and industrial sectors in line with Epson's long-term vision, ENGINEERED FUTURE 2035, by leveraging Epson's core inkjet technologies and engineering capabilities. In response to worsening labor shortages, increasing demand for high-mix, low-volume production with shorter lead times, and the need to reduce environmental impact, we will drive the digital transformation of traditionally analog printing processes and optimize the design of entire production workflows. In addition to printers that deliver high productivity, outstanding image quality, and stable operation, we will offer inks that enable customers to achieve the quality and cost performance needed to enhance both productivity and profitability. By offering solutions that include operational design and services in collaboration with Fiery, we will enhance productivity and reliability. In our sales strategy, rather than applying a uniform global business model, we will develop and execute business models based on products and services that match customer needs in emerging and developed regions alike, thereby delivering satisfaction to customers worldwide and accelerating business growth.

 For details,
see FEATURE.


Akihiro Fukaishi

Director, Executive Officer
Chief Sales Officer
General Administrative
Manager, Sales & Marketing
Division
Chief Operating Officer,
P Commercial & Industrial
Solutions Operations Division



¹ Estimation as of Mar. 2026

FEATURE

Examples of
value Creation**A direct-to-film (DTFilm) printer that combines ease of use with stable operation and enables vivid printing on a wide range of materials****Commercial & industrial printing**

SC-G6050 textile direct-to-film printer



Enables vivid printing on a wide range of materials

Direct-to-film (DTF) technology has attracted attention in recent years in the apparel printing and goods market. Launched in May 2025, the SC-G6050 is Epson's first dedicated DTFilm printer for textiles. We were able to commercialize this printer in a relatively short period of time by leveraging a platform comprising hardware, printhead, and ink that was developed in our textile printing business. This product prints ink directly onto dedicated film, applies and heat-dries hot melt powder, and transfers the design onto T-shirts or other fabrics using a heat press. It is capable of full-color printing on a wide range of materials, including cotton, nylon, and polyester. It also offers both stable operation and a reduced maintenance workload, an issue with conventional DTF printers.

By bundling it with Fiery's Digital Factory software², which has a track record in the DTF field, we maximize printer performance and improve printing process efficiency and high-quality output.

² Only with Europe and U.S. specifications

Robotics

With industrial robots known for exceptional speed and accuracy we are developing growth markets beyond manufacturing by integrating sensing, control, and AI technologies. We again maintained the No. 1 global share³ in SCARA robots in 2025, and have earned a strong reputation across a wide range of fields including electrical and electronic components, medical devices, and automotive-related industries. Going forward, we will expand our lineup to include high-payload and collaborative robots while strengthening total solution proposals that combine peripheral devices such as force sensors, vision systems, and parts feeders. At the same time, we are enhancing cost competitiveness and sales capabilities and working to build a resilient business structure that can secure profits even during periods of economic volatility or stalled capital investment. Against the backdrop of labor shortages and growing labor-saving needs, we will also expand into service domains and will implement recurring-revenue business models, with the aim of providing customers with long-term value and peace of mind throughout the product lifecycle. We will also deepen our understanding of customer challenges by strengthening our customer intelligence-gathering capabilities and advancing the integration of software and digital technologies. Doing so will enable us to create value that goes beyond our products alone and help customers improve productivity while contributing to the realization of a sustainable society.

³ Market share based on revenue of industrial SCARA robots, 2025.
(Source: Fuji Keizai "2026 Reality and Future Outlook of Worldwide Robot Market").

**Yasunori Yoshino**

Director, Executive Officer
General Administrative
Manager, Corporate Strategy
Division

Chief Operating Officer, Visual
Products Operations Division
Chief Operating Officer,
Advanced Robotics Solutions
Operations Division

FEATURE

Examples of
value Creation**Contributing to improved productivity****Robotics**

To address labor shortages and rising production costs, we introduced the LA3/6-A series of SCARA robots. With a carefully selected set of functions, the design delivers high cost performance while maintaining lightweight and compact form factors as well as exceptional precision and reliability. These versatile robots save labor and increase productivity in regions around the world, including China, where price competition is intense.



LA3/6-A series

Business Strategy (Phase 1 2026–2028)

Segment

Office & Home Printing

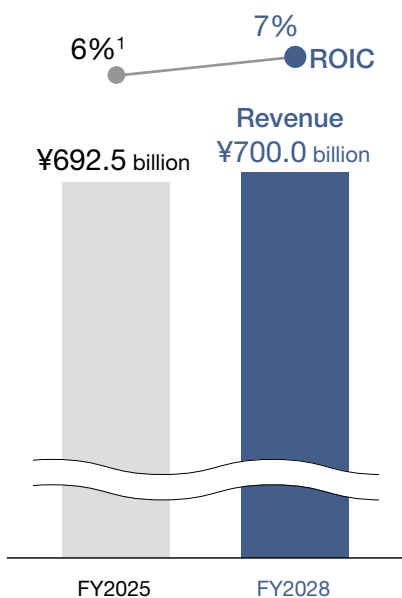
Drive growth in emerging economies and transform the earnings model

Office & Home Printing highlights three major strengths and assets of Epson: BtoC and BtoB customer bases built on a vast installed base of equipment worldwide, growth in emerging markets and strong customer trust in the brand, and a competitive global supply chain backed by strong mass production. Building on our track record of creating a vast new market through inkjet applications centered on high-capacity ink tank models, we are driving a technology shift to inkjet in offices and across vertical industries as well.

In emerging markets, we will increase share at a pace exceeding overall market growth, including by expanding into potential market countries. In addition to sales capabilities, we will provide local planning and design capabilities, solution proposal capabilities, and business models to ensure continuous demand fulfillment. We will also complete structural changes over the next three years and will support investment in Seiko Epson's growth segments as a stable earnings base.

Segment
target

ROIC +1 pt

¹ Estimation as of Mar. 2026

Key actions

SOHO & Home IJP

- Capture expanding demand in emerging markets
 - Strengthen our sales network by focusing on priority regions
 - Increase responsiveness by expanding local planning and design capabilities
- Advance revenue models in developed markets and enhance customer lifetime value
 - Expand recurring business

Emerging market share
(high-capacity ink tank printers)53%² → over 55%Recurring
business

ReadyPrint

² Epson research

Office shared IJP

- Increase MIF size and quality by shifting from laser to inkjet, by offering greater environmental and usability benefits
- Strengthen solution proposals and expand customer touch points

Common

- Enhance operational efficiency and productivity through
- Innovations in manufacturing and optimize our global operating structure

Opportunities and risks

With environmental awareness, energy prices, and labor costs all on the rise, we are seeing growth in demand for products and services that reduce environmental impact and increase operational efficiency. In emerging countries, demand for greater educational opportunities and improved access to information is also expanding alongside economic growth and the expansion of the middle class. Accordingly, demand is growing for devices and services that combine environmental performance with operational efficiency, particularly in education, the public sector, and offices. Demand is also expanding for solutions that support operations management and improve business process efficiency, creating growth opportunities for Epson. At the same time, structural changes in printing demand are progressing due to advances in digitalization and the spread of alternative technologies. Amid intensifying price competition and changes in the market, we recognize the risk that an inability to sufficiently expand recurring revenue business by leveraging our customer base or to enhance added value through solution offerings could result in missed market opportunities and a decline in profitability.

Business strategy and value Creation

Office & home IJP

Our business, founded on Epson's efficient, compact, and precise technologies, aims to deliver distinctive printing value in forms tailored to the needs of specific regions and industries, thereby remaining an indispensable partner to both customers and society.

Our office inkjet multifunction printers are clearly distinguished from conventional laser multifunction printers by combining the environmental benefits of Heat-Free Technology with the convenience of low-maintenance operation. By strengthening collaboration with co-creation partners in addition to leveraging our own sales network, we will deliver value to more customers and achieve both business growth and reduced environmental impact.

Furthermore, by expanding our lineup on the basis of a strong platform, we will address a broad range of needs beyond offices, from demand in emerging countries to light printing, to achieve continuous growth.

We launched high-capacity ink tank models in 2010 as products that provide the value of worry-free printing and achieved cumulative sales of 100 million units in FY2024. In FY2025, driven by sales of these models, we captured the top market share³ in the SOHO and home IJP market, with cartridge models included.

Going forward, in addition to enhancing product value, we will combine these products with printing platforms such as Epson Connect to create new value, such as on-demand printing at tourist destinations and events and inquiry-based learning activities in educational settings.

 For details,
see **FEATURE**.


Yoichi Yamada

Executive Officer
Chief Operating Officer,
P Office & Home Solutions
Operations Division

 See P66 for footnotes ³

FEATURE

Examples of
value CreationLow power consumption, low maintenance,
low cost, and high productivity

P Office and Home Solutions business



LM-C6000
Received "Disaster Prevention Products
Recommended Certification" from the
Disaster Prevention Safety Association
(November 2025)



AI-related education solutions (China)

Epson's office inkjet multifunction printers use a simple printing process that does not use heat. This results in low power consumption, low maintenance, and low cost compared with laser multifunction printers, while also providing high productivity. These features are increasingly utilized and valued as benefits that conventional printing methods cannot readily provide in emerging countries where power and transportation infrastructure are underdeveloped, as well as in disasters or other situations in which power supply is unstable. In addition, we have reinforced the lineup and are expanding into offices, government, schools, healthcare, and other wide-ranging fields to meet diverse needs. As an example, we provide AI-based solutions in China to support the creation of exam questions and grading, with the aim of reducing the burden on schoolteachers. Building on the value of inkjet technology, we will continue to expand solutions that help resolve customers' challenges.

FEATURE

Examples of
value Creation

Proposing optimal solutions tailored to customer needs

P Office & Home Solutions Operations Division



Providing print services through units in
convenience stores (China)



Concept for hub print service
(CommuPrint) in the Middle East

In China, Epson has installed high-capacity ink tank printers in convenience stores as well as in parcel collection and delivery locations to provide printing services. This has allowed us to enhance printing convenience while also aiming to capture demand for at-home printing and new printing needs. In rolling out these services, we are collaborating closely with co-creation partners to incorporate features that improve ease of use, thereby delivering services with higher customer value.

We are also expanding this concept into the Middle East and India, strengthening the value we provide to customers by offering not only hardware sales but also peripheral solutions. We will continue to collaborate with co-creation partners to propose optimal solutions that meet customer needs, expanding deployment areas and value delivery and linking this to sustainable growth.

Business Strategy (Phase 1 2026–2028)

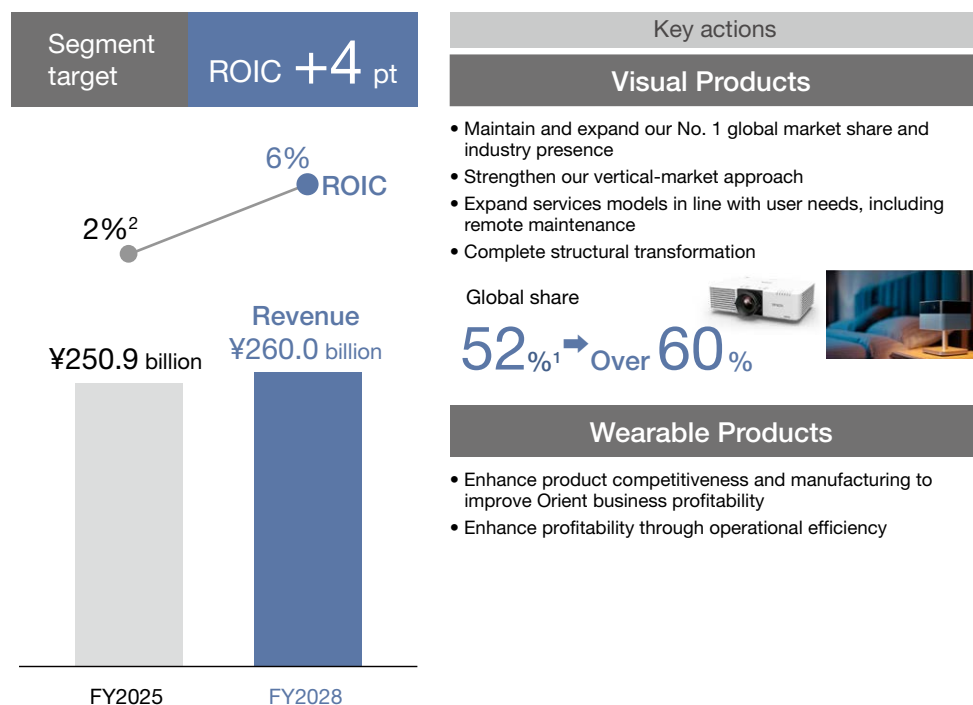
Segment

Visual & Lifestyle

Accelerate the transformation of the earnings model by expanding the value provided and establish a robust earnings base

Visual & Lifestyle is a segment that leverages the strengths of highly distinctive technologies. Our projectors hold the No. 1 share globally.¹ While the market itself faces growth challenges, we will further focus on areas that require projection technologies, including education, projection mapping, and immersive applications, to develop demand and maintain our presence. We will also complete a restructuring program that will allow us to better stability profitability. Wearable Products is an important founding business for Epson. Our technological capabilities continue to rank among the best in the industry.

¹ FY2024 projector market share for models of 500 lumens or higher, excluding screenless TV products. (Source: Futuresource Consulting Ltd.)



² Estimation as of Mar. 2026

Opportunities and risks

In the education, office, commercial, and event sectors, digitalization and increasingly diverse ways of working and learning are driving demand for enhanced experiential value through visual content and more sophisticated forms of communication. In addition, in emerging markets, demand is expanding for greater access to educational opportunities and improved access to information, driven by economic growth and the expansion of the middle class. Against this backdrop, demand is expanding for the use of visual solutions, including new applications and spatial experiences, creating significant growth opportunities for Epson. At the same time, the competitive environment is evolving primarily to advances in alternative display technologies, including large-format displays. Given this, we recognize that an inability to sufficiently differentiate ourselves through application proposals and could result in declining market share and deteriorating profitability.

Business strategy and value Creation

Visual Products

In line with our long-term vision, ENGINEERED FOR THE FUTURE 2035, we will complete our restructuring program and transform the earnings model to stabilize earnings, enabling us to balance steady profit generation with continued investment in future growth.

In the market, expectations are rising for large-screen, immersive, and high-definition visual experiences as digitalization advances in the education, office, and commercial fields and as ways of working and learning become more diverse. New projection needs are also expanding, including immersive applications such as projection mapping and spatial design. We will strengthen our vertical approach to redefine the market and develop demand.

Against this backdrop, we will leverage our projector business, where Epson holds the world's No. 1 market share, as a core growth platform. By further advancing our projection technologies, we will deliver higher brightness, increased installation flexibility, and simpler operation, thereby strengthening customer value. Furthermore, instead of only providing standalone hardware, we will offer solutions that combine application recommendations and services to expand the scope of value we provide and foster ongoing relationships with customers. Doing so will enable us to evolve from providing high-quality visual experiences to creating spatial value, offering new communication experiences that connect people, information, and spaces across the education, office, commercial, event, and home markets.

For details, see FEATURE.



Yasunori Yoshino

Director, Executive Officer
General Administrative
Manager, Corporate Strategy
Division

Chief Operating Officer,
Visual Products Operations
Division

Chief Operating Officer,
Advanced Robotics Solutions
Operations Division

FEATURE

Examples of
value Creation

Creating spatial value through high-brightness projectors

Visual Products



Matsumoto Castle projection mapping (co-creation project with Matsumoto City)



Projector used for mapping (EB-PU2220B)

teamLab Borderless:
MORI Building DIGITAL ART MUSEUM,
Tokyo © teamLab

High-brightness projectors are core products that deliver new experiential value in education, events, commercial facilities, and other settings by enabling high-quality visual expression in large-scale spaces. In addition to more traditional uses in university lectures, large conference rooms, and exhibitions and staging, our projectors are moving into new applications areas such as projection mapping and immersive spaces.

Epson projectors deliver high brightness and outstanding image quality. They also offer excellent installation flexibility and reliable operation even in large venues. As a result, they make it possible to create visual experiences that fully utilize entire spaces and immersive environments that are difficult to achieve with conventional displays, thereby giving users greater creative freedom. In addition, by easing the installation and operational burden, these solutions help optimize total cost of ownership over the long term.

Looking ahead, we will continue to enhance hardware performance while strengthening integration with software and services, transforming our business from one centered on visual display devices into one that delivers solutions for creating spatial value and enriching customer experiences.

Wearable Products

In addition to its existing OEM-based business, the Wearable Products business is evolving structurally by strengthening its proprietary brands and expanding into high-value-added segments.

Over the next few years, we will restructure our existing operations while monitoring changes in the external environment. By doing so, we intend to lay a resilient business foundation capable of generating stable earnings even amid market volatility, while further improving profitability. At the same time, with Orient and Orient Star as our flagship brands, we will clarify our brand identity and enhance product competitiveness. By providing reliable, quality products and delivering a consistent customer experience across all touchpoints, we aim to develop this business into a core pillar of our operations, one that satisfies customers who appreciate our craftsmanship and values.

Over the longer term, we will capitalize on the Shiojiri Plant's manufacturing capabilities and advance skills acquired over decades while also exploiting Epson's technological assets to the fullest extent. Through qualitative differentiation and greater operational efficiency, we aim to expand customer value and create opportunities for sustainable growth. Doing so will enable us to establish competitive advantage and a high-profit structure by continuously enhancing customer value, including emotional value.



Masashi Hayashi

Executive Officer
Chief Operating Officer,
Wearable Products
Operations Division

FEATURE

Examples of
value Creation

Using MEMS processing to enhance product value

Wearable Products, MEMS & Device Technology Center

We successfully applied a micro-electro-mechanical systems (MEMS) fabrication process to produce a silicon escape wheel, a critical component that significantly affects the accuracy and power reserve of a mechanical watch. Using these escape wheels in Orient Star watches enables us to provide products that offer greater customer value, including a power reserve lasting up to 70 hours³ and greater timekeeping accuracy.

³ Up to 20 hours longer than models equipped with conventional metal escape wheels.

Silicon escape wheel used in
Orient Star watches

Feature
ArticleTechnology Innovation $\times$ Engineering

Advancing technology development with growth engine acceleration as a shared goal

Under ENGINEERED FUTURE 2035, we have positioned Precision Innovation as the core growth engine in Phase 1. Rather than allocating investments evenly across all areas, our priority at this stage is to focus resources on businesses with the greatest growth potential and to translate their success into sustained enhancements in corporate value.

Inkjet Solutions and Microdevices are the core businesses in our Precision Innovation strategy. These businesses have evolved through the long-standing collaboration between Corporate R&D and the operations divisions' R&D organizations. Their ongoing technology development efforts have laid the foundation for our current business growth.

■ Segments

	Feature Article			
Segment	Precision Innovation	Industrial & Robotics	Office & home printing	Visual & Lifestyle
Operation	• Inkjet Solutions • Microdevices • Epson Atmix	• Commercial & industrial printing • Robotics	• Office & Home IJP	• Visual Products • Wearable Products • PC
Positioning	Growth engine	Full-scale growth in Phase 2	Earnings base	Earnings base

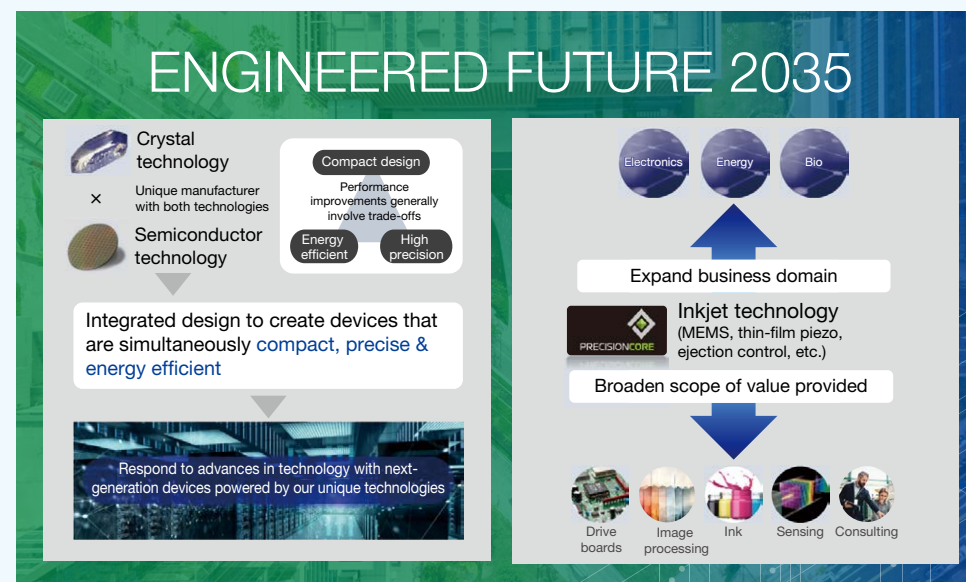
Accelerating the engine of growth with an operations-linked technology development organization

To consistently create value across each business segment and accelerate growth, we must develop technology in close alignment with our businesses and seamlessly connect our core technologies with products and business applications. In the past, we tended to optimize technology for a particular business or application. The broader application of technologies and the creation of synergies across businesses was limited. To address this issue, we reorganized our R&D functions and integrated technologies across multiple disciplines. We established three core technology centers: the Advanced Materials & Manufacturing Process Technology Center, the Advanced MEMS & Device Technology Center, and the Advanced AI, Analytics & Simulation Technology Center. The chief operating officers who are responsible for technology commercialization have also been given responsibility for these technology centers. This ensures alignment between business strategy and development priorities while promoting a seamless development process spanning foundational technologies, products, and business applications. This is enabling us to accelerate the commercialization of technologies and strengthen both our competitive position and our ability to generate earnings in growth markets.

Supporting the growth engine through technological superiority $\times$ direct business linkage $\times$ mass production

The Inkjet Solutions business has approximately tripled its revenue since 2021. A key driver of this growth has been the evolution of PrecisionCore, our core printhead technology. Seiko Epson has built materials development, an area that was not a strength in the past, from the ground up. We have established materials created in-house and have continuously improved performance within the operations division. Furthermore, by combining high-precision mechatronics-based processing technology with MEMS technologies developed in our semiconductor business, we have achieved an inkjet head with a fully MEMS structure. This has enabled us to significantly expand the use of inkjet technology beyond conventional applications into industrial applications, earning Epson a place among the share leaders in the industry.

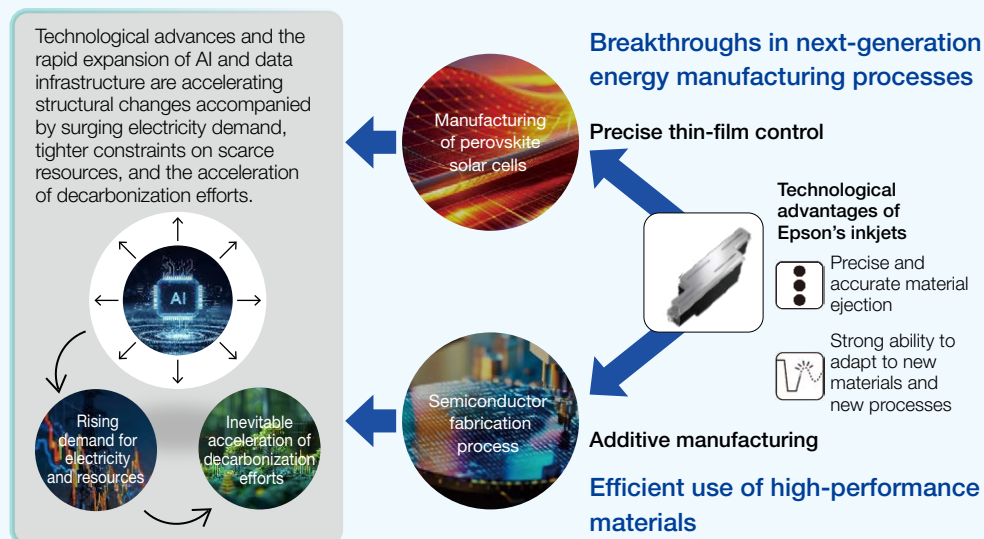
Across our inkjet, microdevices, and Epson Atmix businesses, we are leveraging unique technology assets spanning everything from materials to devices to create value that meets needs in next-generation energy, the digital society, the automotive field, and other areas.



At Epson, technology development is far more than a research activity. By enabling our vast accumulated technology assets and expertise to be utilized across the organization, we are speeding up product development while improving manufacturing efficiency and quality through manufacturing DX and the use of AI. By combining our longstanding strengths in precision processing and automation with digital technologies, we are able to deliver meaningful value more quickly and effectively. Looking ahead, Epson will continue to contribute to the world through solutions involving energy, data, and other critical issues by concentrating resources on its growth engines and further advancing its technology development capabilities. By doing so, we aim to achieve sustainable growth in corporate value over the long term.

Case Study Evolution of value delivery areas in ENGINEERED FUTURE 2035

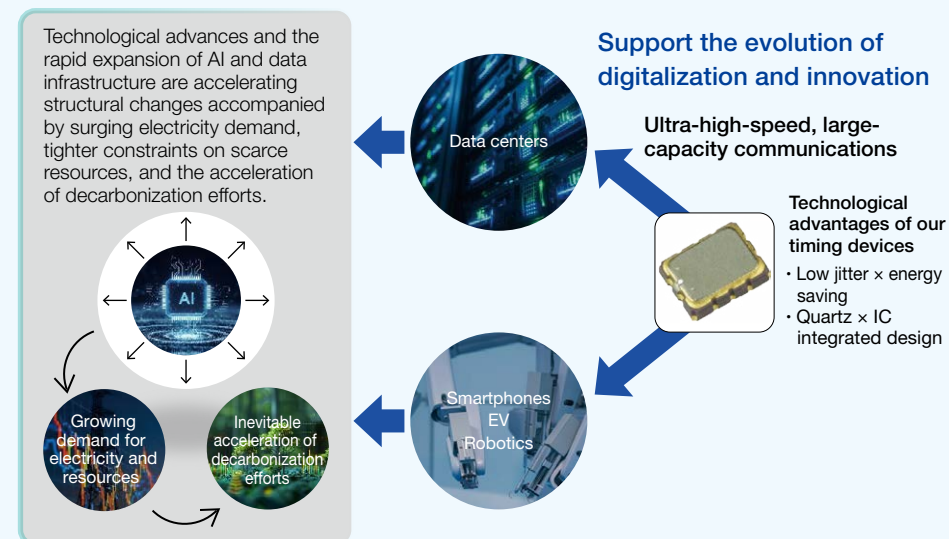
Inkjet | Supporting greater efficiency in energy and resources



Value delivery through inkjet technology

As AI and data infrastructure continues to expand, rapid growth in electricity demand and constraints on scarce resources are becoming major social issues. This is driving the need for innovation in manufacturing processes that use energy and resources more efficiently. Epson's inkjet technology leverages the strengths of additive manufacturing, enabling material to be precisely deposited in the right amount, in the right place, and at the right time. Leveraging this capability, we are expanding its applications beyond conventional printing into advanced manufacturing fields. Lying at the heart of this technology is PrecisionCore, printheads that incorporate thin-film piezoelectric actuators, ink channels, and nozzles fabricated using MEMS processing technology. This enables highly accurate control of microscopic droplets at the picoliter level. By enhancing the ability to handle not only printing inks but also functional materials, electronic materials, bio-based materials, and a wide range of other liquid materials, Epson is expanding possibilities for the deployment of new materials and new processes. Because inkjet deposition is a non-contact process that does not directly touch the substrate, it can readily place materials on thin films, uneven surfaces, and flexible substrates, helping to reduce damage to substrates and to improve flexibility in process design. As a digital process that does not use plates or masks, it promises to reduce material loss, simplify processes, and enable more compact equipment. By leveraging precision ejection control and high adaptability to new materials and new processes, Epson is helping to reduce environmental impact and enhancing industrial competitiveness in next-generation fabrication processes for things such as semiconductors and perovskite solar cells.

Supporting technological progress through precision technologies | Devices



Delivering value through precision processing and device technologies

The advance of AI, data centers, high-speed communications, and mobility technologies such as EVs is driving demand for electronic devices that deliver ever-more accurate, smaller, energy efficient, and reliable. We are developing high-performance devices that underpin digitalization, technological innovation, and the modern world through the integration of our quartz crystal device, semiconductor, precision processing and packaging technologies. Among these, timing devices play a critical role in electronic equipment and communication systems by generating the precise reference signals that synchronize operations. We maximize the inherent advantages of quartz crystal materials --namely their precision and stability --through advanced design and manufacturing technologies. By combining these capabilities with semiconductor and miniaturized packaging technologies, we provide devices with low jitter, low power consumption, and compact form factors without compromising performance. This contributes to stabilizing high-speed, high-capacity communications in data centers and communications infrastructure, enhancing the performance of electronic equipment, and improving the reliability required in the mobility field. Building on our efficient, compact, and precise technologies, we will continue to support the evolution of next-generation technologies by further advancing technologies that precisely control material characteristics and enable devices that combine stability, compact size, and high performance.