

Epson Group

Integrated Report 2026



Epson Integrated Report 2026

Editorial Policy

Editorial Policy

Epson has published an integrated report every year since 2017 to foster better understanding of Epson's corporate purpose among its shareholders, investors, and other stakeholders, as well as to create a virtuous cycle that helps Epson further enhance its corporate value by refining its strategies through discussions with stakeholders. We have continuously sought to improve the report by incorporating feedback received from stakeholders through engagement and dialogue, while maintaining a global perspective and drawing on international guidance such as METI's Guidance for Collaborative Value Creation and the International Integrated Reporting Framework of the International Integrated Reporting Council (IIRC).

In Epson Integrated Report 2026, we have emphasized the new long-term vision and medium-term management plan announced in March 2026. We have also addressed underlying issues our goals, and our specific strategies and initiatives in order to further deepen understanding of and confidence in Epson's initiatives. We hope this report will facilitate further dialogue.

- Publication date: July 2026
- Period covered: April 1, 2025 to March 31, 2026 (Some information is from outside this period.)
- Organizations covered: 88 Epson Group companies (including Seiko Epson)
 - "Epson" refers to the Epson Group, unless indicated otherwise.
 - Performance figures presented in this report are rounded off to the unit indicated.
 - Please do not use images and other content in this report without permission.

■ Disclaimer

This report includes forward-looking statements, estimates, and plans. Projections herein are based on the best information available at the time of publication. Actual results may vary from those discussed.

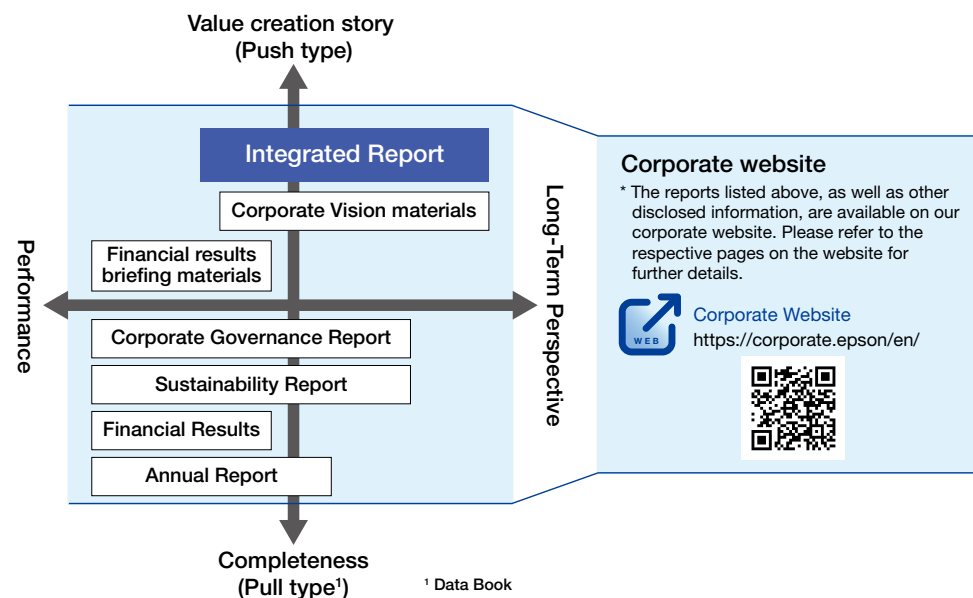
Statement of Authenticity

This Integrated Report presents financial and non-financial information concerning Seiko Epson, including information on initiatives related to environmental, social, and governance (ESG) matters. The report has been compiled and verified through sound internal processes and internal controls, and presents information accurately and faithfully in all material respects. We hereby affirm that this report effectively demonstrates Seiko Epson's responsibilities toward the realization of a sustainable society and the status of our ongoing value creation.

Emiko Nemura

Executive Officer
Chief Corporate Communications Officer
Chief Sustainability Officer
General Administrative Manager, Sustainability & Corporate Communications Promotion Office

Main Information Disclosure Media (Information Disclosure System)



Epson publishes its Integrated Report, Sustainability Report, and Annual Report as corporate reports intended primarily for the audiences shown below. In addition to these reports, other information is disclosed in a timely manner through our corporate website. We encourage you to visit the website for further information.

Target audiences

Integrated Report

Institutional investors and other stakeholders interested in Epson's sustainable value creation

Sustainability Report

ESG ratings agencies and other stakeholders interested in sustainability

Annual Report

Shareholders and investors

Corporate Website

All stakeholders

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Sustainability

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Response to TCFD

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



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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

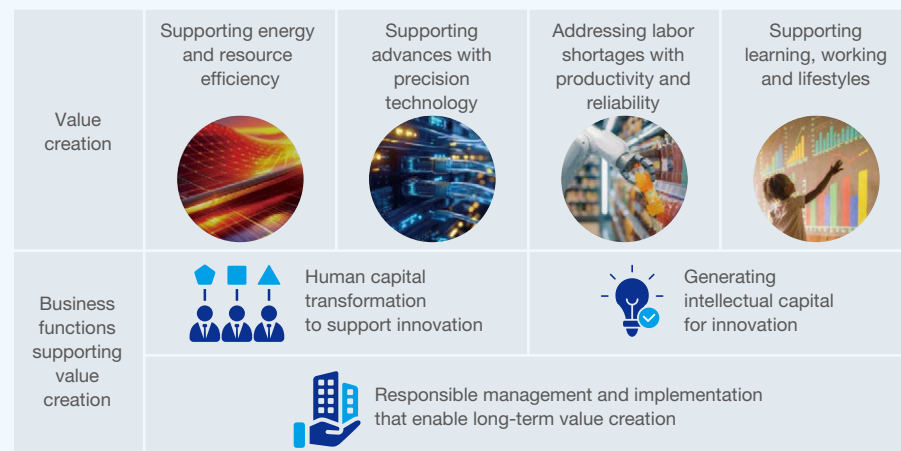
In ENGINEERED FUTURE 2035, we identified the four areas below as those in which Epson will deliver value. The markets for products and services related to these areas are growing rapidly, which we see as a significant business opportunity.

- (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



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.



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

Business structure transformation for 2035:

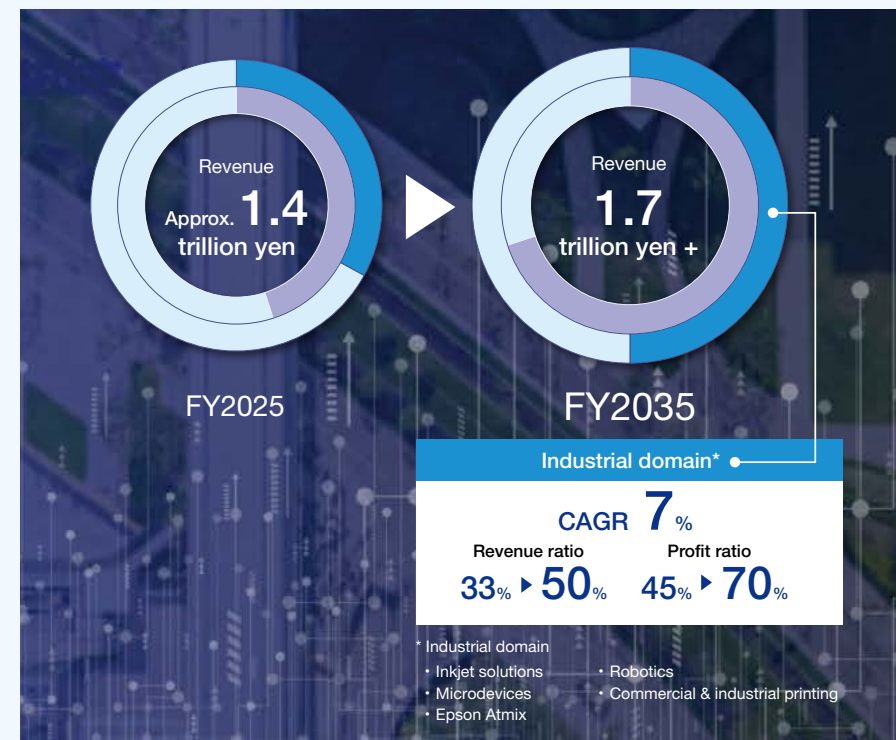
Growth in industrial domains

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)



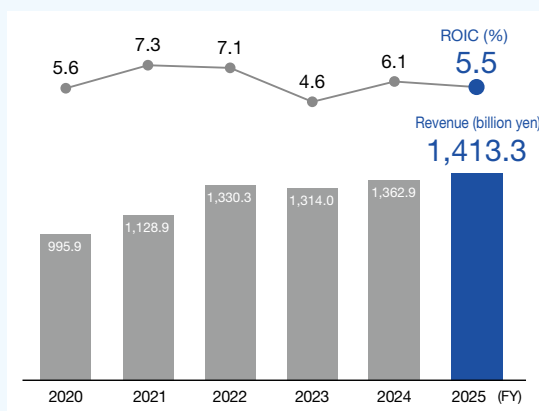
Where Epson stands today: Review of our FY2025 financial results and Epson 25 Renewed

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.



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.



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

Transformation to disciplined ROIC-based management ■ 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.)



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.



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.



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.



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.

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



Philosophy and Vision

Management Philosophy

Epson aspires to be an indispensable company, trusted throughout the world for our commitment to openness, customer satisfaction and sustainability. We respect individuality while promoting teamwork, and are committed to delivering unique value through innovative and creative solutions.

EXCEED YOUR VISION

As Epson employees, we always strive to exceed our own vision, and to produce results that bring surprise and delight to our customers.

Our Purpose



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

Epson was founded in Japan, a nation blessed with outstanding natural beauty and a rich cultural heritage. Our commitment to protecting such abundant gifts for future generations has never wavered. We constantly pay close attention to social issues and dedicate ourselves to addressing them, as our timely elimination of chlorofluorocarbons makes clear. Underpinning everything we do is the philosophy of efficient, compact, precise innovation. After all, bigger is not always better.

We firmly believe that energy saving solutions, space saving innovation and ultra-high precision help to protect the natural environment and enrich communities. With our philosophy of efficient, compact, precise innovation, we deliver more meaningful value that enriches lives and helps create a better world.

We will continue to strive towards achieving this purpose.

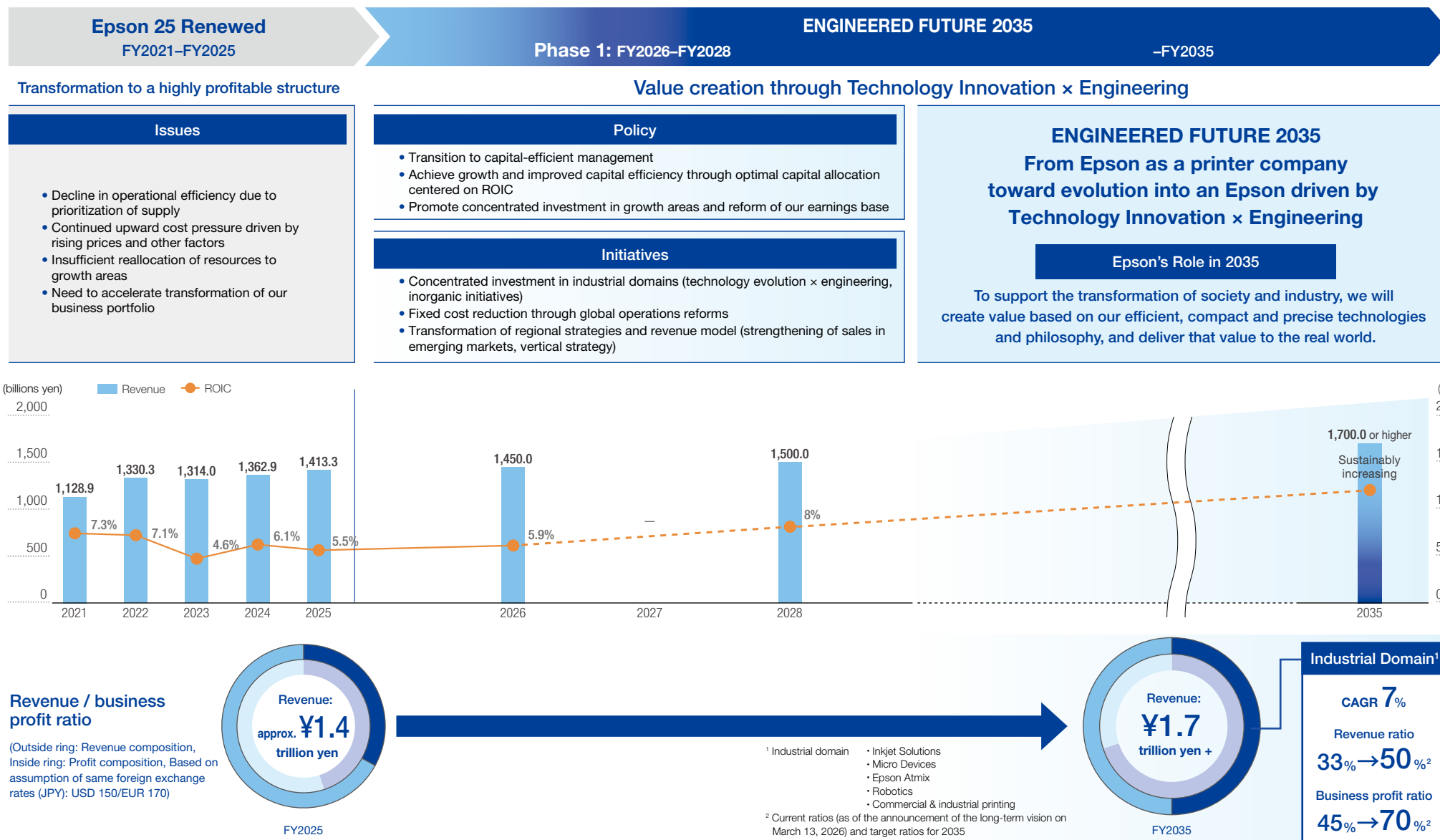
Origins of Value Creation

Since our founding in 1942, we have contributed to the development of industry and daily life by converting our original technologies into value, starting from solutions to societal issues. By evolving our belief in and philosophy of innovation, we have built strengths in precision microfabrication, MEMS, materials and processing technologies, and optical, sensing, and control technologies, as well as the capability to integrate these technologies into designs and bring them into real-world applications. These are sources of Epson's growth.



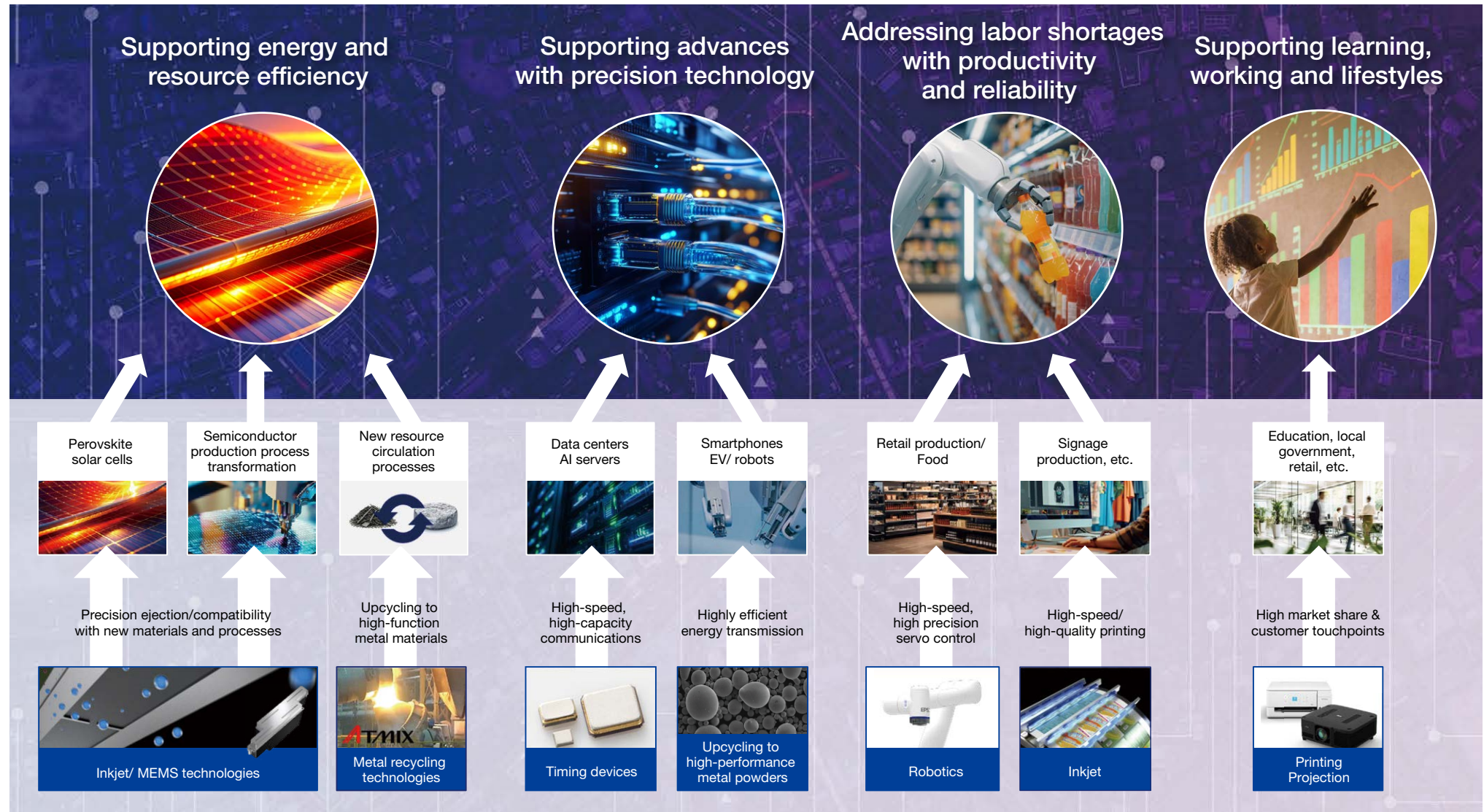
A History of Transformation to Enhance Our Corporate Value

Staying attuned to changes in society and the market, Epson has addressed management challenges in every medium-term management plan and has advanced the transformation of its business structure and management foundation. In the past, business that was centered on demand for paper printing accounted for approximately 70% of our sales. Looking ahead, the “Technology Innovation × Engineering” concept set forth in ENGINEERED FUTURE 2035 will form the foundation for our transformation into a company that achieves growth in industrial domains.



Value-Creation Domains in the ENGINEERED FUTURE 2035 Long-Term Vision

The figure below illustrates the four value creation domains envisioned by Epson and the application of our technologies we possess. The markets for services and products related to these four domains are growing rapidly, presenting us with major business opportunities. Rather than using technologies in isolation as individual points, we will deploy them three-dimensionally and in an integrated manner, creating value through technology, engineering and real-world knowledge.



Feature
Article

ENGINEERED FUTURE 2035: A Long-Term Vision Co-Created with Employees



“ENGINEERED FUTURE 2035” was shaped through repeated discussions on the direction Epson should pursue, conducted jointly by a study team comprising members of the management team and employee representatives. This Feature Article introduces the aspirations embodied in this long-term vision and the process through which it was developed.

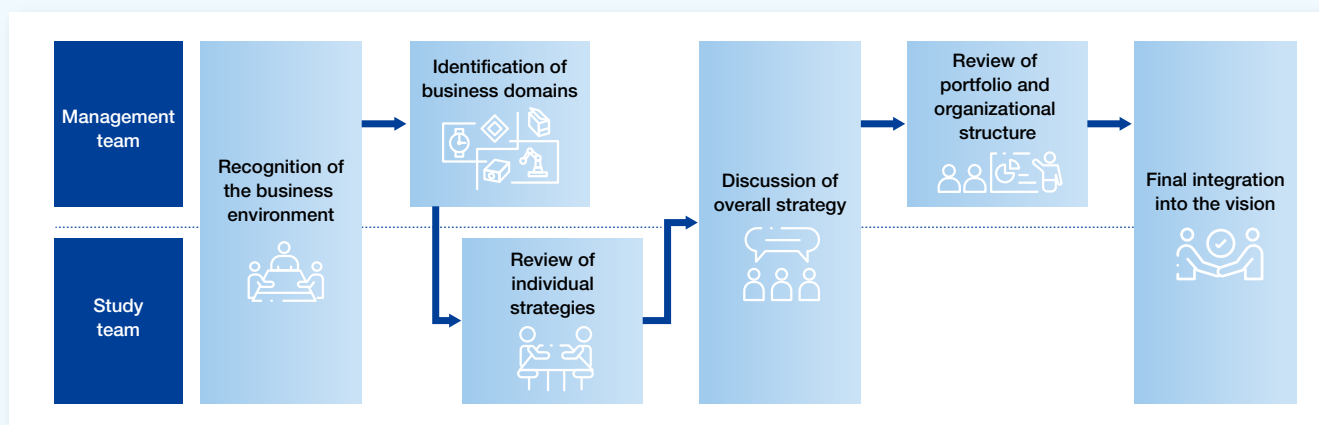


Engaging with the front lines and envisioning the future

In developing ENGINEERED FUTURE 2035, we placed importance on the idea of not simply projecting the future as an extension of the past. The management team and the study team, comprising members from operations divisions and corporate divisions, examined

Epson's future from multiple perspectives, not only through internal discussions but also by visiting front-line sites in Japan and overseas to engage in repeated dialogue with customers, partners, and employees. At these sites, the teams felt anew the magnitude of

change in the business environment, including social challenges, shifts in industrial structures, and the pace of technological advancement. The teams also engaged repeatedly in discussions on what strengths Epson will leverage to deliver value to society. Through this process, ENGINEERED FUTURE 2035 took shape as a plan to evolve beyond the framework of a printer company and into a company centered on technologies and engineering. Throughout the study process, diverse perspectives spanning divisions and generations intersected, and honest dialogues between the management team and the study team were carried out repeatedly. By discussing issues not only from the perspective of participants' own departments but also from an overarching view of the company and even society as a whole, we were able to take an objective look again at Epson's strengths and challenges. For participants, the project also provided experience in thinking about management and the business from a higher-level perspective, as talent who will drive future growth. This act of envisioning the future while integrating diverse knowledge and on-the-ground insights symbolizes Epson's commitment to transformation. ENGINEERED FUTURE 2035 reflects the process by which employees and management envisioned the future together.



Financial Strategy

Translating efficient, compact, and precise technologies into earning power and capital efficiency

Under our previous long-term vision, Epson 25 Renewed, we worked to expand our growth areas and strengthen our technological foundation, including our inkjet technologies. We made steady progress in repositioning us for future growth by expanding our high-capacity ink tank printers, growing sales in emerging markets, expanding into commercial and industrial domains, restructuring businesses, and making strategic investments. However, we fell short of our financial targets, with ROIC of 5.5%, ROE of 2.2%, and ROS of 5.9% in FY2025. We take this outcome to mean that we were unable to sufficiently translate Seiko Epson's technology assets, manufacturing and sales platforms, and past investments into higher profit, cash, and capital efficiency. A key management challenge will be to reliably translate our efficient, compact, and precise technologies and philosophy, one of our core strengths, into profit, cash, and capital efficiency.

Transition to disciplined ROIC-based management that prioritizes investment return certainty and capital efficiency

In our new long-term vision ENGINEERED FUTURE 2035, we aim to translate our efficient, compact, and precise technologies and philosophy into profit growth and improved capital efficiency, and to continuously generate returns that exceed the cost of capital. To achieve this, we have made ROIC a key management indicator and are emphasizing investment payback and capital efficiency in all capital allocation decisions, including capital expenditures, R&D investments, strategic investments, and mergers and acquisitions (M&A). In Phase 1, we will first enhance earning power on a company-wide basis and improve profitability and capital efficiency aimed at achieving ROS of 8% in FY2028. By reviewing our product portfolio, improving pricing and sales mix, optimizing our fixed-cost structure, and increasing inventory turnover, we will realize cumulative earnings improvements of ¥26.0 billion over three years and will reallocate the cash generated to growth investments. In addition, by allocating capital with WACC as a clear benchmark and strengthening investment in expected high-return areas, we will create a virtuous cycle of growth and improved capital efficiency.

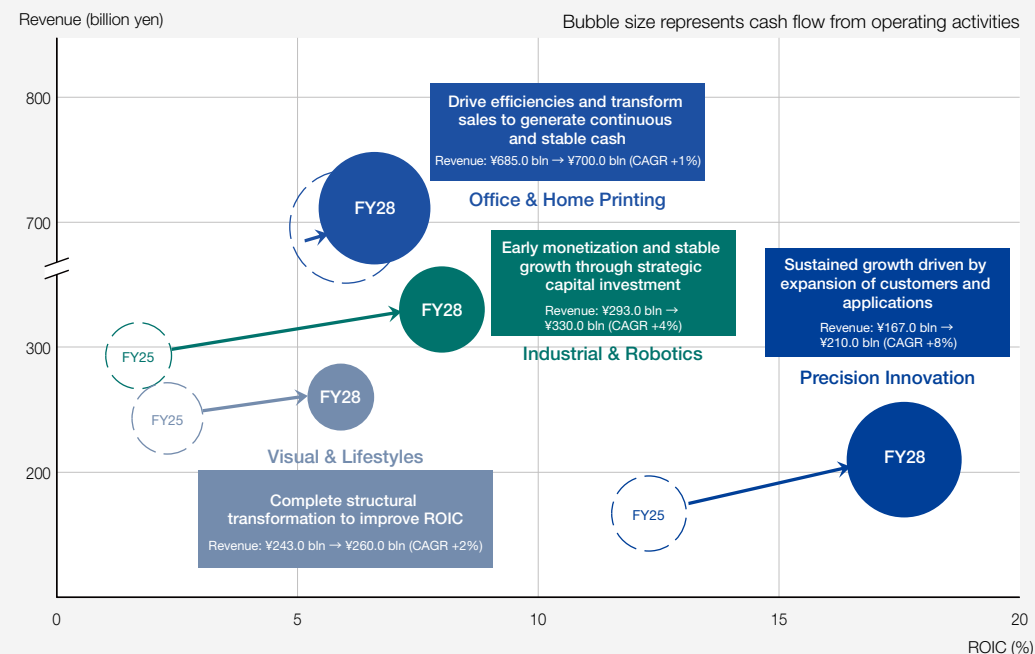
Restructuring the business portfolio

We will focus management resources on growth domains which we can leverage our efficient, compact, and precise technologies and philosophy, raising the revenue share of industrial domains¹ from approximately 30% at present to 50% by 2035 and achieving an even higher profit share.

¹ Precision Innovation and Industrial & Robotics

Business Portfolio Transformation: The Current and Future State of the Four Segments (Three Years Ahead)

* Source: Long-Term Corporate Vision ENGINEERED FUTURE 2035 & Mid-Term Business Plan, Phase 1 (2026 – 2028) Explanatory Presentation (March 13, 2026)



To achieve this, we have reorganized our existing businesses in line with their roles and expected returns and have rebuilt our business portfolio. By clarifying the role of each business, we will strengthen discipline in resource allocation and investment decisions and will translate these efforts to improved profitability and capital efficiency. Phase 1 is the initial execution phase for enhancing profitability and capital efficiency in preparation for that shift.

Precision Innovation is a growth engine by which we deploy our technology assets into high-growth, high-profit areas. By investing capital intensively in inkjet solutions, microdevices, Epson Atmix's superfine alloy magnetic powder business, and other areas in which we can leverage our strengths, we will drive revenue growth and will realize profit growth and improved capital efficiency.

Industrial & Robotics is the area in which we will build a foundation for robust growth from Phase 2 onward. In commercial and industrial printing and robotics, it is important that we deploy technologies such as inkjet and robotics in industrial applications and convert them into earnings. In Phase 1, we will move toward a cost structure that facilitates earning profit, review our fixed-cost structure, and strengthen our sales and service models to build an earnings base for the next stage of growth. Our efforts to raise the share of industrial domains will be driven by the two engines of Precision Innovation and Industrial & Robotics.

The Office & Home Printing business is the foundation that supports stable earnings and cash generation. Leveraging inkjet technology and our global sales platform, we will pursue efficiency in mature markets while capturing growth opportunities in emerging markets, centered on high-capacity ink tank models. The cash generated in this area is an important source of funds that supports investment in growth areas and shareholder returns. In addition to the scale of revenue and profit, we will emphasize sales efficiency, inventory turnover, and cash generation.

Visual & Lifestyle is an area in which we will complete structural reform and enhance profitability and capital efficiency. While assessing the market environment, we will review our product portfolio, optimize fixed costs, prioritize investments, and strengthen inventory management. Rather than pursuing revenue growth alone, we will focus on improving profitability, alert to the cost of capital, and on contributing to higher company-wide ROIC.

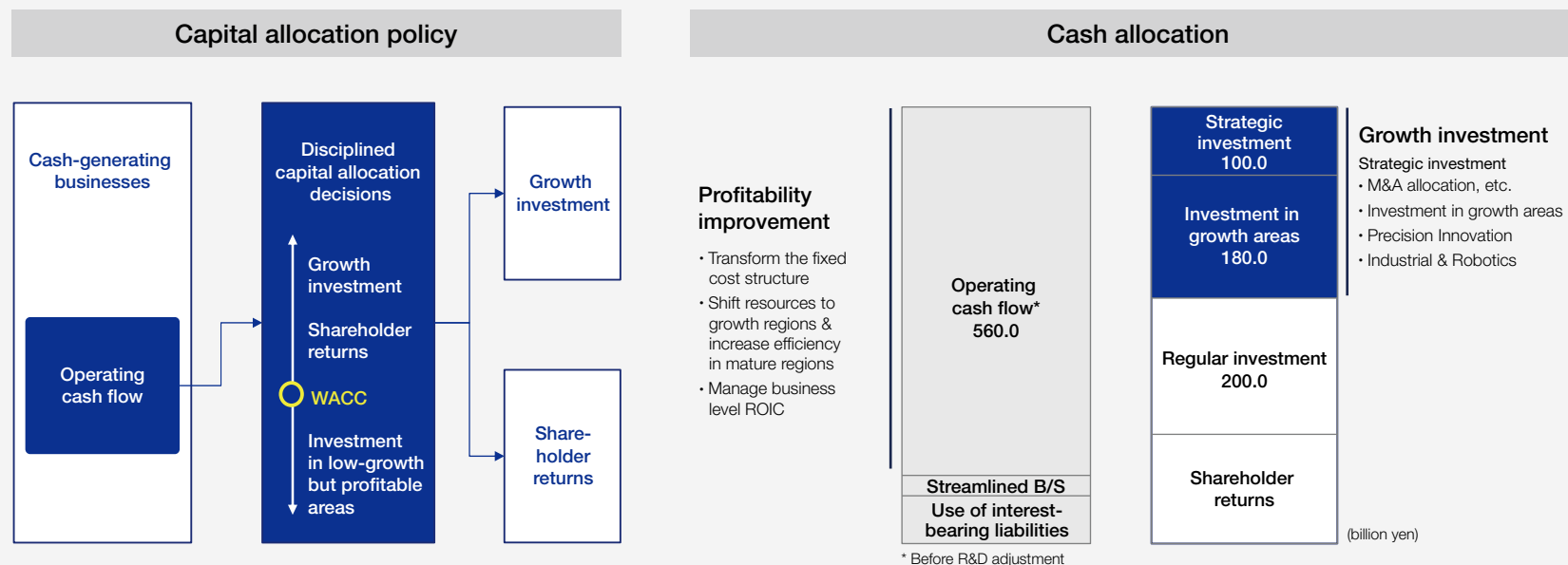
ROIC is an indicator for assessing investment profitability and, at the same time, a management metric that measures whether we are effectively utilizing company-wide shared assets such as Seiko Epson's technology, manufacturing, sales, and customer platforms. Under ENGINEERED FUTURE 2035, we will manage each segment in accordance with its role, while practicing disciplined ROIC-based management across the company. By continuously evaluating in which markets to monetize our shared technologies and in which areas to prioritize capital allocation, we will enhance the quality of our investments and generate returns that exceed our cost of capital.

Optimal capital allocation and cash allocation

In the area of capital allocation, we will strengthen our earnings capacity in Phase 1 and enhance our ability to generate stable cash flows. This will enable us to maintain a balanced approach to growth investments, ordinary investments, strategic investments, and shareholder returns. Particularly in growth areas we will invest a cumulative total of ¥280.0 billion (including R&D expenses) across growth investments and strategic investments, and will accelerate the shift toward industrial domains. We consider shareholder returns to be an important capital policy for improving capital efficiency and sustainably increasing shareholder value. Our basic policy is to maintain stable dividends with a minimum DOE of 3%. In Phase 1, we also plan to execute share repurchases totaling ¥80.0 billion, taking into account financial soundness and investment opportunities. By achieving both growth investments and shareholder returns, we will drive improvements in ROIC and ROE and expand shareholder value.

Phase 1 is both a preparation period for growth toward 2035 and an execution period in which we will improve profitability and capital efficiency. By clarifying each segment's role, increasing the share of industrial domains, and steadily improving ROS, we aim to achieve revenue of ¥1.5 trillion, ROS of 8%, ROIC of 8%, and ROE of 10% in FY2028. Beyond that, grounded in our efficient, compact, and precise technologies and philosophy, we will transition to a business portfolio with higher growth potential and profitability, and evolve into a company that continuously generates returns exceeding the cost of capital.

■ Make disciplined capital allocation decisions to invest in growth areas

**Profitability improvement**

- Transform the fixed cost structure
- Shift resources to growth regions & increase efficiency in mature regions
- Manage business level ROIC

I do not believe that we can achieve our growth strategy simply by extending our existing businesses. Rather, I emphasize the importance of creating new growth opportunities by leveraging Epson's proprietary technologies, cultivated over many years, and combining them with our manufacturing expertise and trusted customer relationships to achieve technological breakthroughs in growth markets, unlock new applications, and create new avenues for growth. From this perspective, we will actively invest in growth.

Guided by our efficient, compact and precise technology and philosophy, we have continuously refined our proprietary technologies in areas such as inkjet, microdevices, and robotics, while building the business platforms needed to deliver these innovations to the world. These strengths, spanning both technology and business, are the source of our sustainable competitive advantage.

Aiming to achieve both solutions to societal issues and business growth, we will create new social value and realize sustainable growth by evolving and expanding Epson's unique technologies and organizational capabilities.

**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

Sustainably enhancing corporate value requires balancing two priorities: pursuing growth and improving capital efficiency. Epson has leveraged its efficient, compact and precise technologies and philosophy to expand the footprint of its businesses and invest in the future. We will ensure that these efforts result in the generation of profits and cash and evolving our management approach to consistently deliver returns that exceed our cost of capital.

As CFO, what I consider most important is improving the quality of our investments while respecting growth potential and strategic value. By using ROIC as the axis for management decision-making and dialogue, and by identifying each business's role and earnings structure, we will allocate capital more effectively. Financial discipline is not meant to constrain challenges; it is meant to guide value-creating challenges toward reliable results. While balancing growth investments and shareholder returns, we will continue dialogue with all stakeholders and will responsibly work toward sustainable growth and the enhancement of shareholder value.

**Osamu Shigemura**

Executive Officer
Chief Financial Officer
Chief Compliance Officer
Chief Information Systems
Officer
General Administrative
Manager, Business
Management & DX Division

Transformation of Our Earnings Base | Efficiency

Epson considers transforming our earnings base to be a key to achieving sustainable growth and enhancing corporate value. In Phase 1, we will embark on a transition to capital efficiency-focused management, optimizing our fixed-cost structure through global operations reform to build a stronger earnings foundation capable of supporting future growth investments.

In recent years, the operating environment has undergone significant changes including increasingly complex social challenges, heightened geopolitical risks, rising raw materials and energy prices, and labor shortages. At the same time, advances in AI and digital technologies are accelerating the pace of change across industries and competitive landscapes. In this environment, sustainable success requires more than revenue growth alone. We believe it is essential to allocate limited management resources effectively and build a resilient earnings structure that can adapt to change. To this end, Epson is driving a comprehensive global operations reform aimed at improving efficiency and strengthening competitiveness through a thorough review of its fixed-cost structure. At corporate divisions and operations divisions, we are strengthening investment discipline through segment reviews and are concentrating resources in priority areas.

In manufacturing, we will build on our on the production site reorganization and role optimization that initiatives already underway to further streamline production operations and strengthen our supply capabilities. We will also reduce our fixed costs globally by reviewing indirect costs at our largest overseas plants.

In sales, we will optimize the workforce and consolidate back-office functions, and will work to build a more efficient operational structure. Moreover, through the standardization of IT infrastructure, we will drive global business standardization and improve operational efficiency.

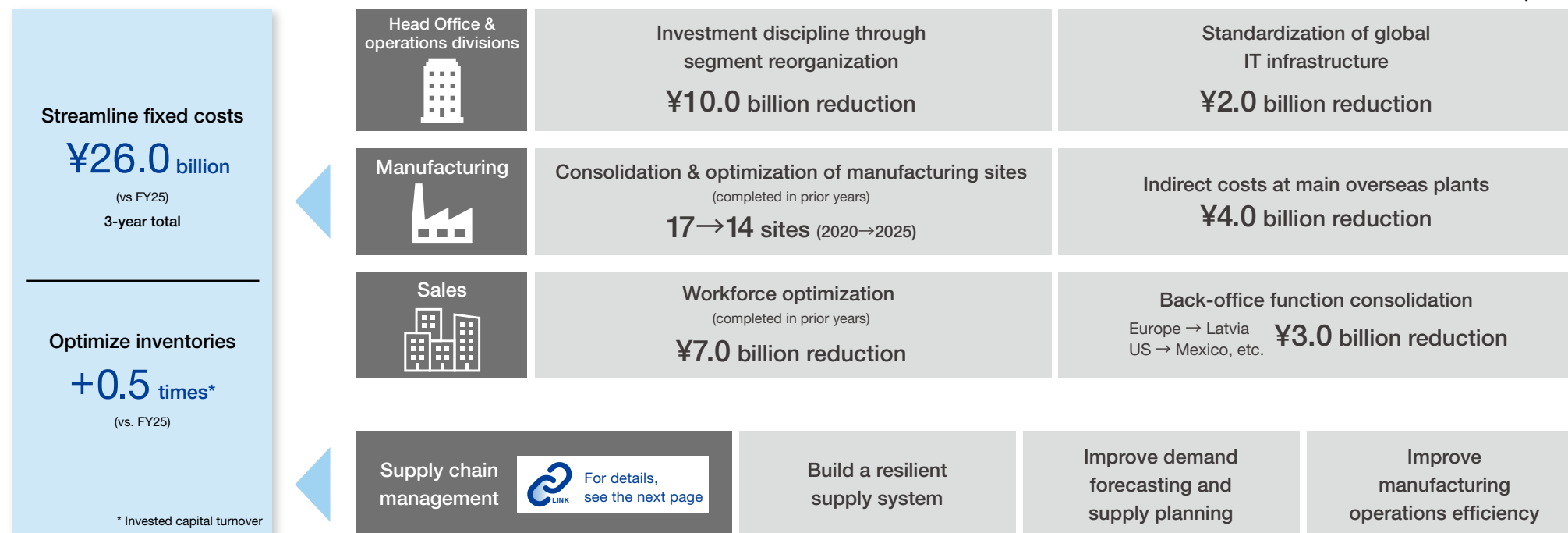
We expect these actions to reduce fixed costs by a total of ¥26.0 billion over three years.

These initiatives are not simply about reducing costs. By optimizing our fixed-cost structure, we will free up management resources that can be reinvested in growth areas, technology development, and talent, thereby creating long-term value.

Through a management approach that balances operational efficiency with strategic growth investment, Epson is strengthening the foundation that supports value creation through by combining technology innovation and engineering as we aim to realize ENGINEERED FUTURE 2035.

■ Reduce fixed costs by transforming global operations

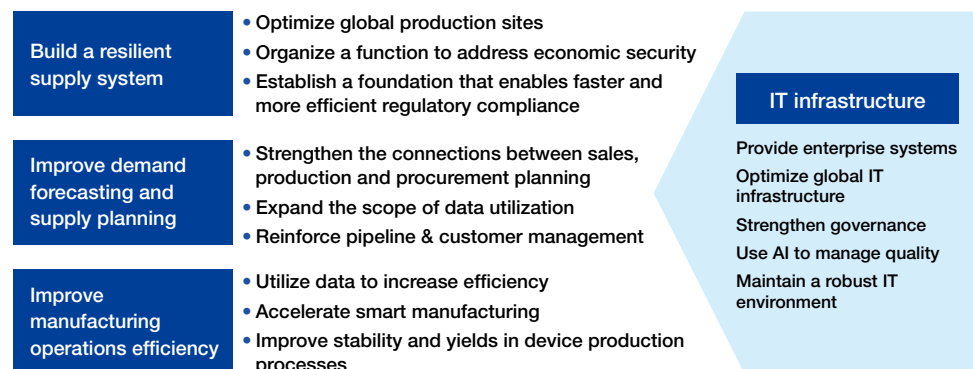
Amounts are 3-year totals



Transformation of Our Earnings Base |

Supply Chain Management

We will respond to changes in the external environment by transforming the supply chain and expanding the use of digital technologies, thereby enhancing quality and cost competitiveness.



Build a resilient supply system

Amid successive disruptions including the COVID-19 pandemic, natural disasters, and accidents, Seiko Epson has strengthened its supply system resilience. To build a more robust supply chain capable of addressing increasingly diverse risks, we have defined three guiding principles—distributed functions, securing of alternatives, and making production hardware robust—and have been reinforcing key initiatives across each function of the supply chain. Moreover, as geopolitical changes become the norm, we recognize the need to strengthen our responses in trade and regulatory areas and are enhancing our data infrastructure and management frameworks. By building infrastructure to enable faster and more efficient regulatory compliance, we will enhance our responsiveness to country-specific systems and our business continuity, thereby supporting sustainable growth. Through these efforts, we will achieve company-wide risk visualization and faster decision-making, establish a supply chain that is resilient to change, and enhance medium- to long-term competitiveness and social trust.

Improve demand forecasting and supply planning

Strengthen the connections between sales, production and procurement planning

Seiko Epson is moving away from the conventional model of optimizing demand-supply planning, procurement, logistics, and inventory separately, and is shifting to a supply chain that is resilient to change and operated on short cycles, with data linked across departments. We will build mechanisms that link sales, production, and procurement in a timely manner to improve competitiveness.

Expand the scope of data utilization

We will centrally link information on market conditions, sales performance, demand forecasting, supply planning, parts procurement, manufacturing, and other areas in real time across all processes to improve planning accuracy and reduce excess inventory. We also aim to develop an analytical database and, leveraging AI and other tools, quickly output reports and alerts to enable rapid supply-and-demand adjustments.

Reinforce pipeline & customer management

With the objective of creating customer value, we will promote hybrid customer management that combines a direct approach with the utilization of distributors. We will accumulate and leverage customer data and insights obtained through direct approaches via CRM, plan optimal products and services, and realize reproducible value delivery and market expansion through distributors.

Improve manufacturing operations efficiency

As uncertainty in the business environment increases under greater demand fluctuations, supply constraints, and heightened geopolitical risks, production operations must become more efficient and flexible, while still delivering both stable quality and supply. At the same time, although production sites are increasingly able to collect large volumes of data from equipment, these data have not been systematically utilized across all processes. As a result, improvement activities often remain fragmented and dependent on individual expertise. Going forward, we will utilize data to improve visibility, verify performance, and establish a cycle of continuous improvement, enabling sustained gains in manufacturing efficiency. Together with this, we will promote smarter production using AI and sensors and will establish a highly reproducible production system based on standardized processes. In device processes in particular, we will optimize process parameters and reduce variability to improve yields and stabilize quality, thereby enabling the sustained delivery of customer value supported by quality and cost competitiveness.

As part of its BCP response, Epson has built a multi-layer supply chain and established a globally resilient supply system. This has also enabled us to respond effectively to U.S. tariffs.

As geopolitical uncertainty becomes a structural feature of the global business environment, the ability to balance cost competitiveness with compliance, economic security requirements, and demand volatility will become increasingly important. Toward this end, we will develop a framework that enables us to predict and execute optimal operations based on region-specific strategies through the analysis of integrated data, thereby achieving both resilience and efficiency.



Akifumi Takei

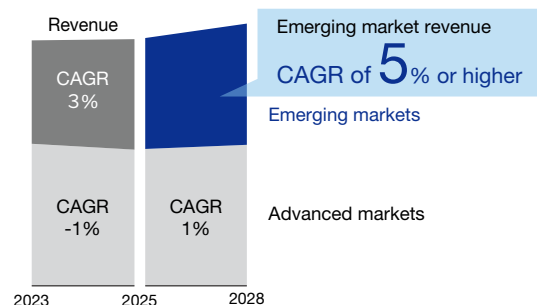
Executive Officer
General Administrative Manager,
Production Management Division

Transformation of Our Earnings Base | Sales

Leveraging the strength of our global sales network, we have strengthened relationships with customers through attentive support and services provided by local staff, achieving sustainable growth. To achieve our Phase 1 Mid-Term Business Plan target of delivering a compound annual growth rate (CAGR) of 5% or more in revenue from emerging markets, we will further strengthen our global sales organization, which is one of our key strengths.

Deep customer understanding held by our regional sales companies is a source of Epson's competitiveness. As a shared initiative, we are working to create new customer touchpoints and build businesses originating in digital technologies. By leveraging data obtained at customer touchpoints and linking all functions, including sales, service, and development, we will maintain ongoing relationships with customers, making every sale the beginning of a relationship, not the end. We will also visualize usage conditions and issues after product adoption to continuously provide proposals and services closely aligned with the customer experience. This approach to brand loyalty will lead to the expansion of recurring business for services, maintenance, software, apps, consumables, and subscriptions. As part of our customer-centric approach, our sales companies are taking a proactive role in identifying what solutions and services can best support customers' business growth and operational efficiency. Leveraging local external resources where appropriate and delivering optimal proposals tailored to customer needs will enable us to drive revenue growth. We have established a facilitation function for laterally deploying best practices and other initiatives, thereby expanding our integrated solutions business. In advanced markets, we will renew growth by further deepening our focus on vertical markets. To strengthen customer touchpoints in education, government, hospitals, retail, and other fields where our products are used, we are establishing a new framework to support sales companies not only through conventional product-based support but also through sector-based support. By delivering value tailored to the issues of each vertical market, we will build long-term partnerships with customers. In emerging markets, we classify countries into revenue-driving countries, countries with potential, and frontier countries, and execute targeted strategic investments under regional strategies informed by insights from sales companies. To better respond to specific local needs and accelerate growth by solving customer issues, we are establishing and strengthening local product planning functions and Regional Design Center (RDC). To support these efforts, we are also transforming operations at our sales companies. Specifically, we are promoting the global rollout of IT assets held by individual companies and the integration of call center platforms to improve the quality of customer touchpoints. These measures are improving operational efficiency while maximizing the utilization of existing assets. By enhancing both the speed and quality of our service delivery, we will provide customers with a more responsive and consistent experience. At the same time, we will reduce fixed costs and transform our operating structure to generate additional resources for investment, supporting the next stage of growth.

■ Revenue targets under the Phase 1 Mid-Term Business Plan



■ Overview of sales strategy

Emerging markets	Execution of strategic investments tailored to regional characteristics
Advanced markets	Execution of strategic initiatives for renewed growth
All markets	- Creation of revenue and profit by building businesses grounded in customer touchpoints - Expansion of solution business - Driving efficiency and maximizing existing assets across sales companies

Business Across Borders

Yoshida Epson has built a finely tuned global sales network tailored to each region. But as our sales companies have grown, global-level issues have emerged—duplicated processes and systems among them. Strengthening customer relationships also requires moving beyond product sales toward solution proposals and service delivery. To address these challenges, we have appointed Keith as Deputy Head of the Sales Division to advance structural reforms and promote DX initiatives across our sales companies.

Kratzberg My mission is to help each sales company achieve higher growth and profitability. There are three key areas to address.

First is transforming operations: sharing assets, optimizing globally, and simplifying processes so each company can move with greater speed and agility.

Yoshida Epson America, Inc. was Epson's first overseas sales company. By leveraging its advanced platforms and resources, we expect to accelerate the integration of infrastructure across sales companies and improve the speed of implementation.

Kratzberg That leads to the second area—accelerating DX and IT. By maximizing each sales company's existing IT assets, we can deliver faster service to customers. What I've observed in the U.S. is a clear shift in customer expectations: from "products" to "outcomes." Sales companies must propose solutions that address customers' specific challenges, not just sell hardware.

Yoshida Reforming our sales companies is not just about efficiency. Expanding the value we deliver to customers—through new businesses and cross-solution initiatives—is equally important.

Kratzberg Exactly—and that is the third area: new businesses and cross-solution initiatives. The Epson brand reflects real trust earned from customers, but their expectations reach beyond our current portfolio. We will not be constrained by our own hardware; we will deliver the true value and services customers seek.

Yoshida The structural reform of our sales companies is not merely about improving efficiency; it is an initiative to transform Epson's growth model itself. Let us build a solid foundation in Phase 1 and connect it to our next stage of growth.



(Left)
Keith Kratzberg
Epson America, Inc. President
Deputy General Administrative Manager,
Sales & Marketing Division
(Right)
Junkichi Yoshida
President and Representative Director

Regional Strategy

We aim to sustain medium- to long-term sales growth by strengthening sales in emerging markets. Beyond simply increasing advertising and promotional spending, we will also work with our sales companies to expand our organizational capabilities, talent base, and partner network from a long-term perspective and to strengthen our product planning for emerging countries.



Responsible for India

Samba Moorthy

Managing Director
Epson India Pvt. Ltd.

India is a market with high growth potential, driven by economic growth and rising purchasing power. In response to the "Make in India" initiative, we will aim for sustainable trust and growth, including in services.



Responsible for China

Kyosuke Ishibashi

President
Epson (China) Co., Ltd.

Going beyond existing sales expansion strategies, we will contribute to the Group's overall regional strategy by rolling out China-originated solutions in emerging countries and generating new product planning initiatives.



Responsible for the Americas

Keith Kratzberg

President
Epson America, Inc.

In South America, we are aiming for sales growth and value creation through multifaceted market penetration strategies, including stronger collaboration with sales partners.



Responsible for the Southeast Asia

Siew Jin Kiat

Managing Director
Epson Singapore Pte. Ltd.

This region has high growth potential, driven by the expansion of the middle class. Taking our possession of a production site as a growth opportunity, we will respond to localization requirements and expand our investment in Vietnam sales.

Responsible for the Middle East, Africa, and Central Asia

Neil Colquhoun

President
Epson Middle East FZCO



We will focus on the African education market, where rapid growth in the education technology market is expected alongside a sharp increase in the young population. We will also accelerate efforts to expand our footprint and increase brand awareness in the Middle East.



Global Network
<https://corporate.epson/en/about/network/global.html>

• Main sales/service subsidiaries and affiliates
(As of Mar 31, 2026)

Strengthening sales in emerging markets

Building a structure to roll out China-originated new services and products to the world

China continues to be an important market that drives Seiko Epson's sales. To accurately capture increasingly sophisticated and advanced customer needs, we are building and strengthening local product planning and RDC functions. Our development and implementation of proprietary AI-enabled educational software is already under way. We are also exploring the possibility of rolling it out worldwide.



Members at Epson (China) Co., Ltd.
engaged in printer-related sales, solutions,
and engineer services

Developing market potential by increasing brand awareness and expanding our footprint



Members of executive management who lead
sales strategy at Epson Middle East FZCO (Dubai)

We position countries in the Africa and Middle East regions as potential growth drivers and are investing aggressively. In FY2024, we moved the regional office in Dubai to the direct oversight of our Head Office. While advancing the establishment and expansion of sales locations, we are also continuously strengthening sales activities, including increasing the number of sales staff and promoters, conducting initiatives to enhance brand awareness, and developing and expanding new dealerships.

We will give local senior management who best understand local needs decision-making authority, while strengthening global collaboration. In regions where Epson's brand strength can be leveraged, we will also provide the value that customers truly seek without excessive focus on our own hardware alone. Drawing on my experience in local markets, I will deliver Epson's value to customers worldwide with fast decision-making and flexible action.



Akihiro Fukaishi

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

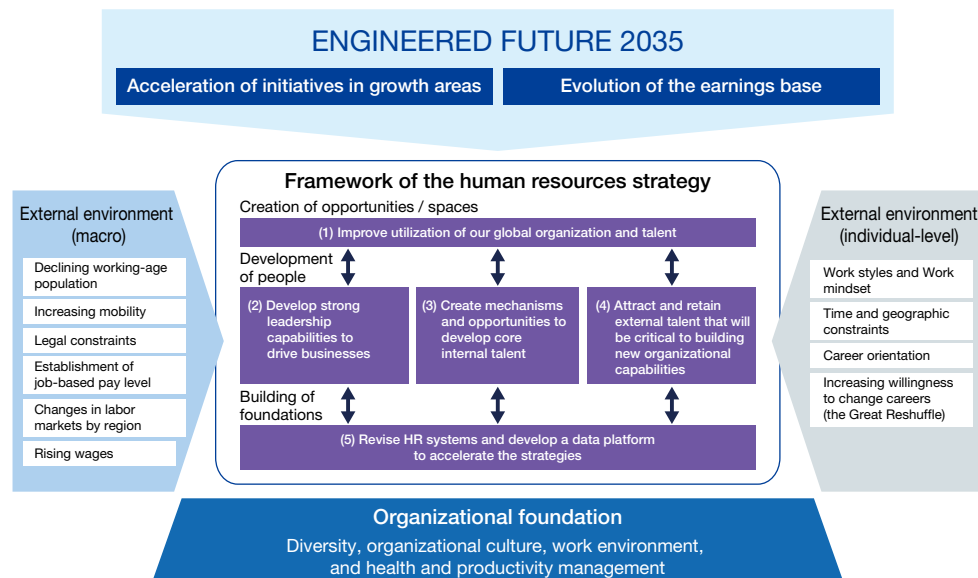
Transformation of Our Earnings Base | Human Capital and Organization

Under our organizational and human resources strategy for realizing ENGINEERED FUTURE 2035, we anticipate a future shift from a uniform structure of operations divisions to a global group of organizations of varied types aligned with our business model. The key will be to train and secure leaders who can formulate strategies amid uncertainty and execute them under resource constraints. Equally important is the cultivation of engineering talent and the fostering of an engineering mindset on a global level. Building on a technology foundation and guided by a hands-on, field-oriented approach, we aim to nurture professionals who can continuously refine technologies, translate them into practical solutions, and implement them in ways that create tangible value for society.

Epson has long focused on attracting diverse talent while supporting the career development and growth of its existing employees. At the same time, we have prioritized the deployment of talent to growth areas and the establishment of optimal organizational structures from a global perspective. We have also worked to enhance employee engagement, energize the organization, and maximize teamwork by fostering an inclusive organizational culture that enables diverse talent to thrive, creating supportive working environments, promoting shared values across the Group, and advancing health and well-being initiatives. Building on these initiatives, initiatives in Phase 1, we will focus on the following five strategies.

- (1) Improve utilization of our global organization and talent
- (2) Develop strong leadership capabilities to drive businesses
- (3) Create mechanisms and opportunities to develop core internal talent
- (4) Attract and retain external talent that will be critical to building new organizational capabilities
- (5) Revise HR systems and develop a data platform to accelerate the strategies

■ Framework for human resources strategy based on our long-term vision



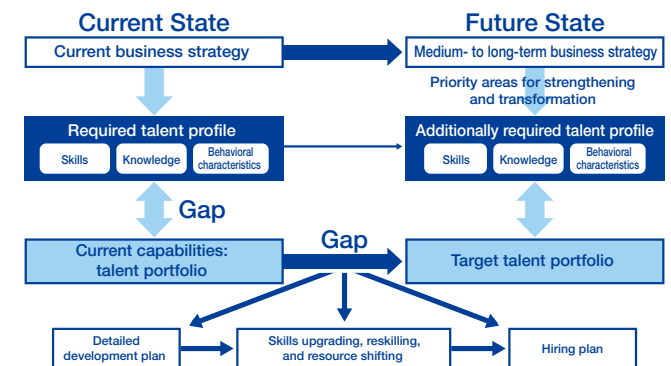
Target Talent Profile

To execute its management strategy and achieve its business objectives, Epson emphasizes the importance of developing and empowering people who share the company's strategic direction and values, possess a broad perspective and deep expertise, and can act proactively and independently in a rapidly changing business environment to contribute to the creation of value for customers and society. Leveraging our efficient, compact and precise technologies and philosophy, as described in ENGINEERED FUTURE 2035, and with a commitment to supporting social and industrial transformation through technology and engineering, we require people who think from a field-oriented approach and a grounding in technology, and translate refined technologies into practical solutions that benefit society. We also seek individuals who can collaborate across regional, business, and functional lines, take an enterprise-wide perspective, and lead initiatives from conception through execution to drive business growth and transformation and deliver results on the ground.

Under its previous medium-term

HR strategy, Epson defined its talent requirements based on skills and behavioral characteristics. It developed a talent portfolio aimed at better visualizing its talent in alignment with management strategy. Building on this foundation, Epson is organizing an overall picture of the quantity, quality, and timing of talent needed to formulate and execute business strategies and develop new business models. After clarifying talent gaps from both quantitative and qualitative

■ Talent portfolio initiatives



perspectives, we are taking steps from a global perspective to develop and reskill internal talent, reallocate resources, recruit external talent, and create succession plans.

Through these efforts, we aim to optimize the workforce across the Group to facilitate the execution of our strategies. By using the talent portfolio as a basis for dialogue between managers and employees, we seek to foster an environment that encourages employees to take ownership of their learning and development, thereby supporting continuous growth and career advancement.

Epson considers human resources to be the cornerstone for realizing our long-term vision ENGINEERED FUTURE 2035. Building on our efforts to attract and develop diverse talent and establish a solid global organization, we will continue to develop leaders who can formulate and execute strategies amid uncertainty, strengthen our engineering capabilities, and further solidify our global talent. At the same time, we will continue to foster an environment in which all employees can maximize their potential and, through Health Action 2030, support employees in taking ownership of their health and well-being. By advancing these initiatives in an integrated manner, we will realize the sustainable creation of corporate value.



Yosuke Takakura

Executive officer
General Administrative Manager,
Human Capital & Well-Being
Management Division

Our Human Resources Strategy

Epson is executing a five-point human resources strategy to better enable it to execute its strategies and to lay the foundation for achieving ENGINEERED FUTURE 2035. In close alignment with business strategy, we will optimize talent allocation and agilely deploy our workforce. At the same time, we will strengthen internal talent development, attract and retain highly skilled external talent, and improve our performance, compensation, and talent data platforms. By integrating these initiatives, we seek to create sustainable value in a rapidly changing operating environment.

Each strategy is explained, with reference to the “Framework for human resources strategy based on our long-term vision” diagram on page 23.

(1) Improve utilization of our global organization and talent

To deliver products that have value, Epson has long focused on developing global talent capable of effectively and efficiently managing its globally distributed value chain. These individuals possess broad knowledge and experience across a wide range of functions located around the world, are able to coordinate across organizational boundaries from an enterprise-wide perspective, and can make quick, accurate decisions on the ground.

Under ENGINEERED FUTURE 2035, the importance of strategic talent management across the entire group is increasing. In response, we will develop our ability to leverage talent from a global perspective. Specifically, to promote collaboration across businesses and regions and to advance integrated solutions, we creating a framework under which talent is assigned to specific strategic themes, with clear accountability and defined roles that are linked to evaluation and rewards. Through a trial introduction of this global assignment system, we will gradually expand cross-group talent deployment, align placements and compensation with expected global responsibilities globally expected roles, and enhance our ability to execute business strategy.

(2) Develop strong leadership capabilities to drive businesses

At Epson, each organization conducts an annual review of its personnel formulates succession planning for key positions, including management roles. Epson also identifies candidates for future executive management and management positions, as well as global talent, and creates plans for their development.

At the same time, we recognize that these efforts have largely centered on talent management by individual organizations, and that there is further room to enhance company-wide, cross-organizational, panoramic understanding of talent as well as its strategic utilization by executive management. Accordingly, we have established a system in which top management leads ongoing, company-wide discussions on key talent management issues focused primarily on personnel in middle and senior management roles. Through this approach, we aim to more consistently evaluate and implement rotations, promotions, assignments, organizational reviews, and other measures in alignment with organizational issues and business strategies.

For key positions such as chief operating officers and general administrative managers, we will link planned talent development and placement to succession. Toward that end, we will promote development through challenging assignments and opportunities for gaining management experience. We also will be reviewing existing leader development programs to enhance the practicality of their content.

(3) Create mechanisms and opportunities to develop core internal talent

At Epson, employee development is provided primarily through on-the-job training (OJT), complemented by structured off-the-job training (OFF-JT), including level-based programs and specialized professional education. While continuing this type of training, we are also reexamining our approach to workforce development in support of ENGINEERED FUTURE 2035. The goal is to lay a foundation that supports the ongoing development of talented people, turning them in ready contributors. Epson has continued to attract diverse talent and support the career development and growth of its employees. Going forward, we will expand mechanisms to provide necessary training on an ongoing basis to the personnel who need it. Together with this, we will strengthen the expertise of engineering talent and expand areas in which they can contribute, enabling more agile deployment of talent across organizational and regional boundaries where they can create the greatest value. In doing so, we aim to enhance the ability of our engineers and other specialized professionals to share knowledge and translate it into value creation. Through these efforts, we will strengthen our internal talent base, building a workforce that combines deep expertise with a strong engineering mindset and is capable of adapting effectively to change.

(4) Attract and retain external talent that will be critical to building new organizational capabilities

As Epson's businesses become increasingly sophisticated and specialized, attracting and retaining managers and skilled professionals from outside the company has become a key priority. In particular, as we expand into new businesses and growth areas, we recognize that the agile incorporation of expertise and experience that cannot be fully developed within our existing organization and workforce is essential to strengthening our competitiveness.

Accordingly, in addition to the conventional practice of mass-hiring new graduates, we are strategically examining ways to structure recruitment for the timely acquisition of external talent with advanced expertise in line with business needs. In addition, to enable new hires to quickly demonstrate value, we are enhancing onboarding and working to create an environment in which specialized talent can smoothly adapt to organizations and businesses.

(5) Revise HR systems and develop a data platform to accelerate the strategies

Epson believes that, in addition to the acquisition and retention of specialized talent, evaluation and compensation mechanisms that appropriately reflect market conditions and individual contributions are essential to encouraging all employees to fully demonstrate their expertise. Accordingly, we are transitioning to an evaluation and compensation system that recognizes the value of expertise and the roles assumed, and encourages commitment to results. This will make it easier to compensate engineering talent for the value they deliver, while also strengthening our ability to attract and retain specialized talent.

Epson regards the use of human capital data as an important means for achieving long-term growth and strengthening the execution of management strategies. Our Group possesses a wide range of talent-related data, both structured and unstructured. To utilize this data in an integrated manner, we are working to consolidate human resources information into an integrated database for internal use. By advancing this human resources data infrastructure and building a talent portfolio, we intend to enhance the reproducibility and effectiveness of human capital management and sustainably create corporate value even in a changing business environment.

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.

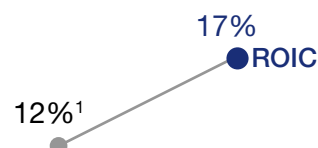


For details, see the
Feature Article on P33–34.



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

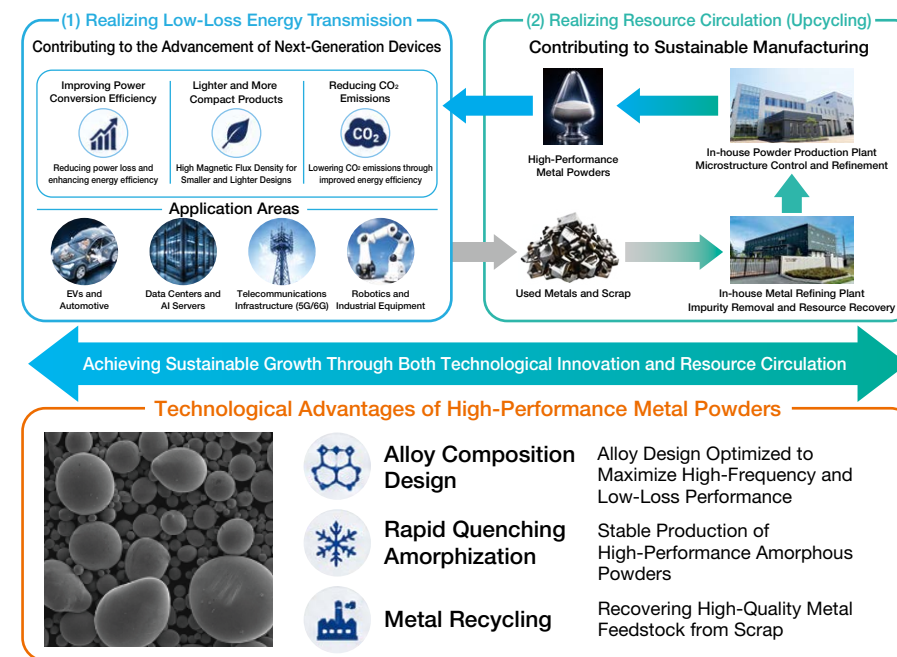
Epson Atmix operates an integrated business encompassing the development, manufacture and sale of high-performance metal powder products. As part of the Precision Innovation domain, a key growth engine for Epson, it plays a vital role in supporting company-wide growth and profitability. Production operations 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^{®3} 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

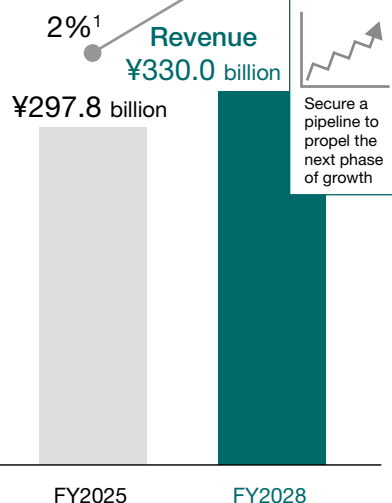
Commercial & industrial printing

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

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.

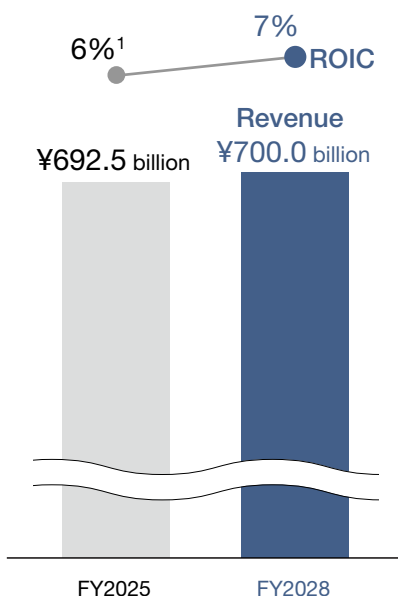
We launched high-capacity ink tank models in 2010 as products that provide the value of worry-free printing and achieved cumulative sales of 100 million units in FY2024. In FY2025, driven by sales of these models, we captured the top market share³ in the SOHO and home IJP market, with cartridge models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

¹ Estimation as of Mar. 2026

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)

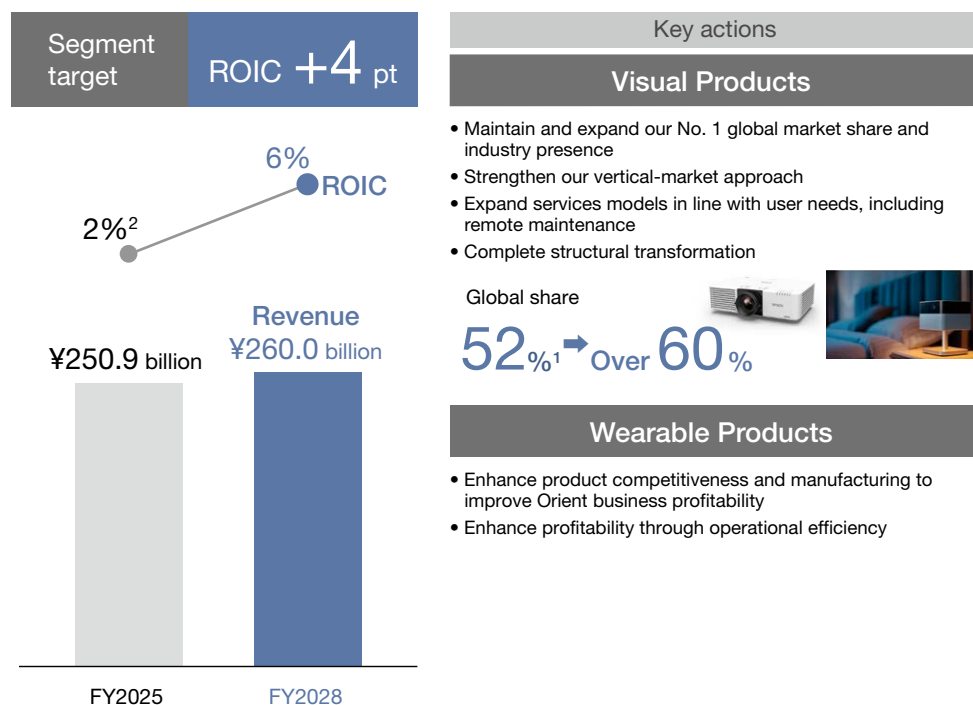
Segment

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

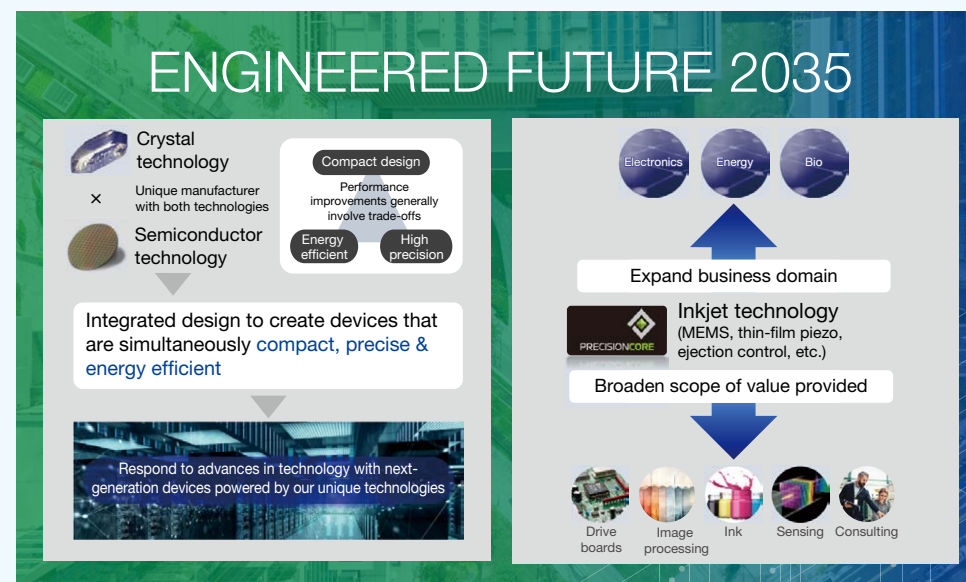
Accelerating the engine of growth with an operations-linked technology development organization

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.

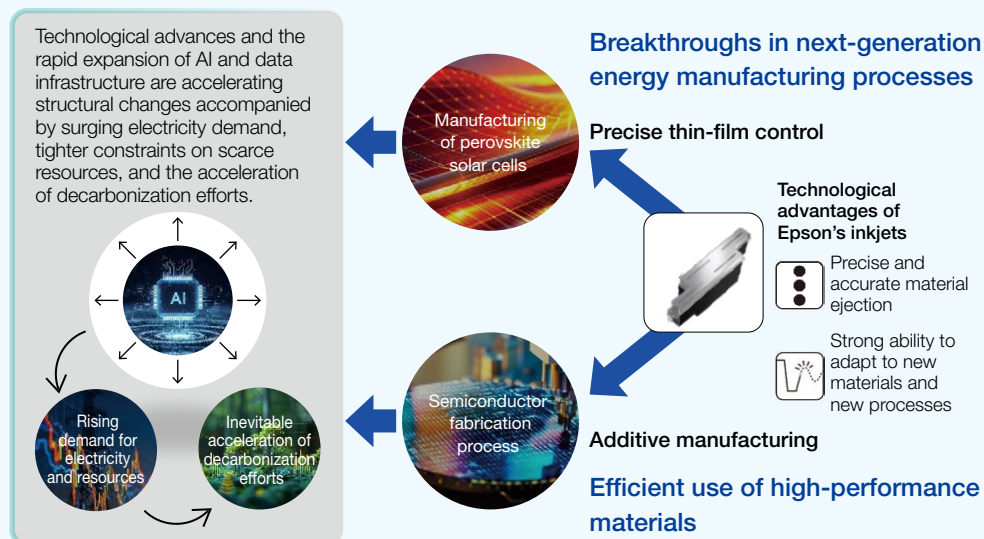
Across our inkjet, microdevices, and Epson Atmix businesses, we are leveraging unique technology assets spanning everything from materials to devices to create value that meets needs in next-generation energy, the digital society, the automotive field, and other areas.



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

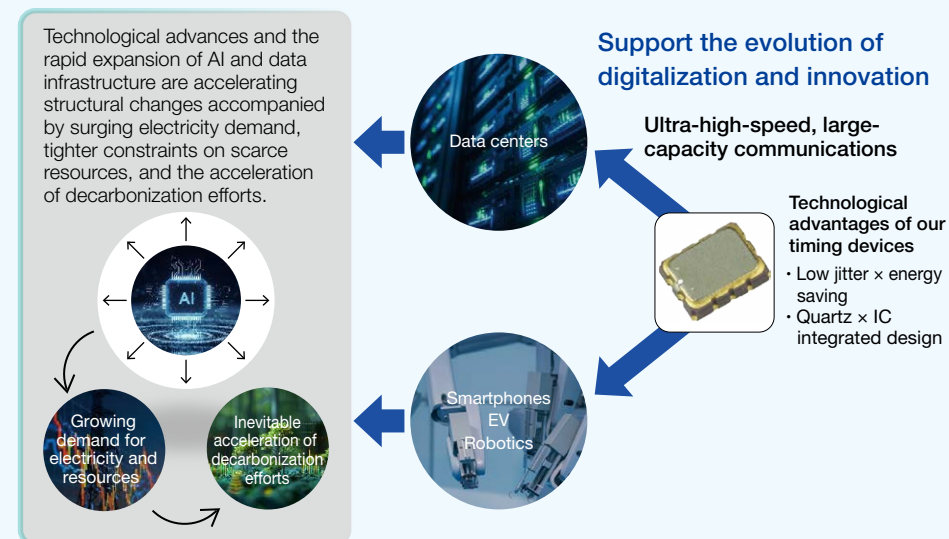
Inkjet | Supporting greater efficiency in energy and resources



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.

Sustainability Management

Under its ENGINEERED FUTURE 2035 Long-Term Vision, Epson views changes in the social environment not only as risks but also as opportunities for creating new value. Through our business activities, we will contribute to solving societal issues while also enhancing corporate value by improving profitability and capital efficiency. Sustainability is not merely an initiative to fulfill social responsibility; it is Seiko Epson's business strategy itself. As a company that supports sustainable growth, we will continue to create value demanded by society and, establish a virtuous cycle of realizing a sustainability and enhancing corporate value to achieve long-term growth.

Strengthening sustainability management

In formulating the ENGINEERED FUTURE 2035 Long-Term Vision, we examined the social environment from various angles and recognized that companies are affected by significant changes, including decarbonization, tightening energy and resource constraints, the rapid advance of the AI and data society, worsening labor shortages, population growth and economic growth mainly in emerging countries, geopolitical risks, and tighter regulations. These changes bring new constraints and risks to corporate activities, while also presenting major opportunities for the transformation of social and industrial structures themselves.

In this environment, what is required of companies is management that balances solving societal issues with sustainable growth, not merely the pursuit of short-term profit. In ENGINEERED FUTURE 2035, we aim to contribute to the sustainable development of society and industry based on our technologies and philosophy of efficient, compact, and precise. Epson will create value originating in societal issues, evolve technology, and implement that value in society to achieve the simultaneous creation of social value and economic value. We will enhance our corporate value over the medium to long term by improving profitability and capital efficiency. Our environmental initiatives will balance solving customers' issues with creating business opportunities by providing products and services that contribute to reducing environmental impacts through energy-saving and resource conservation technologies. To sustainably realize value creation, it is essential that we strengthen not only the business itself but also the management foundation that supports it. Positioning human capital as one of our sources of value creation, Epson is working to develop a global organizational and human resources base, while also developing leadership talent that can envision and execute even in highly uncertain environments, strengthening engineering talent that connects technology to real-world implementation, and promoting diversity. Along with strengthening intellectual capital, we are advancing the sophistication of the management foundation that supports value creation through ESG (environmental, social, and governance) initiatives. Epson has also been advancing initiatives such as transitioning 100% of the electricity used across its global operations to renewable energy and addressing environmental and human rights issues across the supply chain, through activities including those of the Responsible Business Alliance (RBA). Toward the realization of ENGINEERED FUTURE 2035, the Group as a whole is advancing initiatives on key issues including promotion of decarbonization, utilization of renewable energy, strengthening of supply chain resilience, respect for human rights, compliance, and information security.

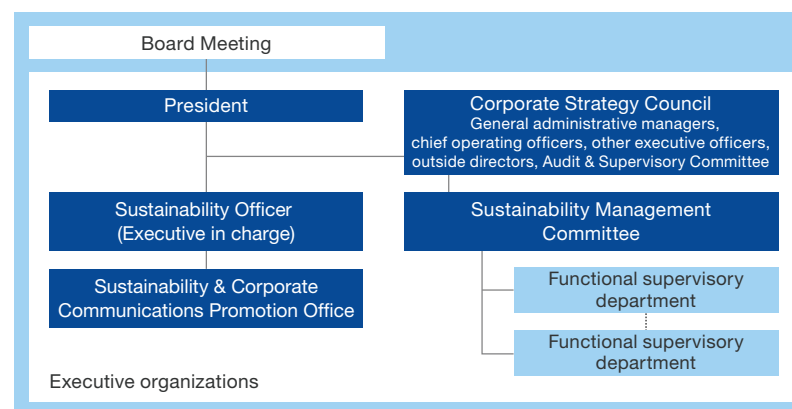
Based on this approach, Epson analyzes the risks and opportunities brought about by changes in the social environment and identifies its materialities as key issues for creating value through its business. Epson has also rebuilt its value creation process starting from our materialities and has set initiative themes and KPIs. In line with this review of our value creation process, we also reorganized KPIs related to our management foundation, a non-financial area, and improved KPIs related to human

capital and intellectual capital with a stronger focus on linkage to and contribution to business growth. We will work to realize ENGINEERED FUTURE 2035 while continuously managing and improving the status of our creation of social value and economic value.

Sustainability Promotion

Epson's Sustainability & Corporate Communications Promotion Office, established directly under the President and headed by an executive officer, is responsible for sustainability activities across the Group. We also established the Corporate Strategy Council as an advisory body to the President. The Council comprises members of executive management such as general administrative managers and chief operating officers, as well as outside directors and Audit & Supervisory Committee members. Members of the Council formulate medium- to long-term, Group-wide sustainability strategies based on analyses of social trends, review the progress of initiatives, and address key issues. As a subordinate organization under the Corporate Strategy Council, we established the Sustainability Management Committee to engage in discussion and examination of specialized matters related to sustainability activities. The Sustainability & Corporate Communications Promotion Office serves as the administrative office for the Sustainability Management Committee. It regularly reports sustainability-related affairs to the Board of Directors and operates under its oversight.

Promotion Organization



Materiality

Epson analyzed the risks and opportunities brought about by changes in the social environment and identified areas where we can provide value to society through our own technologies and businesses. As a result, we set seven materialities as key issues aimed at realizing the ENGINEERED FUTURE 2035 Long-Term Vision. These materialities are structured along the two layers of value creation and foundation for value creation.

The first layer of materialities related to value creation indicates the value that Epson provides to society through its business activities. Through an analysis of changes in the social environment, we identified four areas where Seiko Epson can leverage its technological and business strengths to balance solving societal issues with enhancing corporate value: improving the efficiency of energy and resources, technology evolution, addressing labor shortages, and enhancing learning, working, and living.

The second layer of materialities related to the foundation for value creation indicates the sources of competitiveness and the management foundation required to sustainably realize value creation. In formulating this long-term vision, we position human capital that generates innovation and intellectual capital that implements innovation in society as essential to realizing sustainable value creation, and position these as sources of value creation.

We focused on human capital based on the idea that, as societal issues become more complex and uncertainty in the business environment increases, developing and utilizing talent with both vision and execution capabilities as well as talent with diverse expertise will be a prerequisite for value creation.

We focused on intellectual capital based on the idea that, while deepening the technologies and philosophy of efficient, compact, and precise at the source of Epson's competitiveness, it is essential for sustainable growth that we connect those technologies to real-world implementation and create new value and markets.

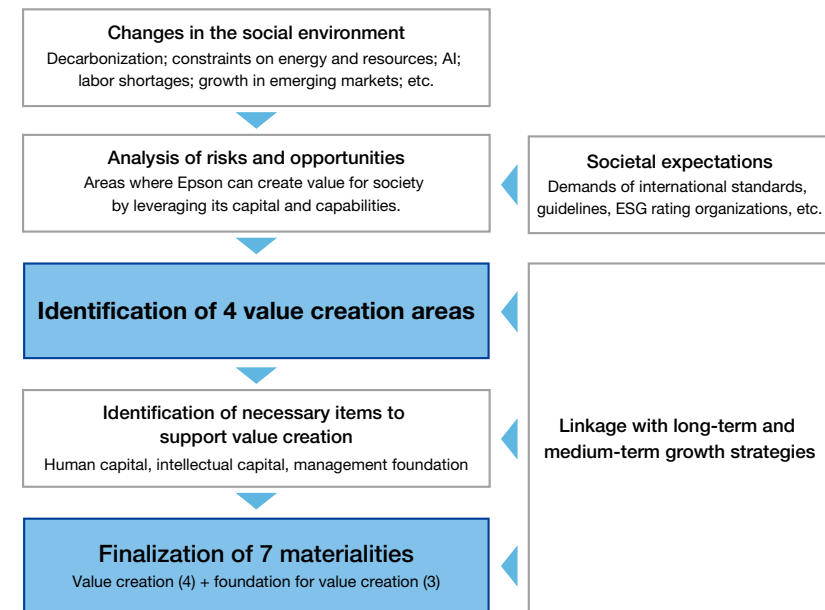
Our management foundation, comprising responses to the global environment, supply chain management, initiatives to respect human rights, and governance including appropriate capital allocation that supports execution of these initiatives, is positioned as the foundation that enables maximum demonstration of the sources of value creation and competitiveness and that supports sustainable growth.

Epson aims to enhance its corporate value over the medium to long term by strengthening these materialities in an integrated manner while linking them to one another, thereby achieving the simultaneous creation of social value and economic value.



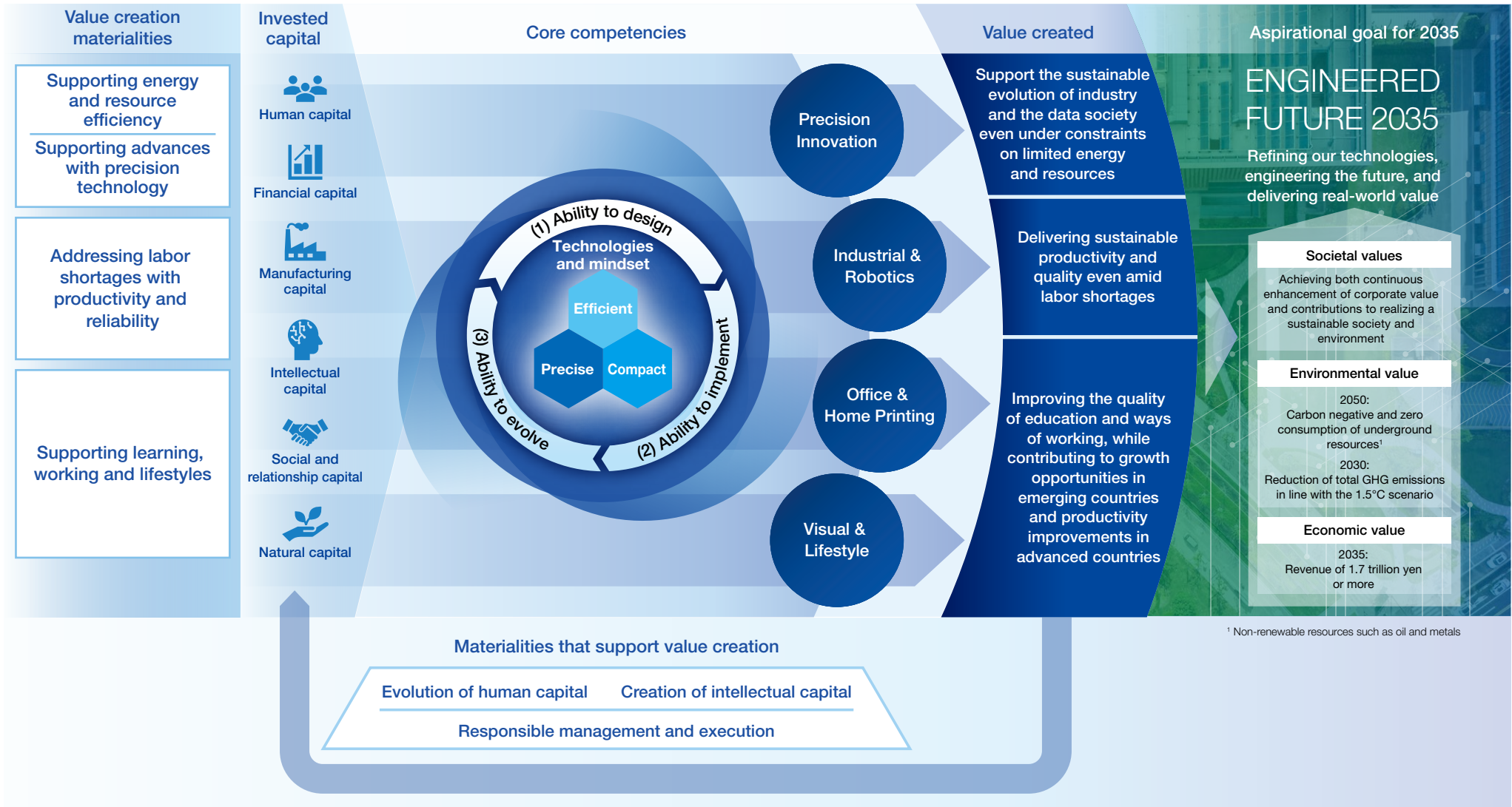
Materiality Identification Process

In formulating our ENGINEERED FUTURE 2035, Epson analyzed the impacts on Seiko Epson and stakeholders from changes in the social environment and societal demands such as international standards. Specifically, taking into account social changes such as decarbonization, constraints on energy and resources, the advance of an AI- and data-driven society, worsening labor shortages, growth in emerging countries, geopolitical risks, and tightened regulations, we assessed key issues from perspectives of business opportunities and risks. Doing so, we identified four value creation areas—energy and resource efficiency, technology evolution, labor shortages, and improving learning, working, and lifestyles—as areas in which we can create value through our technologies and business. We also identified human capital and intellectual capital as sources of competitiveness in sustainably realizing these value creation efforts, and added responsible management and execution as the management foundation for overall efforts. We thereby identified seven materialities.



Value Creation Process

Under the ENGINEERED FUTURE 2035 Long-Term Vision, Epson is promoting value creation that leverages the technologies and philosophy of “efficient, compact, and precise” to address issues and needs arising from changes in the social environment. By linking our business strategies to our management foundation with a grounding in our seven materialities, we will realize the resolution of societal issues and the creation of new value, and will aim for sustainable growth and enhanced corporate value through the simultaneous creation of social value and economic value.



Value Creation and Progress Management Based on Materialities

To steadily realize value creation based on our materialities, we set the value to be created, initiative themes, and evaluation indicators for each materiality, and continuously manage progress. In line with this review of the value creation process, we reorganized the KPI framework. We also incorporated some indicators into executive management compensation evaluations to promote highly effective management aimed at the simultaneous creation of social value and economic value.

 For details, see P54
"Officer Compensation System".

	Materiality	Opportunities (○) Risks (●)	Segment	Value Created	Main Initiative Themes	Evaluation Indicators (KPI)	Phase 1 Targets ¹	
Value creation	Supporting energy and resource efficiency	○ As demand for energy saving and resource conservation expands, the market for high-efficiency products and solutions expands ○ Business opportunities expand in areas related to closed resource loop initiatives and resource recycling ● Rising energy and resource prices and unstable supply raise procurement and manufacturing costs and disrupt supply ● Delays in responding to stricter environmental regulations and circularity requirements lead to reduced competitiveness and transaction constraints	Precision Innovation	Building on precision manufacturing and control technologies, we achieve lower energy use and higher efficiency in manufacturing processes together with more advanced device performance, and support the sustainable evolution of industry and of a data-driven society even under energy and resource constraints	• Inkjet Solutions: Strengthen inkjet technology and engineering, expand applications and markets through co-creation and external partnerships, and drive manufacturing transformation • Microdevices: Combine quartz and semiconductor technologies and support the evolution of the digital society through high-precision, low-power-consumption devices • Epson Atmxi: Further meet the need for closed resource loops and higher functionality by increasing the added value of high-performance materials and strengthening production capacity	Revenue (billion yen) CAGR (%)	Revenue ¥210.0 billion CAGR 8%	
	Supporting advances with precision technology	○ Expanding demand for high-precision, low-power-consumption, high-reliability technologies increases business opportunities in high value-added areas ○ Growing use of AI and data increases demand for high-precision, low-power-consumption devices and related components ● Intensifying development competition in AI, semiconductors, and communications increases the investment burden ● Insufficient response to more advanced technical requirements and faster development speeds leads to delays in customer response and reduced market competitiveness						
		Addressing labor shortages with productivity and reliability	○ As needs for automation, labor saving, and process optimization expand, the production-related solutions market expands ○ Demand is growing for high-quality, highly efficient manufacturing and the optimization of end-to-end production processes ● Difficulty in securing talent and rising labor costs under a declining working-age population create difficulties in production system maintenance and stable supply ● Insufficient transfer of skilled expertise creates difficulties in productivity and quality maintenance	Industrial & Robotics	Through automation and process optimization, we simultaneously solve the challenges of labor shortages and quality maintenance at production sites and contribute to building an industrial foundation that can grow sustainably even under labor constraints	• Commercial and Industrial Printing: Strengthen the lineup of high-productivity models and digital printing solutions to advance higher productivity and process optimization • Robotics: Expand the lineup of high-payload, collaborative robots and other products to advance production site reform through automation and labor saving	Revenue (billion yen) CAGR (%)	Revenue ¥330.0 billion CAGR 4%
		Supporting learning, working and lifestyles	○ Growing environmental awareness, soaring energy prices, and unstable electrical power in emerging countries drive demand for products and services that help reduce environmental impact and for operational efficiency improvements driven by rising labor costs ○ Demand for more advanced education, experiential value, and communication is growing due to middle-class expansion in emerging economies, increasing digitalization, and the diversification of work and learning styles ● In education and business domains, progress in digitization and the emergence of alternative technologies reduce market competitiveness and result in lost sales opportunities ● Insufficient response to changes in work styles and to increasingly diverse customer needs reduces customer touchpoints and market opportunities	Office & Home Printing Visual & Lifestyle	By improving access to information and operational efficiency, we enhance the quality of education and ways of working while contributing to growth opportunities in emerging countries and productivity improvements in advanced countries	• Office & Home Printing: Expand sales and customer touchpoints in emerging markets while evolving the earnings base by strengthening our recurring model • Visual & Lifestyle: Strengthen visual communication and the service model to advance enhanced experiential value and stable monetization	Revenue (billion yen) ROIC (%)	Revenue ¥700.0 billion ROIC +1% (compared to FY2025) Revenue ¥260.0 billion ROIC +4% (compared to FY2025)
Foundation for value creation	Evolution of human capital	○ Through development and hiring of specialized talent, leveraging of AI/data, reskilling, and optimal global talent allocation, productivity improvement and innovation creation will accelerate, contributing to business growth and achievement of ROIC ○ Promoting active roles for diverse talent and enhancing employee engagement through appropriate evaluation and treatment lead to maximization of organizational capabilities ● Productivity and competitiveness decline due to delayed reskilling and talent development ● Strategy delays and higher costs due to shortages of executive management/managerial talent and specialized talent result in missed growth opportunities ● Difficulty in securing talent and rising labor costs under a declining working-age population create difficulties in securing expert talent and in strengthening organizational capabilities	Realize a global talent base in which diverse and highly skilled human resources commit to results and demonstrate their capacity to create innovation	• Advanced utilization of our global organizational and human resources base	• Expansion of talent utilization that goes beyond existing organizational frameworks	Expansion of roles through the creation of themes		
				• Cultivation of leadership that drives business	■ Rate of succession readiness for key Group positions ² (including overseas key positions)	100%		
				• Strengthening of engineering talent and expansion of areas of contribution	• Promote the development of engineers who directly contribute to solving customer challenges	• Reinforce training on problem-solving methodologies		
				• Maximization of organizational teamwork	• Embed and strengthen the engineering approach (engineering-based problem solving) throughout the organization	• Prepare for revisions to the performance evaluation system		
	Creation of intellectual capital	○ New markets are created through real-world implementation driven by technological advancement and co-creation ● Delayed technology development, insufficient differentiation, and outflow/obsolescence of intellectual property undermine our competitive advantage and earnings base	Build an intellectual foundation that creates new value and markets through technological advancement and real-world implementation to achieve both competitive advantage and solutions to social issues	• Advancement of "efficient, compact, and precise" technologies and of R&D	• Execution of R&D aligned with business growth vectors	Setting of priority themes		
				• Utilization of intellectual capital linked to business strategy	• Utilization of IP landscapes in business and development	Expanded utilization in priority themes		
Responsible management and execution	○ Enhancement of ROIC-centered capital allocation and ESG initiatives achieves both earnings reform and growth investment, thereby increasing corporate value ○ Strengthening of supply chain management and risk management enhances business stability and resilience ● Reputational damage, business constraints, and higher costs result from delays or violations in regulatory compliance related to ESG areas such as the environment, human rights, and supply chains ● Resource procurement constraints and price fluctuations stemming from geopolitical risks and impacts on economic security result in supply instability and profit deterioration ● Cyberattacks and information leaks affect business continuity and customer trust	From a foundation of responsible management that achieves capital efficiency and sustainability, link social trust to the strengthening of business foundations and generate corporate value	• Decarbonization initiatives	Scope 1 and 2 GHG emissions reduction rate (total; compared to FY2017) ■ Scope 1, 2, and 3 GHG emissions reduction rate (total; compared to FY2017)	Previous fiscal year rate or higher (82% in FY2025) Previous fiscal year rate or higher (35% in FY2025)			
			• Utilization of renewable energy	• Renewable energy adoption rate	Maintenance of 100% global adoption rate			
			• Strengthening of supply chain BCM	■ Enhance BCM planning accuracy and strengthen recovery response capabilities to minimize sales impact from supply chain disruptions and interruptions	Year-over-year improvement of BCM plans/ achievement rate of recovery plans during emergencies			
			• Realization of responsible supply chains	• CSR risk level among suppliers	High risks: 0%			
			• Respect for human rights	• Expansion of scope of human rights due diligence	Expansion of scope of human rights risk identification and assessment			
			• Strengthening the foundation of compliance management	■ Number of major compliance violations	0			
			• Reinforcing information security	• Number of major information security incidents	0			

¹ Medium-term targets through FY2028² Calculated as: number of successor candidates / number of Group key positions³ As of June 2026 ■ Evaluation indicators for executive management compensation

Strengthening Organizational Capabilities

Epson is working to foster an environment and organizational culture that empowers employee to reach their full potential and achieve personal growth and that encourages them to take initiative and take on challenges. By doing so, Epson seeks to enhance organizational strength and generate sustainable value over the long term.

Diversity

For Epson, attracting and developing diverse talent is crucial for management. We are creating an environment in which employees from different countries, regions, and cultural backgrounds can fully capitalize on their unique experiences and expertise and maximize their potential. By bringing together people with different perspectives from across the globe and fostering collaboration toward shared goals, we drive innovation and create new value that meets the expectations of our global customers and society. This will allow us to achieve sustainable growth and enhance corporate value.

Gender equality

Seiko Epson aims to raise the percentage of women in management and executive management to the same level as the percentage of women among all employees (17.9% as of March 31, 2026). We are undertaking career development support and training measures to expand the pool of future female management candidates. We help employees to understand their career options and to choose and take on career challenges, while also promoting mindset reform centered on managers. Globally, women leaders play important roles in key management positions. By also leveraging their knowledge, we are advancing gender equality across the Group.

■ Targets, KPIs, and progress targets and progress for the percentage of women in management

Percentage of women in management	FY2025	FY2026 (target)	FY2028 (target)
	5.9%	6.7%	8.0%

■ Global Talent Development and Engagement

Percentage of Women in Management at Regional Head Offices				Percentage of foreign nationals among directors	41%
EAI	EEB	ESP	ECC	Percentage of foreign nationals in CEO positions	63%
35.9%	37.0%	39.6%	30.0%	Percentage of local hires among management	91%

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

* All overseas affiliated companies

* Management positions are section manager and above

Advancing the inclusion and empowerment people with disabilities

The Epson Group aims to be an organization in which every employee, regardless of disability, can demonstrate their abilities and strengths and contribute to business results through challenge and growth. To achieve this, the Group as a whole is recruiting people with disabilities while also working to deepen understanding of disabilities and improve workplace environments. By developing new business areas and creating job opportunities through our special subsidiaries, and by collaborating with communities and specialized institutions, Epson is creating environments in which all individuals can demonstrate their abilities and strengths.

■ Targets and progress for the percentage of employees with disabilities (Seiko Epson and special subsidiaries in Japan)

Employment rate	FY2025	FY2026	FY2030 (target)
(as of June 2026)	2.58%	2.76%	3.0%

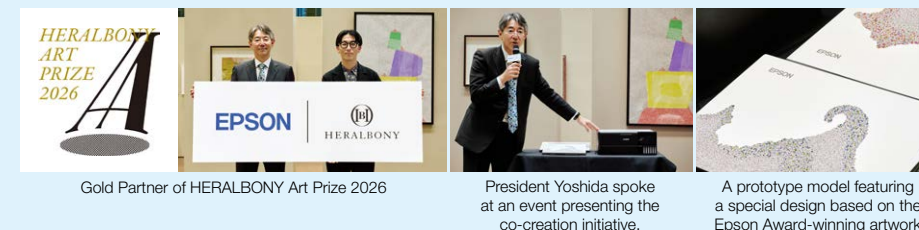


Scenes from an Epson-hosted event

Epson Named Gold Partner of HERALBONY Art Prize 2026

Through co-creation with Heralbony, Epson is working to create opportunities by which the unique sensibilities and creativity of individuals with disabilities generate new points of contact with society and in which the individuals' potential is recognized more broadly.

By leveraging Epson's global business foundation and network to communicate the value of distinctiveness to the world, we will contribute to realizing a society in which diverse individuality and abilities are recognized and appreciated as sources of value.



Gold Partner of HERALBONY Art Prize 2026

President Yoshida spoke at an event presenting the co-creation initiative.

A prototype model featuring a special design based on the Epson Award-winning artwork

Creating an environment in which employees can reach their full potential

Epson is creating an environment in which every employee can realize their full potential and take on new challenges to create value. Barriers that make it harder for employees to fully participate in work and develop their careers can arise at different stages of life and due to personal circumstances. We are working to lower these barriers with systems and programs that allow flexible work arrangements so that both employees and the organization can continue growing.

In FY2025, we held a seminar titled "Support for Balancing Work and Elder Care" and conducted events such as the "Mother/Parent Roundtable," co-hosted with the labor union. By deepening understanding of elder care and childcare and by providing opportunities for employees facing the same life events to share experiences and ideas, we support future-oriented career development and are creating an environment in which every employee can continue taking on challenges.

Organizational culture

Since FY2022, Epson has conducted engagement surveys maintain visibility into organizational conditions and issues that need to be addressed. The survey results revealed that while a foundation of trust in the workplace has been maintained to some extent, there are challenges in realizing an autonomous, self-driven organization in which individuals take action and work to resolve organizational issues on their own. While past surveys were effective in identifying organizational issues, there was room for improvement in making issues more specific and linking them to measures.

To realize ENGINEERED FUTURE 2035, Epson will undertake integrated initiatives that span situational assessment to deployment of measures, involving key items for the strengthening of human capital. We will encourage employees to proactively take on new challenges while driving the transformation to a more autonomous and self-directed organization. At the same time, we will embed a culture of tackling challenges across the Group, and will connect this to enhanced organizational capabilities and sustainable value creation.

■ Employee Satisfaction Survey (FY2025)

Satisfaction ¹	93.0%
¹ Percentage of respondents who rated their satisfaction 3 or higher on a 5-point scale	
Response rate ²	94.8%
² Seiko Epson regular employees and employees rehired after reaching mandatory retirement	



Top Talk Session with Mazda Motor Corporation President and CEO Moro at Diversity Fair 2025

Health and Productivity Management

Believing that the health of everyone working across the Group is of utmost importance to the company, we undertake health and productivity (Well-Being) management based on our Purpose, the Epson Way, the Epson Group Basic Occupational Health and Safety Policy, and the Epson Group Health and Productivity Management Declaration.

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.

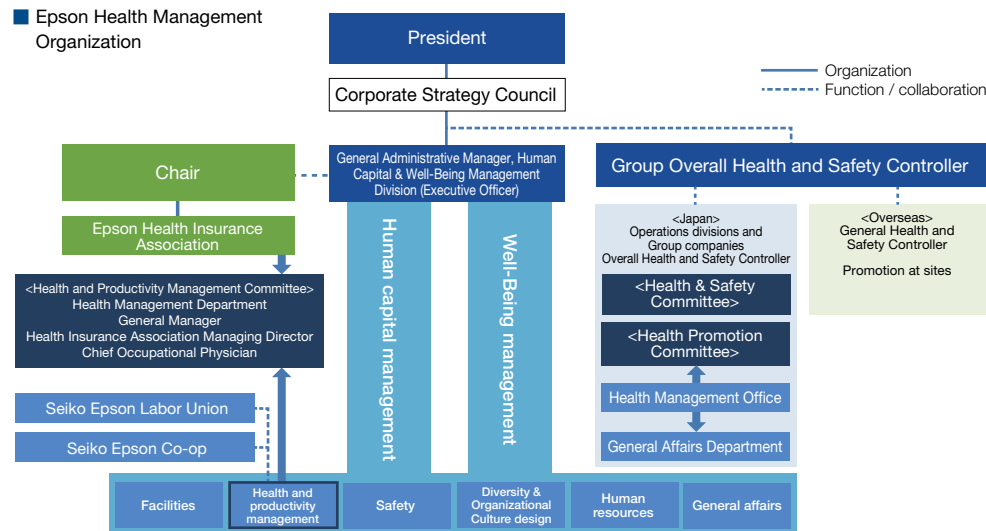
Junkichi Yoshida, President and CEO, Seiko Epson Corporation

Through Epson's Well-Being management, we aim to promote health and productivity globally to maintain and improve employees' health, foster an organizational environment that supports physical, mental, and social well-being, enhance employee motivation and engagement, enable employees to realize their full potential, and contribute to increasing corporate value.

Health and Productivity Management Organization

Seiko Epson has placed an integrated Human Capital and Well-Being Management Division under the president, who holds ultimate responsibility for health and productivity management. The 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. Globally, Epson promotes the prevention of health-related risks and the maintenance and improvement of employee health in accordance with the Epson Group Mid-Term General OH&S Plan (FY2026–FY2030), while ensuring compliance with applicable laws and regulations and alignment with company policies in each country and region. The Health and Productivity Management Committee, jointly operated by the company and the health insurance association, undertakes analysis of information, drafting of initiatives, and improvement of evaluations as a collaborative health platform. It meets on a regular basis to engage in activities in collaboration with health promotion committees driven by employee representatives alongside the company and the health insurance association.

Epson Health Management Organization



Mid-Range Health Management Policy

A look back at Health Action 2025

Since FY2001, the Epson Group has established and regularly updated medium-term plans related to health. In Health Action 2025 (FY2022–FY2025), we addressed mental and physical health and workplace health as priority areas. While this yielded some outcomes in maintaining and promoting employee health and improving the workplace environment, these remained limited to changes in individuals' health behavior and did not lead to increased corporate value. Accordingly, in our new medium-term plan, we will work to promote self-management of mental and physical health that leads to high vitality and productivity.

Health Action 2025 Results

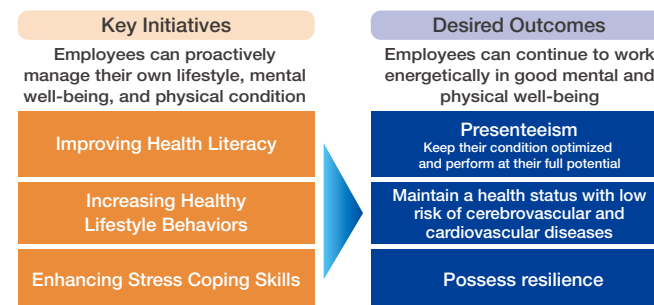
Indicators of Employee Consciousness Transformation and Behavior		FY2022	FY2023	FY2024	FY2025	FY2025 Targets
Mental and physical health	Stress management	—	75.3%	75.9%	77.3%	Higher than last year
	Percentage of people who are acting to relieve stress	—	73.3%	74.0%	75.4%	
	Percentage of people who can independently seek advice or help when facing problems	—	73.3%	74.0%	75.4%	
	Percentage of people who practice ≥ 6 of the 9 healthy lifestyle habits	42.8%	43.9%	44.9%	46.3%	≥50%
	Percentage who maintain a suitable body weight	62.5%	62.5%	62.6%	62.4%	≥60%
	Percentage undergoing physical	83.8%	89.8%	90.5%	90.9%	≥90%
Workplace health	Percentage who undergo further tests based on results of physical	67.0%	71.1%	70.7%	75.4%	≥90%
	Percentage who undergo further tests for cancer	—	38.0%	39.3%	39.6%	Increase from 38.0%
	Percentage of people who are maintaining flexibility and strength to prevent falls & lower back pain	0.97%	0.98%	1.02%	1.13%	≤0.8%
	Percentage of employees on mental health leave for 1 month or more	1	1	1	0	0
	Incidents of health issues among employees subject to medical checkups due to long working hours	7	12	10	12	0
	Workplace climate ³	2.49	2.50	2.48	2.51	≥2.52

³ Seiko Epson only

Initiatives under Health Action 2030 (FY2026–FY2030)

To realize ENGINEERED FUTURE 2035, we will support and deploy initiatives supporting employees' self-management of mental and physical health to remain healthy and work energetically over the long term. We believe that proactively maintaining mental and physical condition enhances daily focus and stamina and thereby work performance, and that the accumulation of such improvements becomes a strength of the organization as a whole, increasing corporate value.

Overview of Health Action 2030



Health Action 2030
https://corporate.epson/en/sustainability/our-people/health-and-productivity.html#h2_03

Slogan

“I Build My Health”

The vitality of each individual drives the company forward

Certification as a Health and Productivity Management Organization

In March 2026, Epson was recognized for the 10th consecutive year under the Certified Health and Productivity Management Organization Recognition Program (White 500) operated by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi. The certification recognizes our wide-ranging initiatives that focus on mental and physical health and workplace health on top of the safety-related activities that come under our corporate responsibility, taking into account the impacts on health of diverse work styles, changes in age composition, and other changes around us.

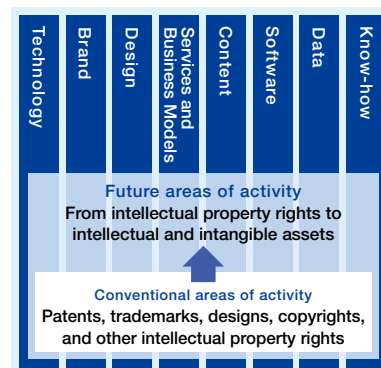


Intellectual Property Strategy

Under Epson's long-term vision, ENGINEERED FUTURE 2035, we regard the creation of intellectual capital that realizes innovation as a source of value creation. Accordingly, under our intellectual property strategy, we will identify, connect, and integrate Epson's diverse knowledge to build an intellectual foundation that generates a chain of innovation, and will continue to support sustainable growth through the utilization of all forms of intellectual capital.

Our Approach to Intellectual Capital

In Epson's goal of creating of intellectual capital that realizes innovation, intellectual capital includes not only patents, trademarks, design rights, copyrights, and other intellectual property rights but also brands, business models, data, know-how, and other wide-ranging intellectual capital held by Epson. By optimally combining and utilizing these, we will deliver value to society and translate that to sustainable growth.

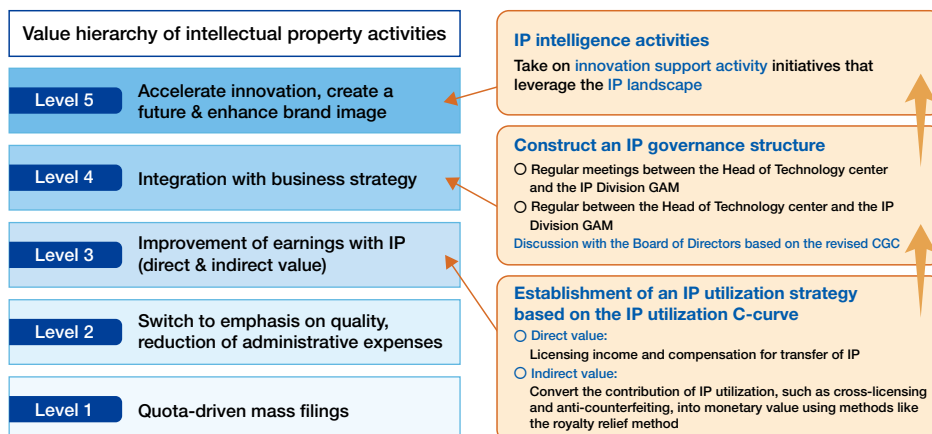


Overview of Our Intellectual Property Strategy

Epson's IP strategy has advanced in alignment with an IP value hierarchy, steadily progressing from one level to the next by building higher-level activities on a strong foundation of lower-level initiatives. We continue to evolve and enhance activities at Levels 1 through 4, but are now aiming to reach Level 5, where we will accelerate innovation, create a future and enhance brand image. At this level, IP strategies will actively foster innovation, enabling Epson to create the future through innovation. By sustaining this cycle of innovation, Epson seeks to enhance the value and reputation of the Epson brand and deepen positive customer perceptions worldwide.

Intellectual property strategy (overview)

On the foundation of lower-level activities, develop higher-level activities



Value Hierarchy of Intellectual Property Activities (Level 4): Initiatives by Business Segment

Our intellectual property strategy, carried out in accordance with the reorganized business segment positioning under our Long-Term Vision ENGINEERED FUTURE 2035, is as follows.

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 • PC
Role	Growth engine	Full-scale growth in Phase 2	Earnings base	Earnings base
Intellectual Property Strategy	Protection of strengths through a closed strategy	Formation of intellectual assets in preparation for future growth	• Proactive utilization of intellectual assets (anti-counterfeit product measures, etc.) • Securing of operational freedom through cross-licensing • Strengthening of brand	

With the Precision Innovation segment positioned as a growth engine, we will secure sustainable competitive advantage by adopting a closed strategy that includes protecting and managing confidential intellectual capital, which serves as a source of business growth and competitive strength, and creating a patent moat that serves as a barrier to entry. → See P42, Example (1)

The Industrial & Robotics segment is expected to achieve substantial growth in Phase 2. We will prepare for they by adopting a strategy emphasizing the formation of intellectual capital that will become a future strength.

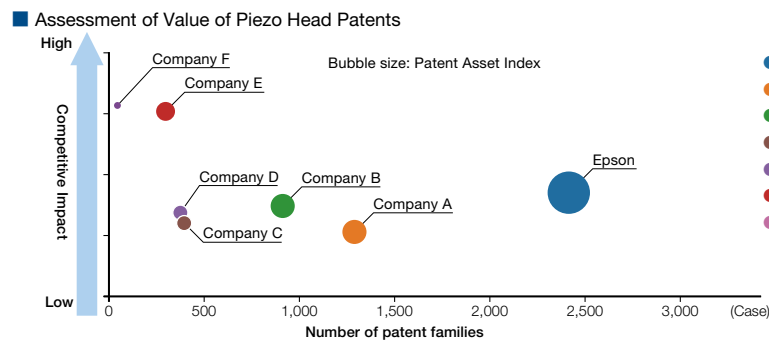
The Office & Home Printing segment is positioned as an earnings base. In addition to pursuing new business opportunities that leverage our strong customer base built over many years, we will adopt a strategy that secures stable earnings by effectively utilizing intellectual capital to protect customers from counterfeit ink bottles and ink cartridges. → See P42, Example (2)

The Visual & Lifestyle segment is also positioned as an earnings base. In the Visual Products business, in which we hold an overwhelming market share, we will adopt a strategy of reducing the risk of infringing other companies' intellectual assets through cross-licensing and of securing greater freedom in product design. The Wearable Products business will advance strategies to enhance the value of our ORIENT brand.

To formulate an intellectual property strategy linked with development and business strategies and thereby protect our proprietary core technologies, we hold bilateral meetings between the heads of the operations divisions and Development center and the head of the Intellectual Property Division, and, as needed, hold trilateral meetings among the President, heads of the operations divisions or heads of the Development Center head, and the head of the Intellectual Property Division. We regularly report on and discuss intellectual property strategy at board meetings and reflect the outcomes in our strategy.

Example (1): Precision microfabrication technology know-how and confidentiality management

We regard the Precision Innovation segment as Epson's core growth engine. Its sustained growth stems from robust intellectual capital that competitors cannot easily replicate. An example is the precision microfabrication technology that we have developed from our founding onward. For printheads embodying this technology, we have built a powerful patent portfolio that far surpasses that of competitors in both quality and quantity. We manage these intellectual property rights strategically to create a patent moat that serves as a barrier to entry. This precision microfabrication technology incorporates vast know-how accumulated over years of R&D and manufacturing. We protect key know-how that forms the core of our businesses' competitiveness by keeping it confidential.



Example (2): Anti-counterfeit activities in collaboration with government agencies and e-commerce platform operators

Epson seeks to maintain a stable earnings base in part by combating counterfeit products distributed around the world, particularly consumables for office and home printers. Counterfeit products often do not match genuine products in terms of quality and safety. They can adversely affect customers' usage environment and can become a factor undermining trust in the Epson brand.

Engaging in global initiatives to prevent the manufacture, import/export, sale, or purchase of these products, Epson works with government agencies in countries and with e-commerce platform operators to deter the manufacture and distribution of counterfeit products.

As an example, in collaboration with government agencies, we held exchanges of views with the Indonesian National Police and meetings with the Vietnam Directorate of Market Surveillance. In FY2025, as part of our collaboration with e-commerce platform operators, we visited major Southeast Asian platforms such as Shopee, Lazada, and TikTok Shop, where we had constructive exchanges regarding Epson's concerns about counterfeit products distributed on e-commerce sites and possible countermeasures.

Going beyond the simple exercise of rights for protection of the brand, these activities maintain an environment in which customers can use products with peace of mind, thereby contributing to the maintenance and enhancement of long-term brand value.



Meeting with the Vietnam Directorate of
Market Surveillance¹

▶ See P66 for footnotes ¹

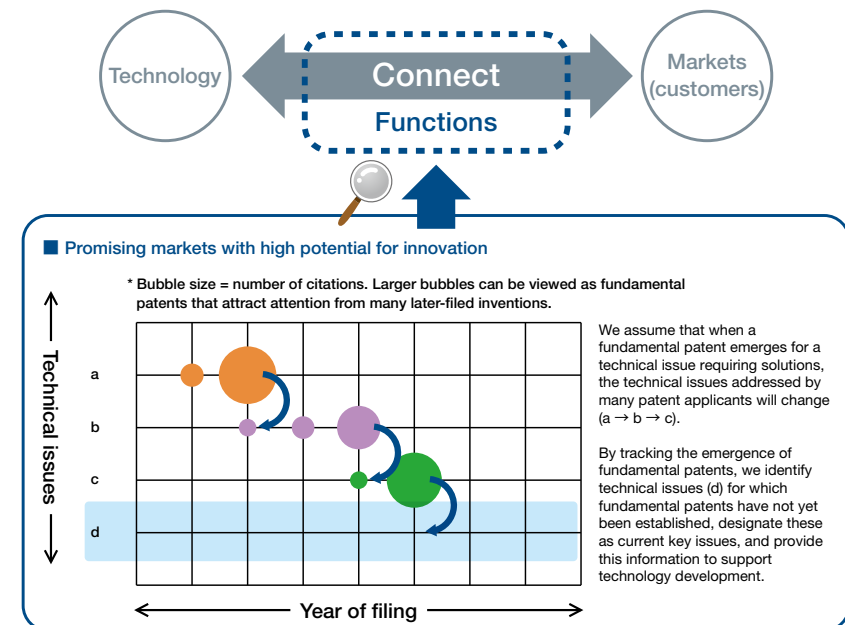
Value Hierarchy of Intellectual Property Activities (Level 5): Initiatives for the Creation of Intellectual Capital that Realizes Innovation

In our Long-Term Vision ENGINEERED FUTURE 2035, we position "Creation of intellectual capital that realizes innovation" as a foundation for value creation.

An innovation can only be realized when it is accepted by many customers and implemented in the real world. Accordingly, by focusing on the functions that connect technologies with the markets that are our customers, Epson seeks to use the IP landscape to identify current key issues in the market and thereby increase the success rate of innovation.

As an example, we identify current key issues and provide information to our technology development organizations under the hypothesis that after the emergence of a fundamental patent that attracts attention from numerous players in the technological field of a given market, the technical issues in that field may change. Through these efforts, we provide certain insights into the direction of technology development and support the creation of intellectual capital that enables innovation.

■ Conceptual image of the creation of intellectual capital that realizes innovation



Epson has also begun efforts using the IP landscape to detect at an early stage any disruptive technologies with the potential to fundamentally overturn Epson's existing businesses. By detecting and addressing disruptive technologies early on, this effort aims to contribute to the growth of the company and the realization of an earnings base.

While these initiatives are still in their early stages, we are launching new endeavors aimed at using intellectual property information to create intellectual capital that enables innovation as a source of value creation.

Environmental Policy

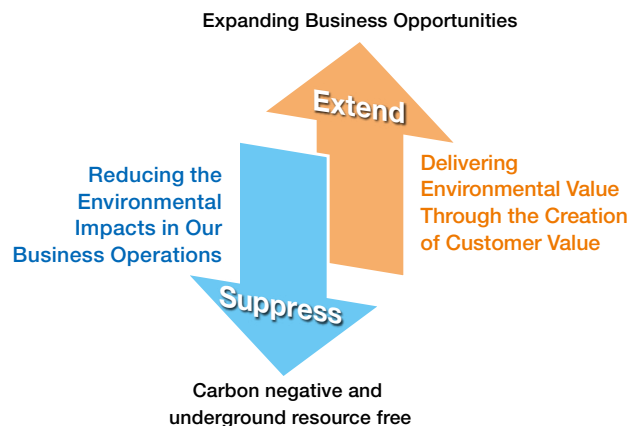
The products and services Epson provides can realize their full value only when the environment is preserved and people's lives remain stable. Accordingly, we view efforts to address environmental issues, including climate change, as both a corporate responsibility and a fundamental prerequisite for its sustainable growth of our business.

Since founding, Epson has cultivated our efficient, compact and precise technologies and philosophy. Products and services developed from these strengths have contributed to reducing environmental impacts throughout society in diverse ways. By creating customer value and expanding business opportunities, we also deliver greater environmental value. We will simultaneously achieve business growth and create environmental value across the entire value chain.

To sustain this value creation, we also continuously work to reduce the environmental impacts of our business activities as a fundamental responsibility of a manufacturer. In Environmental Vision 2050, we established the goal of becoming carbon negative and underground resource¹ free by 2050. To achieve this vision, we are implementing a medium-term environmental action plan.

Epson's environmental policy is built on two pillars: delivering environmental value through customer value creation and reducing environmental impacts from our own business activities.

¹ Non-renewable resources such as oil and metals

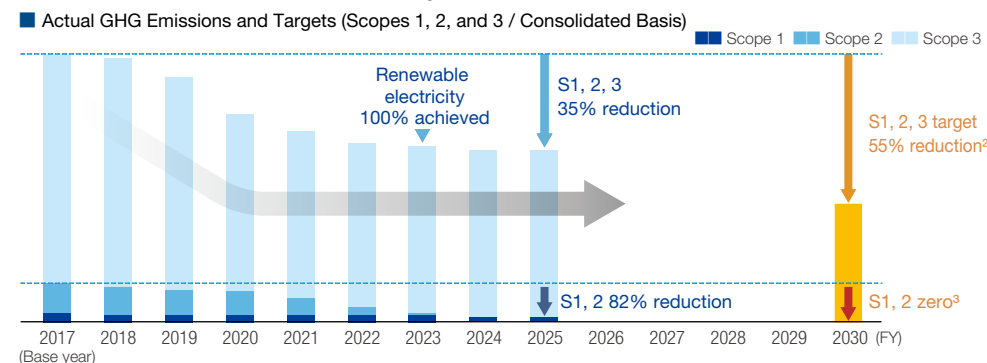


Progress on the Mid-Term Environmental Action Plan

In our efforts to reduce the environmental impacts of our own business activities, we reduced total Scope 1, 2, and 3 GHG emissions by 35% in FY2025 compared with FY2017, exceeding our target of 34% or more. We also reduced Scope 1 and 2 emissions by 82% compared with FY2017, surpassing our target of 80% or more.

The substantial reduction in Scope 1 and 2 emissions was driven by our achievement of 100% renewable electricity for all electricity used at our sites in 2023, together with continued energy-saving efforts. To sustain and further improve this performance, we will continue to advance energy conservation initiatives and optimize the procurement of renewable electricity.

A substantial share of Scope 3 emissions arises from the procurement and processing of parts and materials, requiring efforts that extend beyond Epson's own operations. We therefore recognize the importance of further initiatives, including stronger collaboration with suppliers and the implementation of measures at the design stage. To achieve our mid-term targets, we will continue to develop and execute measures to address these challenges.



Our sustainable resource ratio⁴, a key indicator of progress toward our Underground Resource Free goal, reached 39%, exceeding our FY2025 target of 38%. Through resource recovery and recycling initiatives, as well as innovations in material use in our products, we will continue to implement measures aimed at achieving our mid-term targets.



Closed Resource Loop
<https://corporate.epson/en/sustainability/environment/resources/>

▶ See P66 for footnotes ^{2,3,4}

Reducing GHG emissions in the supply chain

Epson completed its transition to renewable electricity for power used at its own sites⁵ in 2023, marking a major milestone in its decarbonization efforts.

However, a significant share of GHG emissions arises within the supply chain, making close collaboration with suppliers indispensable. Since FY2024, we have promoted Epson Green Supply Chain activities and strengthened our ability to advance decarbonization together with suppliers. Through these activities, we have helped build understanding of GHG emissions and shared knowledge on effective reduction measures. We have also expanded these initiatives across our global operations, with a particular focus on supporting the adoption of renewable electricity. Building on the knowledge and expertise developed through these activities, we will expand our efforts across our supply chain to steadily reduce Scope 3 emissions.

⁵ Excludes electricity consumption at certain sales offices and leased facilities for which usage data is unavailable, as well as fuel-based onsite power generation, including cogeneration systems (CGS)

Example of supplier initiatives

METCO (Muramoto Electron (Thailand) Public Co., Ltd.), a production site of Muramoto Industry Co., Ltd. in Thailand, manufactures Epson printers and related products.



METCO 3

Aligned with Epson's renewable electricity initiative, METCO began efforts in 2022 to reduce GHG emissions as part of our supply chain. In October of that year, it achieved 100% renewable electricity for the electricity it consumes through the use of International Renewable Energy Certificates (I-REC). Since then, it has continued to advance its transition toward self-generated solar power.

Market Transformation Through the Widespread Adoption of High-Capacity Ink Tank Systems

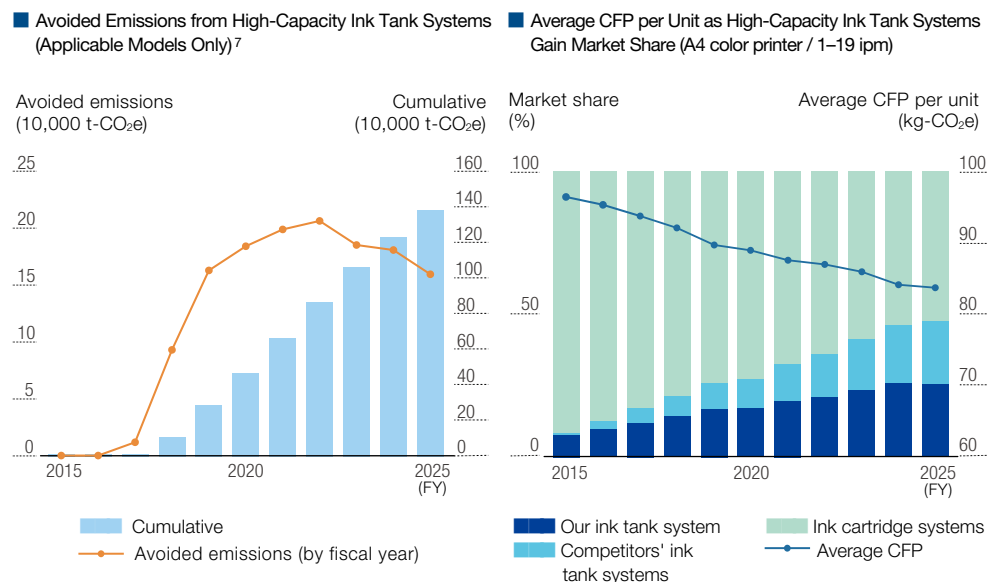
We calculate and disclose avoided emissions as an indicator that quantitatively demonstrates our contribution to reducing GHG emissions through the widespread adoption of our products and services. To date, we have disclosed avoided emissions resulting from the replacement of laser printers with Epson A3 color inkjet printers. We have now expanded the scope of the calculation to include high-capacity ink tank printers, which are sold in substantially larger volumes. The avoided emissions are calculated based on their replacement of ink cartridge printers.

High-capacity ink tank printers, which Epson introduced in 2010, significantly reduce the frequency of ink replacement compared with conventional ink cartridge printers. By reducing the use of consumables and packaging materials, we are reducing environmental impacts across the product life cycle, including reduced GHG emissions from material production, transportation, and disposal.

Based on the replacement of ink cartridge printers with high-capacity ink tank printers, we calculated FY2025 avoided emissions⁶ of approximately 160,000 t-CO₂e. The high-capacity ink tank system pioneered by Epson has driven market transformation and become firmly established as a major option for customers. As a result, annual avoided emissions are beginning to level off, reflecting the steady progress of this market transformation. Cumulative avoided emissions from FY2010 to FY2025 reached approximately 1.39 million t-CO₂e⁷, demonstrating our contribution to reducing environmental impact over the long term.

Based on these results, we will continue aiming for further environmental impact reductions across society by capturing and expanding business opportunities and by reducing environmental impacts.

▶ See P66 for footnotes ^{6,7}



Delivering Environmental Value through Precision Innovation

Epson will deliver environmental value across the value chain by creating customer value and expanding business opportunities through our efficient, compact and precise technologies and philosophy.

Inkjet Technology for Energy and Resource Efficiency in Production Equipment

In the manufacture of perovskite solar cells using inkjet technology, Epson's additive manufacturing technology enables materials to be deposited precisely where and in the amounts needed. This minimizes material loss and reduces energy consumption through low-temperature, non-vacuum processes. As lightweight solar cells with fewer installation constraints, perovskite solar cells can also accelerate the adoption of renewable energy during the use phase, contributing to the reduction of GHG emissions across society.

Microdevices for Energy Efficiency in Data Centers

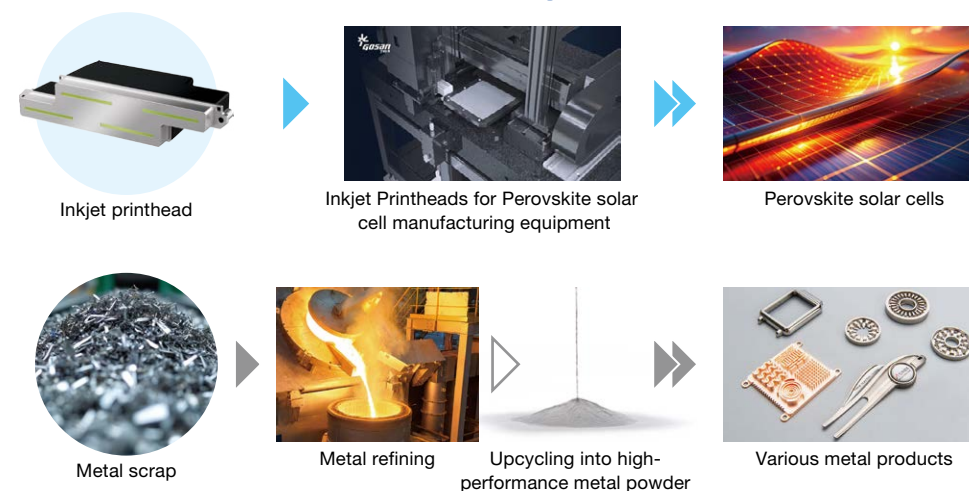
As the proliferation of AI drives rapid growth in data center power demand, Epson's high-frequency crystal oscillators help improve energy efficiency. Leveraging our proprietary crystal and semiconductor technologies, these devices offer high precision, low power consumption, and miniaturization. Their accurate timing control supports faster and more efficient communications between devices, helping to reduce power consumption at data centers.

Metal Powder Technology for Metal Resource Circulation

Epson Atmix upcycles off-specification powders generated during metal powder production, as well as other metal scrap, into high-performance metal powders using its proprietary powder metallurgy technology. Amorphous soft magnetic powders produced through Epson Atmix's unique SWAP[®] process offer excellent magnetic properties that help reduce power loss and improve energy efficiency. By replacing virgin raw materials with recycled materials, Epson Atmix reduces natural resource consumption and GHG emissions, thereby contributing to resource circulation and the realization of a circular economy.



See P25–34 for information on our business strategies and the value we provide.



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 United Nations Guiding Principles on Business and Human Rights (UNGPs).

Epson's human rights initiatives are spearheaded by the executive officer in charge of sustainability, under the supervision of the Board of Directors. To appropriately address human rights issues in the supply chain, the department in charge of supply chain CSR educates our suppliers about Seiko Epson's human rights policy and code of conduct, assesses human rights impacts, and takes action for prevention and mitigation. We have also set up a supplier whistleblowing system to provide remedy.

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



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

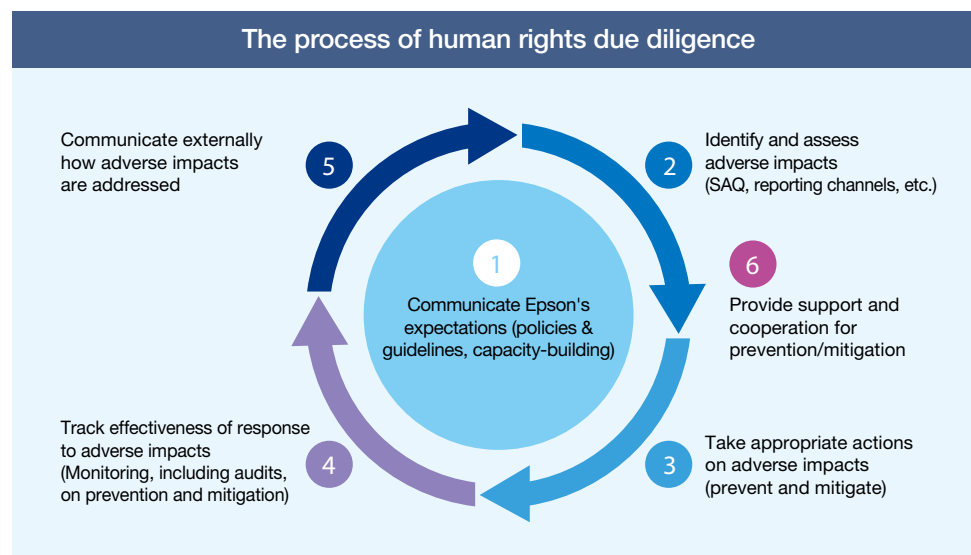
Epson Group Human Rights Policy

The Epson Group Human Rights Policy was revised with board approval on April 1, 2022, to align it with the UNGPs. 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 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.)

Approach to Human Rights Due Diligence

Epson continuously implements a human rights due diligence process to identify and assess adverse impacts on human rights for the prevention of the emergence and for the prevention or mitigation of their continuation across the value chain, including at Group companies and in our business partners' operations.



Human Rights Due Diligence Activities

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.

1. **Identify and assess adverse human rights impacts.**
Epson believes that the areas currently most susceptible to severe human rights impacts are labor and occupational health and safety issues affecting our employees, employees of Group companies, temporary staff, supplier employees, on-site contracted workers, and migrant workers. These risks are considered particularly significant in Asia and in the manufacturing industry.
2. **Prevent and mitigate adverse impacts on human rights.**
As a method of its human rights due diligence, Epson conducts an annual CSR self-assessment in accordance with the RBA Code of Conduct and the RBA SAQ. This assessment is administered on an ongoing basis at all business facilities, all domestic and overseas group companies and major suppliers. The CSR SAQ results are reported to the RBA. All of Epson facilities, Group companies, and suppliers work to provide a remedy to victims of any human rights abuses identified through CSR self-assessments, formulate corrective action plans to address identified impacts, and strive to prevent and mitigate such impacts.
3. **Monitor results and progress.**
All Epson facilities, Group companies, and suppliers, with the involvement of executive management, work to provide a remedy and also to prevent and mitigate adverse human rights impacts in accordance with action plans. We track the progress of remedy, as well as prevention and mitigation of severe adverse impacts, with related Head Office supervisory departments verifying actions through completion. Through our annual CSR self-assessment, we confirm the status of prevention and mitigation at all companies and facilities. In addition, seven of our major manufacturing sites in Asia continue to voluntarily undergo the RBA's Validated Assessment Program audits.
4. **Communicate and report performance.**
Epson's efforts to address adverse impacts on human rights are reviewed annually by management and are reported on our website and in our Sustainability Report. The Epson Group also publishes an annual statement on modern slavery and human trafficking, reporting on the Group's global initiatives. To build and maintain good labor-management relations, Epson actively provides information to its employees and engages them in sincere talks and discussions.
5. **Provide support and cooperation for remedy and prevention/mitigation of adverse impacts (supply chain).**
Based on the results of assessments of adverse human rights impacts, we provide education and support to suppliers for remedy, and prevention and mitigation of adverse impacts.
6. **Provide support and cooperation for prevention/mitigation of adverse impacts (supply chain).**
Based on the results of assessments of adverse human rights impacts, we provide education and support to suppliers for remedy, and prevention and mitigation of adverse impacts.

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 UNGPs 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, Epson endorses the RBA principle that workers should be treated with respect and dignity, and, as an RBA member, requires its suppliers to comply with the RBA Code of Conduct and works toward its realization.

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 and request compliance through the supplier code of conduct and education
2. Assess adverse impacts at supplier sites (through SAQs and supplier whistleblowing system, etc.)
3. Ensure remedy and prevent/mitigate adverse impacts
4. Monitor actions to prevent and mitigate adverse impacts, and measure the effectiveness (by audits, feedback from the supplier whistleblowing system, etc.)
5. Disclose and provide feedback on addressing adverse impacts (disclosure on corporate website, etc.)
6. Provide support and cooperation for remedy, and prevention/mitigation of adverse impacts

Examples of Having Addressed Adverse Impacts through Human Rights Due Diligence

Examples of Remediation and Prevention at Epson Group Sites 3

- Failure to conduct fit testing for respiratory protective equipment
- Inaudible fire alarm at factory
- Expired medications in first-aid kits
- Delays in wage payments to retirees
- Inadequate maintenance and management of safety equipment (eyewash stations)
- Insufficient number of paid leave days granted to former dispatch worker
- Drinking water (tap water) was not tested for quality
- Failure to equip manufacturing machinery with safety devices

In 2025, at our production site in Malaysia, we underwent a forced-labor-focused audit (S-VAP for Forced Labor) administered by RBA. We are taking diligent and prioritized remedy and prevention measures to address adverse human rights impacts identified through the audit.

Examples of Remediation and Prevention at Supplier Sites 3 6

- Proper management of working hours (granting of one day off per week and of statutory holidays)
- Elimination of interest on personal loans offered by the company
- Conclusion of employment contracts and provision of copies to employees
- Refund of recruitment fees paid by foreign migrant workers
- Provision of uniforms free of charge
- Discontinuation of medical checkup items that could lead to discrimination
- Introduction of reasonable accommodations for disabilities
- Conduct of evacuation drills (mandatory all-hands drills, night drills, dormitory drills, etc.)
- Maintenance of emergency equipment (emergency exit doors, fire extinguishing equipment, etc.)
- Free provision, inspection, and replacement of proper personal protective equipment

In 2025, based on the human rights impact assessment, in addition to the scope determined by transaction amount and type of business, we requested and received responses to a human-rights-focused SAQ from all direct next tier suppliers in Malaysia. While no severe adverse human rights impacts were identified, we took action (planning, implementation, and confirmation of completion) on management items for which adverse impacts were concerned.

Grievance Mechanisms 2

Epson has established a number of grievance mechanisms as required by the UNGPs on Business and Human Rights. These include the Epson Helpline and reporting channels and advisory services for harassment, long working hours, diversity, and foreign employees. These enable employees and on-site workers to raise concerns and report human rights-related issues that Epson can then appropriately address. Epson provides all stakeholders, including customers, investors, and local residents, with access to the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) from April 2024, accepting consultations and reports through the dialogue and remedy platform provided by JaCER.



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

Remedies through Reporting Channels for Business Partners

All group companies have also established business partner reporting channels to receive consultations and reports. In addition to raising awareness of these channels and encouraging their use through supplier conference, reports can also be submitted via the company website, ensuring that supplier employees can easily access the reporting channels. Where adverse human rights impacts are identified through these consultations and reports, or through audits, Epson provides support to suppliers until appropriate remediation is completed.

These reporting channels also serve as a means of tracking the effectiveness of responses to adverse human rights impacts. The consultation and reporting contact points mentioned above are operated under strict control, prohibiting retaliation against informants and ensuring anonymity.

Education 1

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 provided 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 group companies, as well as for managers and above at all overseas group companies. The completion rate is 88% in Japan and 96% overseas. We also continue to hold expert seminars on human rights for Epson Group officers and employees.

Human rights education for suppliers

To foster understanding of human rights, we 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 of business and human rights taught by outside consultants to provide suppliers with expert information.

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 United Nations Global Compact, and the RBA Code of Conduct (RBA CoC).

- Prohibition of child labor (ILO C138/182, RBA CoC A2)
- Prohibition of forced and compulsory labor (ILO C29/105, RBA CoC A1)
- Proper management of working hours (a 60-hour maximum workweek and one day off every seven days) (RBA CoC A3)
- Proper payment of wages (payment of the legal minimum wage and overtime wages, and timely payment of wages) (RBA CoC A4)
- Humane treatment (no harassment) (ILO C190, RBA CoC A5)
- Non-discrimination (ILO C100/111, RBA CoC A5)
- Freedom of association and the right to collective bargaining (ILO C87/98, RBA CoC A6)
- A safe and healthy work environment (ILO C155/187, RBA CoC B: Health and Safety)

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 do so by complying with international norms including the SDGs and the United Nations Guiding Principles on Business and Human Rights (UNGPs), which call for action across the supply chains, as well as value chain-related regulations in individual countries and territories. Epson also endorses the mission and Code of Conduct of the Responsible Business Alliance (RBA), an alliance dedicated to improving sustainability throughout the electronic components supply chain. As an RBA member, we fulfill our social responsibility efficiently and effectively by adhering to high social, ethical, and environmental standards and by leveraging the tools provided by the organization.

From the perspective of sustainability, a prerequisite for creating the social value envisioned by our long-term vision, ENGINEERED FUTURE 2035, we promote supply chain CSR and sustainable procurement. In particular, in collaboration with our business partners we proactively address human rights and the environment and disclose our progress to society.

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

Supplier Engagement

Epson's socially responsible supply chain initiatives are aligned with the requirements of international standards such as the UNGPs and the RBA Code of Conduct. It is essential that suppliers understand the underlying issues and objectives behind these societal expectations and norms and that they take voluntary action, while also staying abreast of rapidly changing societal conditions and expectations.

Epson engages its suppliers in dialogue throughout the year in various ways and at various levels. We promote understanding and build supplier capabilities through policy briefings for executive and senior management, specialized training such as human rights seminars led by external experts, briefings on Epson's initiatives and various surveys, and one-on-one dialogue with suppliers.

Supplier Code of Conduct

In addition to initiatives within our company, we established the Epson Group Procurement Guidelines (now named the Epson Group Supplier Guidelines) in April 2005 with the aim of gaining understanding and cooperation from suppliers regarding Epson's procurement policies. We have made updates to the guidelines for over 20 years. In addition to coverage of basic transaction matters concerning quality, price, and delivery, the Epson Group Supplier Guidelines make requests concerning matters related to environmental initiatives and compliance, including international trade control and security, and provide information on our supplier whistleblowing system. The Supplier Code of Conduct, a part of the guidelines, sets requirements in the areas of labor, health and safety, environment, ethics, and management systems, in accordance with the latest RBA Code of Conduct (Ver. 8.0).

We publish the above guidelines on our website, while also providing information to all suppliers and requesting their compliance with the guidelines. We also ask suppliers to consent in writing to the Supplier Code of Conduct.



Responsible Business Alliance

Advancing Sustainability Globally

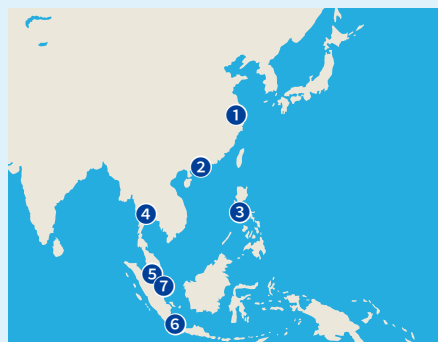
Whistleblowing System for Suppliers

Epson actively encourages suppliers to use a grievance mechanism to report issues or discuss concerns. By establishing reporting channels, we seek to further ensure ethical corporate conduct and relief for any human rights violations. In accordance with the requirements of the UNGPs, we protect whistleblowers, including by prohibiting retaliation and by accepting anonymous reports. We also carefully handle personal information in accordance with applicable laws and Epson's internal regulations.

Epson Sites Earn RBA Recognition under the RBA's VAP

We strive to improve our CSR by having our main production sites audited under the RBA's Validated Assessment Program (VAP). Independent auditors assess compliance with applicable laws and regulations, as well as with the RBA Code of Conduct, and award scores and recognition based on their findings.

Since first undergoing a VAP audit at our crystal device production site in Malaysia, we have expanded the number of audited sites. Currently, our seven main production sites undergo VAP audits on a regular basis. Our sites in Malaysia, Indonesia, Thailand, China, and the Philippines have all earned Platinum recognition, which is awarded to sites that receive a perfect score of 200 points with no nonconformances.



VAP-audited production sites

①	Epson Precision Suzhou Co., Ltd.	China
②	Epson Engineering (Shenzhen) Ltd.	
③	Epson Precision (Philippines), Inc.	Philippines
④	Epson Precision (Thailand) Ltd.	Thailand
⑤	Epson Precision Malaysia Sdn. Bhd.	Malaysia
⑥	PT. Indonesia Epson Industry	Indonesia
⑦	PT. Epson Batam	

CSR Due Diligence

Epson implements programs aimed at evaluating suppliers from multiple perspectives. In addition to evaluating levels of management of quality, price, delivery, environment, management systems, and information security through new supplier evaluations and regular evaluations, we also conduct annual CSR evaluations as a CSR due diligence program. The detailed CSR evaluation is conducted in accordance with RBA membership requirements, starting with gaining consent to compliance with the Supplier Code of Conduct (RBA Code of Conduct: Labor, Health and Safety, Environment, Ethics, and Management Systems). Evaluation is implemented through self-assessment (SAQ) of compliance with the Code of Conduct, risk assessments, corrective actions, and audits.

In 2025, we conducted a detailed CSR evaluation globally for major suppliers, including direct materials suppliers that supply parts and materials used in products, those involved in product assembly, and other suppliers (on-site service contractors and staffing agencies). The SAQs identified no suppliers with scores assessed as high risk¹. Based on the findings of the SAQ and CSR audits, suppliers took corrective actions regarding critical issues including human rights, health and safety, and legal and regulatory violations.

¹ SAQ risk assessment criteria: Low risk: 80+ points; Medium risk: 60–79 points; High risk: Less than 60 points

2025 Examples of corrections

For cases in which deficiencies were identified in the SAQ results, we confirmed the following corrective actions.

- Execution of employment contracts and provision of a copy to the individual
- Formulation of a Zero Recruitment Fee Policy prohibiting the collecting of recruitment fees

Supplier CSR Assessment Results (2025)

		Direct material suppliers	Other suppliers
SAQ	Number of target company groups / Number of responding sites	265 company groups / 775 sites	234 companies
	Response rate	100%	100%
	High-risk companies / ratio	0 sites / 0%	0 companies / 0%
Number of CSR audits conducted / audits undergone		257 companies	36 companies

Overview of initiatives across the value chain

Main value-chain functions (gray indicates out of scope)		Development and design sites (Epson)	Suppliers (production materials / human resources)	Production sites		Logistics (external)	Sales sites (Epson)	Customers
Promotion of awareness of the Code of Conduct, request for compliance		Group policies	Supplier Code of Conduct	Group policies	Supplier Code of Conduct	Supplier Code of Conduct	Group policies	
Assessment of compliance with the Code of Conduct	SAQ	●	●	●	●	●	●	
	CSR audits	Internal Audit	RBA-VAP and Epson's supplier CSR audits	RBA-VAP, customer audits, internal audits	RBA-VAP and Epson's supplier CSR audits	RBA-VAP and Epson's supplier CSR audits	Internal Audit	
Establishment of grievance mechanism that allows reporting		●	●	●	●	●	●	●
Surveys	Surveys and assessment of environmental impacts	●	●	●	●	●	●	●
	Responsible mineral sourcing		●		●			
Engagement								

Disclosure / briefings / education / individual dialogue, etc.

Responsible Mineral Sourcing

Principles of Corporate Behavior

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.

Profits from the extraction and sale of 3TG (tantalum, tin, tungsten, and gold) in conflict-affected areas such as the Democratic Republic of the Congo (DRC) and adjoining countries could provide sources of funding for armed groups and anti-government forces carrying out atrocities and gross human rights abuses. Cobalt mines in southeastern DRC have also been pointed out as hotbeds for child labor, along with issues such as violations of rights related to indigenous peoples' land, frequent mining accidents and deterioration of the surrounding living environment, and low-wage labor. We recognize that mineral mining and trade can have adverse social and environmental impacts.

Epson avoids 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.

To avoid and mitigate human rights abuses and environmental damage, we conduct annual supply chain due diligence in accordance with the OECD five-step framework using the CMRT and EMRT templates² provided by the Responsible Minerals Initiative (RMI) for components and materials used in our products and remaining in the final product. We also disclose the results of these surveys and respond sincerely to customers' requests for supply chain surveys.

² CMRT (Conflict Minerals Reporting Template, used for 3TG reporting) and EMRT (Extended Minerals Reporting Template, used for reporting on other minerals, including cobalt and mica)

3TG and Cobalt Survey Results (FY2025)

	3TG Total	Tantalum	Tin	Tungsten	Gold	Cobalt
Number of identified smelters/refiners	359	47	77	56	179	103
Number of conformant smelters/refiners ³	222	40	53	36	93	61
Number active smelters/refiners ⁴	9	1	3	1	4	2
Supplier response rate	99%					98%

▶ See P66 for footnotes ³, ⁴

Feature
Article

Interview with Outside Directors

How Questions from Outside Directors Reframed Management Discussions:
Epson's Transformation Driven by the Development of Its Long-Term Vision

Tadashi Shimamoto

Outside Director

Masaki Yamauchi

Outside Director

In March, at the end of the last fiscal year, Epson presented ENGINEERED FUTURE 2035, which outlines its vision for the next decade, and its Phase 1 Mid-Term Business Plan. In the process of formulating the strategic vision and business plan, Epson's Board of Directors engaged in extensive discussions regarding the company's future direction. What kinds of issues were raised during these discussions, and what role did the outside directors play? Insights are drawn from interviews with outside directors Tadashi Shimamoto and Masaki Yamauchi.

Fully Maximizing Epson's Core Strengths

— What were discussions like during the development of the long-term vision?

Shimamoto When we joined as outside directors in June 2023, the need to formulate a new long-term vision was already recognized within the company. While there was broad consensus on the need to establish new core businesses beyond printing, discussions on how to translate this into concrete initiatives were still underway. Epson has a lot of highly talented people and strong manufacturing capabilities with advanced technology. However, the organization has traditionally operated in a silo structure, with each function focusing deeply on its own area. To effectively leverage these strengths in shaping a future vision, we felt that greater cross-functional collaboration and open, organization-wide dialogue would be essential. Epson's value chain spans technologies, devices, and finished products. To further enhance this strength, I think Epson needs to bridge the silos, starting with finished products, and increase collaboration and integration.

Yamauchi I agree. Epson has a strong technology-driven mindset.

There is no doubt that both its technologies and the people behind them are highly capable, but the technologies have not always been fully translated into value for society.

It is important to think about what kind of future the company wants to create and about how its technologies can be leveraged to realize that vision. As an outside director, I have consistently challenged the organization to make these connections explicit. The foundation for the long-term vision was established through these ongoing discussions. We built on this foundation by then focusing on which technologies to strengthen and how to shape the business portfolio. This ultimately culminated in the current long-term vision.

Outside Directors Urged Discussions as a Management Team

— How did you engage as outside directors?

Shimamoto One of the first things I asked the then-president to do was to hold discussions as a management team. This was because I believe that Epson could become even stronger if management took the lead in breaking down silos and building bridges among the various organizations across the company. That is why I kept emphasizing that

I wanted the executives to discuss issues and make decisions collectively as a team rather than independently so that everyone is aligned before bringing their ideas to the board of directors.

Yamauchi As a result, we saw a significant improvement in both the quality of proposals submitted to the board and the depth of discussions. The role of outside directors extends beyond simply expressing opinions on individual matters. To orient the company on a path toward its vision, I have consistently asked management to think about and discuss how Epson's existing strengths can be further developed, what needs to change, and what should be prioritized. I believe that these discussions have helped drive changes not only in decision-making but also in the very nature of the management team. In addition, all outside directors participate in meetings of the Director Nomination Committee. We have deepened our involvement with management by holding extensive discussions on succession planning and the overall management structure.

Shimamoto Outside directors sometimes state harsh opinions, but the management team has taken them to heart and is really talking things through and clarifying the way forward. This has created a positive cycle. The ongoing series of constructive talks between the supervisory and executive sides has been a particularly significant and meaningful change.

Yamauchi I believe that these incremental changes accumulated over time, led to a major transformation within the long-term vision, including the reshaping of the business portfolio and the reorganization of segments.

A Segment Reorganization That Reflects Changes in the Business Portfolio

— What is the significance of the segment reorganization?

Shimamoto Epson's strength lies in its printhead technology, but this capability had traditionally been embedded within the printing business, making it difficult for external stakeholders to clearly see the extent to which it could drive growth. Moreover, with earnings leaning heavily on the printing business, it hasn't always been clear which businesses would lead future growth and how the company as a whole was expected to evolve.

The reorganization of the segments is more than just a simple change in how the businesses are grouped. Rather, it represents a rearticulation of Epson's strengths and sources of competitive advantage, while clearly setting out the roles expected of each business and their respective growth directions.

Yamauchi That's right. This is not merely a cosmetic change. During the development of the long-term vision, we discussed which businesses are generating profit, where Epson's competitive advantages



lie, and whether each business is in already mature or still has room for growth. In doing so, we were able to build a shared understanding between the outside directors and the executive team. As a result, I feel we have been able to engage in more substantive discussions about where to focus our efforts and how we can thrive in the market. As we began to understand each other better, our discussions became more dynamic, ultimately leading to the current portfolio structure—one that clearly distinguishes between the earnings base and growth domains.

Shimamoto What was particularly important was that, throughout the process, we were given thorough explanations about each business's competitive strengths and role, which enabled us to build a solid understanding. This gave us a level of comfort with things. While discussions about separating businesses from a financial perspective are common, Epson has a chain of strengths that runs from technology to devices to finished products. Because we shared this understanding, I believe we were able to design a portfolio and segment structure that goes beyond a simple “keep or divest” approach and is instead well aligned with the company's underlying strengths.

Changes in Decision-Making and Execution

— How do you view the changes in execution capability?

Shimamoto The most significant change is in how discussions are conducted. The executives discuss matters as a team and share the outcomes with the board, ensuring alignment in discussions. In addition, the free discussions that we hold with directors have also deepened our understanding of each business and have helped improve the quality of discussions overall. By incorporating input from across the organization, including from younger members of the team who helped develop the long-term vision team, we have moved far closer than before to operating as a cohesive team. As a result, I feel that the Board has evolved from being just a place where information is shared, to a place where real management decisions and direction are actively shaped.

Yamauchi There used to be a perception that those with strong engineering skills took the lead. Today, however, we are talking more about how best to leverage specific technologies. This requires consensus decision-making by the management team. There is a growing sense of urgency that printers cannot continue to drive growth indefinitely and that new sources of growth must be established. This seems to have sparked the development of new processes for executing strategy and more concrete initiatives compared with the past. Another big change is a shift in mindset. We now start by defining the end goal. The focus used to be more on making incremental improvements over the previous year, but now the team articulates the goal and works backward from there. At the same time, organizations and talent allocation are being reassessed. This is not merely a change in strategy; it reflects the beginning of a transformation in management thinking and in the very mechanisms of decision-making.

Human Capital and Organizational Culture as the Keys to Transformation

— How do you view the challenges related to human capital?

Yamauchi Having a workforce of highly capable and hardworking individuals is a significant strength. However, this strength has at times remained confined within individual roles. Going forward, it will be essential to take it a step further, finding ways to integrate the technology and knowledge that these individuals possess and translating that into tangible value. As the long-term vision becomes more deeply embedded, I expect that cross-organizational and cross-business collaboration, as well as a willingness to take on new challenges, will accelerate. This, in turn, should enable Epson to transform its existing strengths into even greater capabilities.

Shimamoto At the same time, it would be unrealistic to assume that the current talent base alone is sufficient. There are limits that cannot be overcome simply by doing more of what has always been done. In particular, expanding in the B2B domain requires dialog and a deep understanding of customers, as well as collaboration with external partners. To achieve this, you have to bring in new talent. People have to be willing to reach out to people in other domains. Greater flexibility and a willingness to cross boundaries will be essential. In addition to developing internal talent, you have to bring in outside talent and ensure that they become fully integrated into Epson's culture.

Yamauchi I totally agree. In working toward the long-term vision, there will inevitably be areas where our current talent base alone is insufficient. While developing people is still important, Epson also needs to bring in people with new experience and expertise, expose them to Epson's culture, and integrate them to drive progress. The integration of such diverse talent will serve as a driving force in achieving the long-term vision.

Supporting Transformation as an Outside Director

— What are your expectations going forward, and how do you see your role as an outside director?

Shimamoto “Technological innovation” and “engineering excellence” are phrases that stood out to me in the long-term vision because they clearly capture what Epson is all about. Technology alone does not serve society. What matters is how technologies are combined and shaped into solutions that have real value. This concept has been clearly articulated, so I hope it will become a shared language among employees and serve as a foundation for aligning around the question, “Where are we trying to go?”

Yamauchi I think it is hugely significant that we are now seeing a clear shift from a focus on manufacturing products to a focus on creating a prosperous future. Of course, change can be daunting, and there is always concern about failure. That is precisely why, as outside directors, we aim to foster an environment that enables healthy progress by supporting bold challenges while carefully distinguishing between risks that should be taken and those that must be avoided to ensure sustainable growth for Epson. Epson possesses many promising technologies for future growth.

Shimamoto From a governance perspective, it will be important to closely monitor the progress of the long-term vision, to see whether the strategies are being executed and whether the company is moving in the intended direction. In doing so, we will also assess whether risks are being taken appropriately. Since generating earnings is a fundamental priority for any company, I intend, as an outside director, to provide support by monitoring progress from both a short- and long-term perspective, ensuring that Epson can fully deliver on the transformation it has set out to achieve.



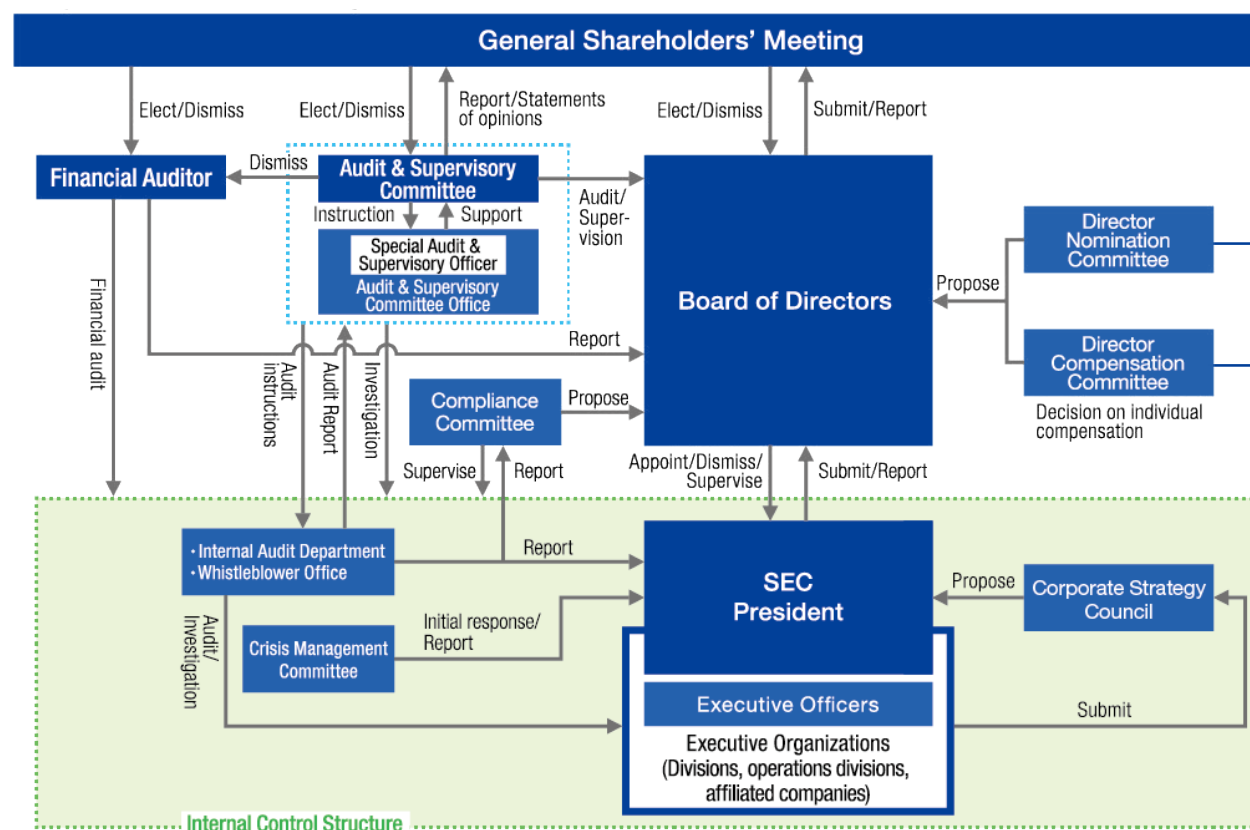
Strengthening Governance

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

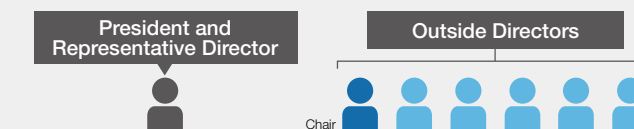


Optional Deliberative Body Activities

* 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 10 times (4/2025–6/2026)¹

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

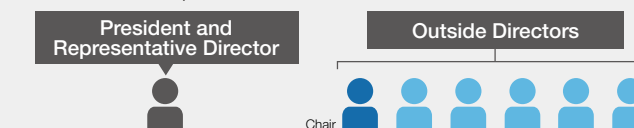


Content of Discussions

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

Director Compensation Committee Met 12 times (4/2025–6/2026)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
- Revision of the compensation system for executive directors

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 FY2025 effectiveness evaluation confirmed that the board has maintained overall effectiveness.

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

FY2025 Activities

FY2024 Board of Directors Effectiveness Evaluation	(1) Support for deepening strategic discussions and strengthening the execution capabilities of the executive management team	The Board of Directors discussed key items related to long-term strategy as well as points requiring advice and oversight by the Board, following clarification of these by the executive management team.
	(2) Oversight of the status of deliberations on the next long-term strategy and the status of action under Epson 25 Renewed	Throughout FY2025, we held a total of ten discussion sessions regarding the next long-term strategy during Board of Directors meetings and open board discussions. On March 13, 2026, the Board of Directors adopted our long-term vision ENGINEERED FUTURE 2035, which targets the year 2035. At the time of quarterly approvals of financial results, the Board received explanations of business status and of progress toward business plans related to Epson 25 Renewed and provided ongoing oversight.
	(3) Improvements to Board of Directors operations aimed at strengthening collaboration between the Board and the executive management team	To promptly align awareness of issues among internal and outside directors, we prepared opportunities for looking back on every Board meeting as it was held. We reflected the feedback and insights gained from this in Board discussions and operations, and worked to make improvements.

<Topics on the Board Effectiveness Evaluation Questionnaire for FY2025>

- | | |
|--|---|
| ① Composition of the Board of Directors and how it is positioned | ⑦ Functions and operations of advisory bodies to the Board (the Director Nomination Committee, Director Compensation Committee, and Compliance Committee) |
| ② Operation of the Board of Directors | ⑧ Response to issues identified in the FY2024 Board of Directors effectiveness evaluation |
| ③ Board of Directors discussions and functions | ⑨ Summary |
| ④ Directors' activities | |
| ⑤ Training | |
| ⑥ Dialogue with shareholders (investors) | |

FY2026 Activities

FY2025 Board of Directors Effectiveness Evaluation	Board effectiveness in the 2025 fiscal year was evaluated by having all Board members complete a questionnaire that covered the topics aforementioned, 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. During the fiscal year, we also conducted interviews of directors by the Chairman of the Board and more deeply examined evaluations and the perception of issues. The evaluation showed that the board is generally operating effectively. At the same time, the Board engaged in discussions and identified the following issues to further enhance its effectiveness going forward.
	Issues to be addressed in FY2026 (1) Oversight based on priority measures and management indicators for achieving ENGINEERED FUTURE 2035 and Phase 1 Mid-Term Business Plan (2) Oversight of the implementation of succession plans for executive officers

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.

Main initiatives	● Discussion and implementation of measures to ensure effective functioning under the new organizational structure ● Further strengthening collaboration with the internal control function and external auditors, and enhancing monitoring capabilities ● Monitoring the progress of transformation and structural reform initiatives and their impact on organizational culture
Recommendations	● Monitor the redesign of Group governance in line with ENGINEERED FUTURE 2035 ● Oversee early identification of material risks that could affect business performance and ensuring their timely escalation

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.

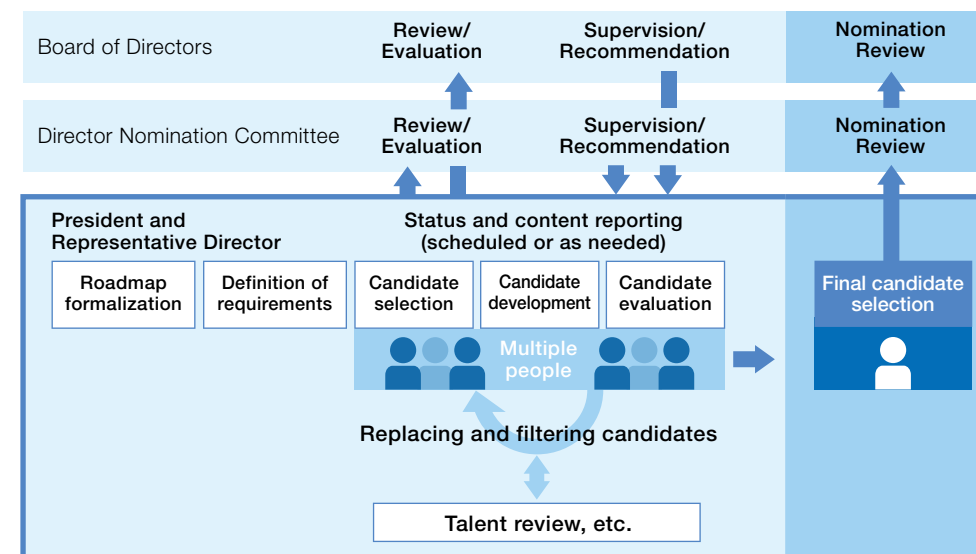
Evaluation of the President and Representative Director and Directors

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

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. We also revisit 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 Committees 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.

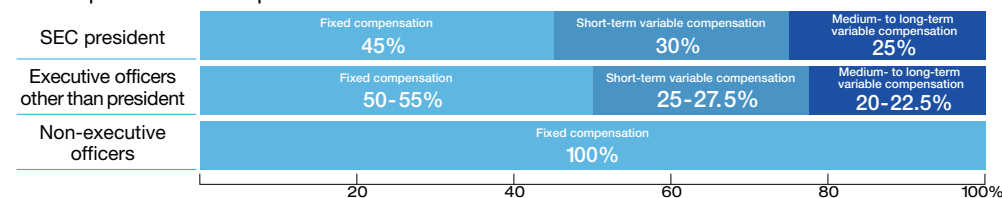
■ Compensation Structure

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

■ How Compensation is Calculated

In transforming management to be ROIC-driven under the Medium-Term Business Plan, we have adopted ROIC and revenue growth rate as evaluation indicators for variable compensation (bonuses and restricted stock compensation) from FY2026. This will realize enhanced capital efficiency and sustainable growth and will promote corporate management aimed at enhancing corporate value over the medium to long term.

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	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. Seiko Epson has adopted ROIC and revenue growth rate as company-wide performance evaluation indicators.		
	Standard bonus (Total compensation for the year × bonus ratio)	×	Company-wide performance evaluation (0-210%) × 50% Individual evaluation (60-140%) × 50%
Medium- to long-term variable compensation	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. The amount to be paid is determined by taking into account a sustainability evaluation on top of the previous fiscal year company-wide performance evaluation. Shares equivalent to this calculated amount are allocated. Seiko Epson has adopted ROIC and revenue growth rate as company-wide performance evaluation indicators.		
	Standard stock compensation (Total compensation for the year × stock compensation ratio)	×	Company-wide performance evaluation 80-100% Sustainability evaluation 0-20%



For details of the sustainability evaluation, see p. 38,
 “■ Evaluation indicators for executive management compensation”.

■ Total Amount of Compensation (FY2025)

(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)	8 (3)	199 (44)	- (-)	41 (-)	241 (44)
Directors who are Audit & Supervisory Committee members (amount accounted for by outside directors)	4 (3)	81 (48)	- (-)	- (-)	81 (48)
Total	12	281	-	41	322

The above is based on the compensation calculation method for FY2025.

The bonus amount is calculated as: standard bonus × company-wide performance evaluation (0-200%) × individual evaluation (60-140%). ROE is used for the company-wide performance evaluation. The FY2025 company-wide ROE used in the calculation is 2.0%. Company-wide ROE is calculated excluding treasury shares acquired in or after FY2022 from the actual company-wide ROE of FY2025.

The stock compensation amount is calculated as: standard stock compensation × [company-wide performance evaluation (80-120%) × 50%] + [sustainability evaluation (80-120%) × 50%]. ROIC is used for the company-wide performance evaluation. The FY2024 company-wide ROIC used in the calculation is 5.9%. Company-wide ROIC is calculated excluding treasury shares acquired in or after FY2022 from the actual company-wide ROIC of FY2024.

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 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 Epson Global Code of Conduct into 14 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

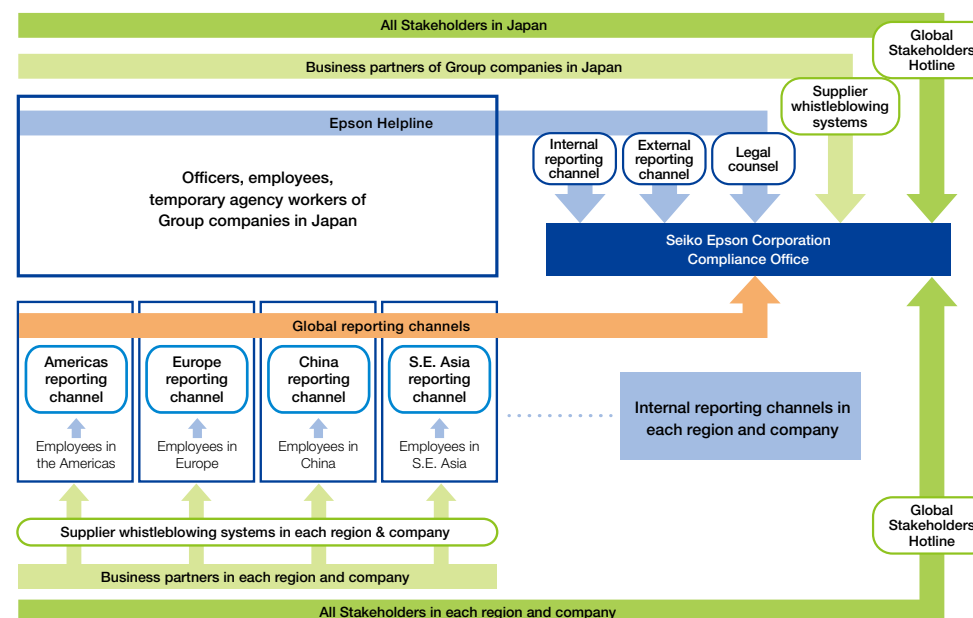
Epson ensures the anonymity of people who make reports, strictly controls the reported information, and prohibits all forms of reprisals in Principles of Corporate Behavior and the Epson Group Whistleblowing Systems Regulation. Epson regularly reviews and improves the operation of its reporting channels in response to changes in response to legal and regulatory changes and other relevant developments.

Whistleblowing systems have been introduced at all Group companies and are open to officers, employees, temporary agency workers, external business partners, and others. In addition to the Global Stakeholders Hotline (GSH), which accepts reports from all stakeholders, Epson has established several channels in Japan. These include the Epson Helpline, which offers three reporting options: an internal reporting channel for reporting directly to the company, an external reporting channel managed by an independent third-party service provider, and a reporting channel that contacts outside legal counsel. Epson has also established a Supplier Whistleblowing System to receive whistleblowing from business partners. Group companies abroad provide local reporting channels for employees and suppliers. The Epson Executive Compliance Hotline is a global reporting channel 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 whistleblowing system. A total of 453 reports were received across the Epson Group in FY2025. We investigate all reports and, if necessary, take corrective action. The nature of reports and how they were addressed is reported regularly to the Board of Directors, the Audit & Supervisory Committee, the Compliance Committee, and the Corporate Strategy Council, with due care taken to protect the identity of reporters.



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

Epson Group Whistleblowing System

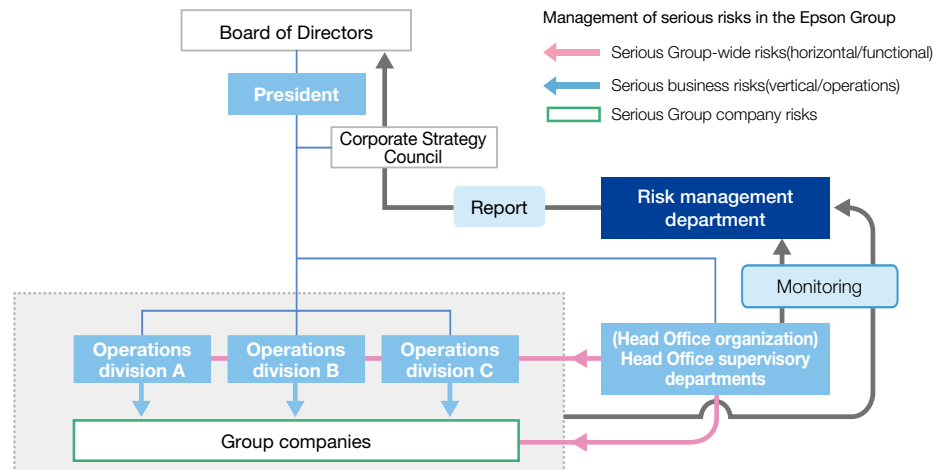


Risk Management

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.

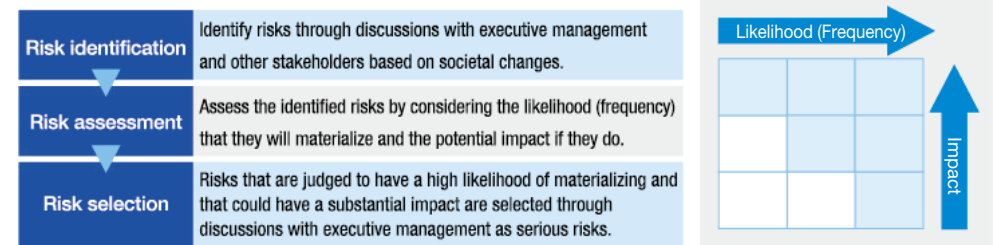
■ Risk Management Structure Chart



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 “COSO³” 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.”

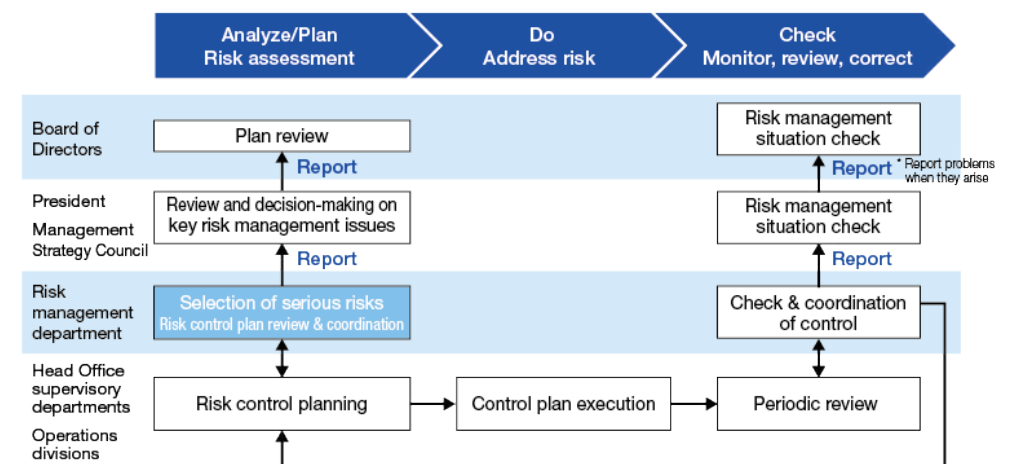
³ Committee of Sponsoring Organizations of the Treadway Commission: An organizational committee intended to help businesses to enhance ethics, implement internal control and ensure governance and others

Process for Identifying and Selecting Serious Risks



Epson drafts and executes plans to control those serious risks identified and periodically monitors their progress. The Company also strives to ensure control activities effectiveness 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 every six months. Furthermore, the company fulfills its accountability to a wide range of stakeholders in and outside the Group, such as shareholders, customers, employees, business partners, communities, and the environment, while continuously working to improve the transparency and effectiveness of risk management.

■ Management Cycle for Controlling Serious Risks



Information Security

Epson regards all information handled in corporate activities as an important management resource and regards information security initiatives as a key management issue. By sharing the importance of information security across the Group and by having each individual reflect that awareness in work, we are advancing the development of information security governance and our corporate culture.

Information Security Framework

Under the Chief Information Security Officer (Group CISO), Epson has each of its business units develop and operate an information security framework based on shared Group-wide regulations. We also conduct internal assessments of these business units and continuously evaluate the effectiveness of control measures and the status of risk management functions.

Information Security Management Center

Against a backdrop of increasingly sophisticated cyberattacks, tightening global laws and regulations, emerging risks associated with products and services, and growing demands for security-related disclosures, Epson expanded its existing information security framework in FY2026 and established a new Information Security Management Center as its core oversight body. Through this, we are accelerating efforts to strengthen a globally consistent security framework and to communicate information to stakeholders.

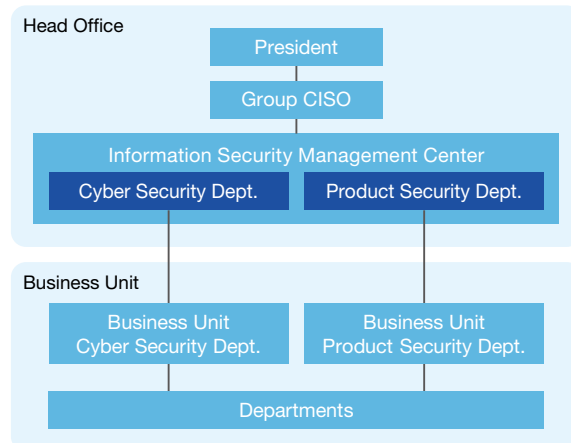
Cybersecurity

Cyberattacks are becoming more advanced and sophisticated by the day, making them a major risk for companies. With reference to the “Cybersecurity Management Guidelines” of the Ministry of Economy, Trade and Industry and the Cybersecurity Framework (CSF) of the U.S. National Institute of Standards and Technology (NIST), Epson is strengthening its countermeasures through the formulation of a medium-term plan covering the entire Group.

Product Security

Incorporating the concept of “secure by design,” we are working to create products and services that build in security from the development stage onward. We are also strengthening our framework to enable a globally consistent response that achieves early detection of vulnerabilities and rapid response even after product launch.

Information Security Organization

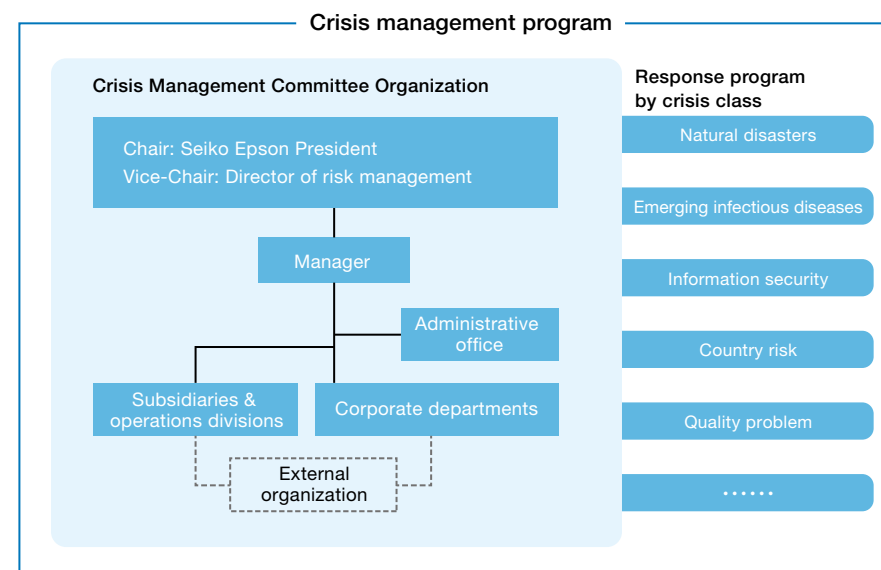


Data Privacy

We handle personal data responsibly in compliance with laws, regulations, and other norms related to personal data protection. For personal data entrusted to us by customers and business partners and for employees' personal data, we have formulated control measures based on the 11 principles of ISO/IEC 29100 and undertake activities for the protection of personal data across the Group.

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.



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 2026
<https://corporate.epson/en/investors/publications/annual-report.html>

Main risks	General description of risk	Main countermeasures
Parts procurement risks from certain suppliers	● A supplier parts shortage or quality problem with supplier parts could interfere with Epson’s manufacturing and selling activities.	● 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	● 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.	● 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	● 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.	● 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 resource⁷ free by 2050. ⁷ Non-renewable resources such as oil and metals
Hiring and personnel retention risks	● Competition could intensify for the best talent to develop advanced new technologies and manufacture advanced new products.	● 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	● 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, or 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.	● 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.	● There could be war, acts of terrorism, and supply chain disruptions caused by unpredictable events such as natural disasters, pandemics involving new infectious diseases, or disasters affecting suppliers.	● Conduct disaster drills, prepare earthquake disaster action plans, and establish business continuity plans to mitigate the effects of disasters to the extent possible. ● Advance supply chain business continuity management (BCM) to properly maintain and improve BCP ● Insure against losses arising from earthquakes. (However, the scope of indemnification is limited.)
Information security	● Computer virus infections, customer data leaks, failures of critical internal core systems, cyberattacks, or misuse of AI could result in information leaks, infringement of third parties’ rights, or reputational damage on social media	● Conduct information security education for all employees ● Formulate and establish policies on cybersecurity measures and implement measures

Strengthening Governance

Board of Directors (As of June 25, 2026)

**Yasunori Ogawa**

Chairman of the Board

Reasons for Selection

As Chairman of the Board of Directors, Mr. Ogawa ably fulfills functions of oversight for important management decisions and business execution. He will provide oversight from a company-wide perspective and contribute to enhancing corporate value.

**Junkichi Yoshida**

President and Representative Director

Reasons for Selection

Since assuming the position of Representative Director, Mr. Yoshida has worked toward the global transformation of our earnings base, drawing on his experience in overseas marketing, business strategy promotion, and development of business models utilizing digital technologies. He will continue to exercise strong leadership during this period of transformation and contribute to the enhancement of our corporate value.

**Yasunori Yoshino**

Director, Executive Officer

Reasons for Selection

Since assuming the position of Chief Operating Officer of the Visual Products business, Mr. Yoshino has strengthened and improved the company's earnings structure through business structural reforms. As General Administrative Manager of the Corporate Strategy Division, he was responsible for driving the formulation of our new long-term vision. He will continue contributing to the enhancement of our corporate value.

**Akihiro Fukaishi**

Director, Executive Officer

Reasons for Selection

Through his experience in sales function-focused business operations and secondment to overseas affiliates, Mr. Fukaishi has worked to strengthen the management foundation of the Group overall from a balanced company-wide and business-specific perspective. He will continue contributing to the enhancement of our corporate value.

**Masayuki Kawana**

Director, Full-Time Audit & Supervisory Committee Member

Reasons for Selection

Mr. Kawana possesses extensive work experience and a record of achievements, mainly in human resources. As a full-time Audit & Supervisory Committee member, he is well-versed in the company's internal and business status and has worked to ensure the effectiveness of the Audit & Supervisory Committee through close collaboration with outside directors. He will continue to contribute to ensuring the soundness of management.

**Tadashi Shimamoto**

Outside Director

Outside
Independent
Director**Reasons for Selection**

In addition to serving in top Independent Director management positions at Nomura Research Institute, Ltd., Mr. Shimamoto has considerable experience and deep knowledge in base technology, logistics, service, industry-related systems, and more. He will monitor corporate management appropriately by offering his opinions from the perspectives of overall management and DX/IT systems.

**Masaki Yamauchi**

Outside Director

Outside
Independent
Director**Reasons for Selection**

Mr. Yamauchi has served as president and chairperson of Yamato Holdings Co., Ltd. and has considerable insight and experience in corporate management. He will monitor corporate management appropriately by offering his opinions from such perspectives as organizational management related to the fundamentals of corporate management.

**Kahori Miyake**

Outside Director

Outside
Independent
Director**Reasons for Selection**

Ms. Miyake promoted ESG strategies as an executive officer of AEON Co., Ltd. and is currently a fellow officer of Sumitomo Mitsui Trust Bank, Limited. She has also served as Executive Director of JCLP and will monitor corporate management appropriately by offering her opinions from the perspective of environmental management with her expertise in environmental and social contributions.

**Michiko Ohtsuka**

Outside Director, Audit & Supervisory Committee Member

Outside
Independent
Director**Reasons for Selection**

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

Outside
Independent
Director**Reasons for Selection**

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.

**Reiko Fuchigami**

Outside Director, Audit & Supervisory Committee Member

Outside
Independent
Director**Reasons for Selection**

Ms. Fuchigami possesses advanced professional knowledge as an attorney and extensive experience in the legal profession, including serving as President of the Japan Federation of Bar Associations. She will contribute to monitoring management appropriately and ensuring sound management.

Areas of Particular Expertise (Skill Matrix)

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 6/26/2026 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	Global Perspective
Chairman of the Board	Yasunori Ogawa	8 years					●				●		●	
President and Representative Director	Junkichi Yoshida	2 years	○	○		●		●	●					
Director, Executive Officer	Yasunori Yoshino	2 years					●		●	●				
Director, Executive Officer	Akihiro Fukaishi	1 year						●				●		●
Outside Director	Tadashi Shimamoto	3 years	◎	○	○	●	●		●					
Outside Director	Masaki Yamauchi	3 years	○	◎	○	●		●				●		
Outside Director	Kahori Miyake	2 years	○	○	○			●					●	●
Director, Full-Time Audit & Supervisory Committee Member	Masayuki Kawana	12 years								●	●	●		
Outside Director, Audit & Supervisory Committee Member	Michiko Ohtsuka	6 years	○	○	○					●	●	●		
Outside Director, Audit & Supervisory Committee Member	Akira Marumoto	2 years	○	○	○	●	●							●
Outside Director, Audit & Supervisory Committee Member	Reiko Fuchigami	—	○	○	○					●	●		●	

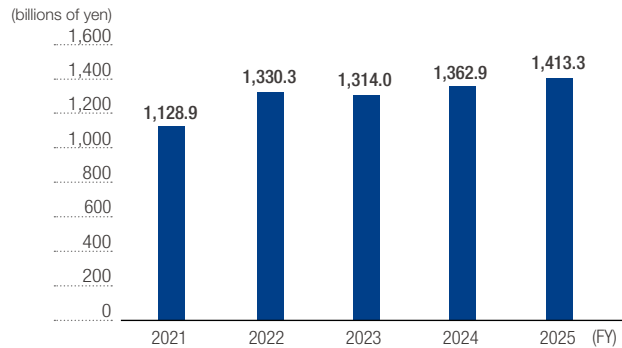
* Up to three areas of particular expertise are indicated.

Financial and Non-Financial Highlights

Financial Highlights

Revenue

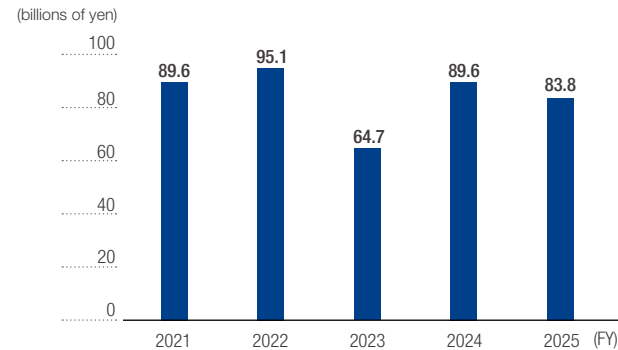
¥1,413.3 billion



Even amid a highly uncertain environment due to factors such as U.S. tariff policies and the situation in the Middle East, revenue increased year on year, driven by higher sales in Printing Solutions and in the manufacturing-related & wearables businesses.

Business profit

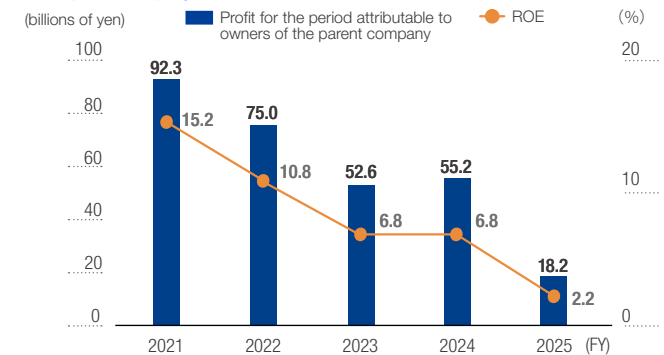
¥83.8 billion



Although revenue increased and exchange rates yielded a positive effect, profit decreased year on year due to higher expenses caused by factors such as U.S. tariffs.

Profit for the period attributable to owners of the parent company/ROE

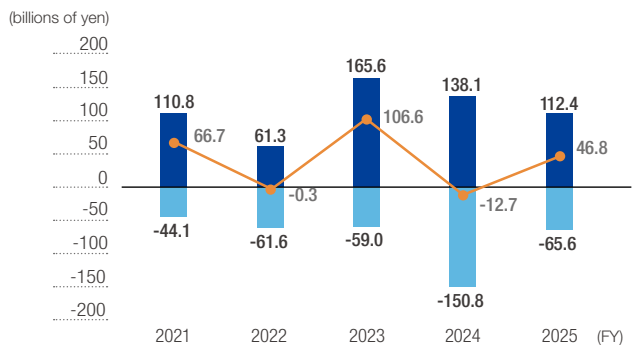
¥18.2 billion ROE **2.2%**



In the fourth quarter of FY2025, impairment losses were recorded in other operating expenses, resulting in a significant year-on-year decrease in profit attributable to owners of the parent.

Free cash flows

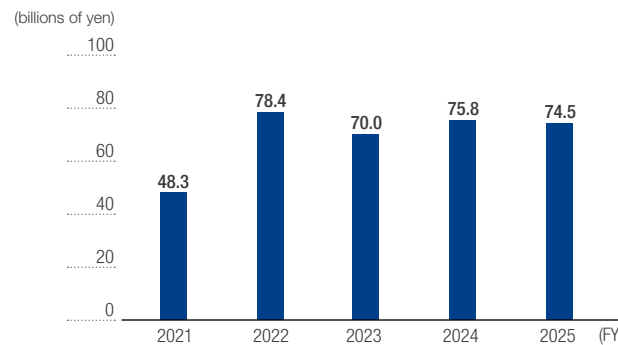
¥46.8 billion



Net cash provided by operating activities totaled ¥112.4 billion, mainly due to the recording of ¥18.2 billion in profit for the period, depreciation and amortization, impairment losses, and the reversal of impairment losses. Net cash used in investing activities totaled ¥65.6 billion, mainly due to expenditures for the acquisition of property, plant and equipment and intangible assets. Consequently, free cash flow sharply decreased compared to the prior year.

Capital expenditures

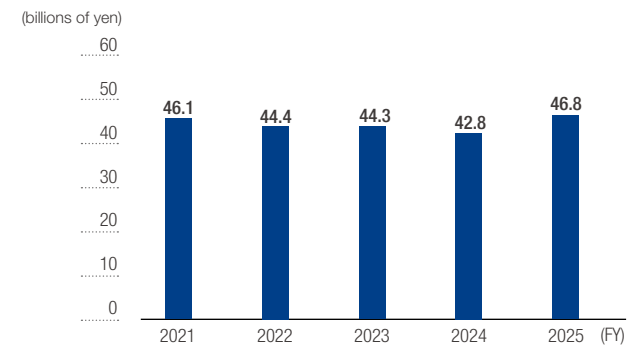
¥74.5 billion



We concentrated management resources on key strategic areas and carried out capital expenditures aimed at fostering future businesses and supporting long-term growth. These investments included new product initiatives, production capacity expansion, environmental initiatives, and investments in automation, operational streamlining, and the maintenance and renewal of facilities and equipment. From the perspective of stable cash generation, continued to selectively invest and use existing facilities efficiently. As a result, capital expenditures (property, plant and equipment and software) in FY2025 totaled ¥74.5 billion.

Research and development expense

¥46.8 billion



R&D expenses in FY2025 totaled ¥46.8 billion, representing 3.3% of revenue. By segment, this broke down to ¥22.7 billion in Printing Solutions, ¥7.3 billion in Visual Communications, ¥4.7 billion in the Manufacturing-related & Wearables, and ¥12.2 billion in Other and Corporate. R&D expenses in Other and Corporate include R&D necessary to build the technology base for strengthening businesses and creating new businesses.

Financial and Non-Financial Highlights

Non-Financial Highlights: Social, Governance, Environmental

Registered Patent Rankings¹

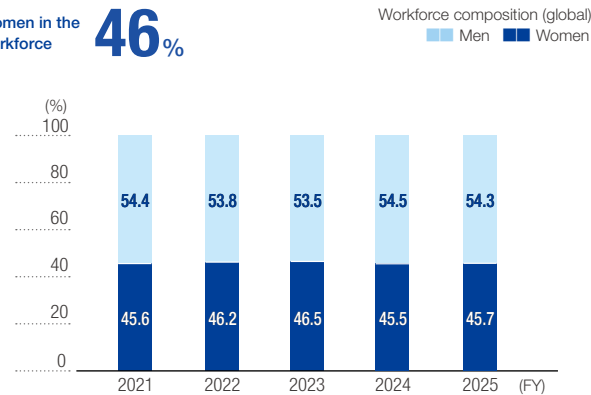
Japan		U.S.	
Piezo printheads	1 st	Piezo printheads	1 st
Inkjet printers	1 st	Inkjet printers	1 st
Projectors	1 st	Projectors	1 st
Crystal devices	1 st	Crystal devices	1 st

¹ 2025 ranking in number of registered patents (per Epson research) (2025/1/1~12/31)

Epson delivers new customer value through products that embody our core technologies. Our patent portfolio is both qualitatively and quantitatively world-class in product fields such as inkjet printers and projectors, and this industry-leading intellectual property supports the creation of proprietary core technologies.

Diversity²

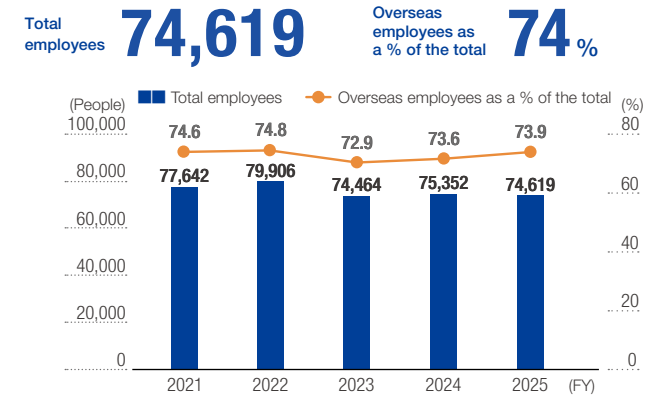
Women in the workforce **46%**



To understand a diverse range of customers and meet their needs, our own diversity is important. Epson is taking action to support the advancement of more women in the workplace by, for example, increasing the number of female managers.

² Regular employees in the Epson Group

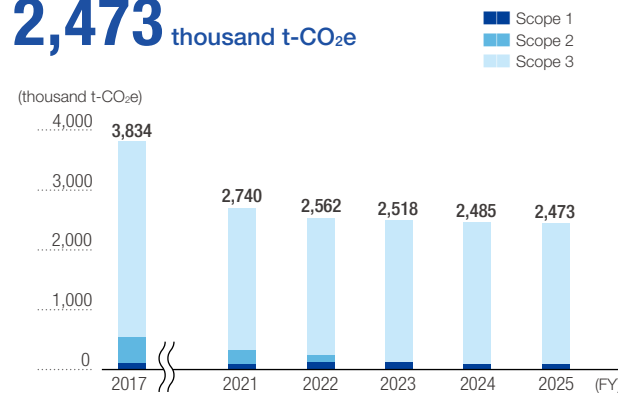
Total Employees & Overseas Employees as a % of the Total



Epson has over 100 R&D, production, or sales sites in countries and regions outside Japan. Overseas operations generate approximately 80% of consolidated revenue and account for 70% of employees. For this reason, securing and retaining a solid base of human resources that can survive and thrive in global competition is the key to our human resources strategy.

Greenhouse gas (GHG) emissions Scopes 1, 2 and 3

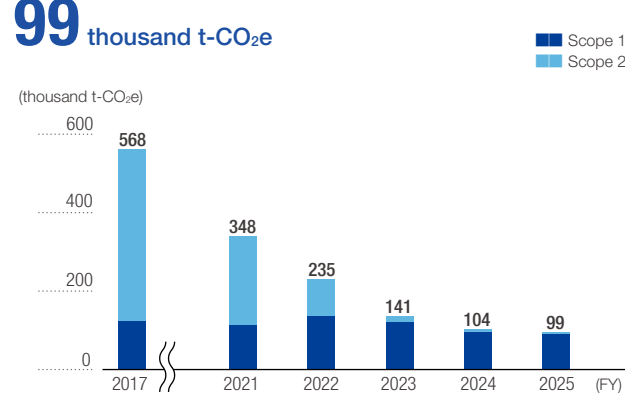
2,473 thousand t-CO₂e



In addition to reducing environmental impacts from our own operations, we worked to reduce environmental impacts across the supply chain. As a result, in FY2025 we reduced total Scope 1, 2, and 3 GHG emissions by 35% compared with FY2017 levels.

Greenhouse gas (GHG) emissions Scopes 1, 2^{3,4}

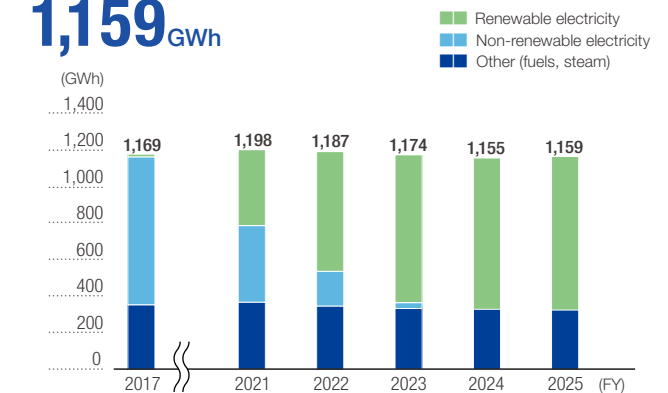
99 thousand t-CO₂e



Through the continued use of renewable electricity and ongoing energy-saving initiatives at our sites, we reduced Scope 1 and 2 GHG emissions by 82% in FY2025 compared with FY2017 levels.

Energy Usage⁵

1,159 GWh



In December 2023, we transitioned all electricity used across our global operations to 100% renewable electricity⁶. Going forward, we will continue to drive energy conservation initiatives and expand the use of renewable energy while reducing the share of fuels, steam, and other non-renewable energy sources in our overall energy consumption.

► See P66 for footnotes ^{3,4,5,6}

Consolidated Financial Highlights

		IFRS (Consolidation)				
		FY2016	FY2017	FY2018	FY2019	FY2020
Statement of income (billions of yen)	Revenue	1,024.9	1,102.1	1,089.7	1,043.6	995.9
	Gross profit	366.0	400.8	412.6	362.0	352.4
	Business profit ¹	65.8	74.8	70.5	40.9	61.6
	Profit from operating activities	67.9	65.0	71.4	39.5	47.7
	Profit before tax	67.5	62.7	72.0	39.7	44.9
	Profit for the period attributable to owners of the parent company	48.3	41.8	53.7	7.7	30.9
Statement of financial position (billions of yen)	Equity attributable to owners of the parent company	492.2	512.7	540.2	503.7	550.9
	Total assets	974.4	1,033.3	1,038.4	1,040.9	1,161.3
	Interest-bearing liabilities ²	146.6	166.6	142.4	209.7	265.9
Statement of cash flows (billions of yen)	Net cash provided by (used in) operating activities	96.9	84.3	77.0	102.3	133.2
	Net cash provided by (used in) investing activities	-75.8	-74.7	-82.7	-76.1	-57.4
	Free cash flows	21.1	9.6	-5.8	26.2	75.8
Financial and management indicators (billions of yen·%)	Research and development expense	52.7	50.3	58.3	49.2	46.5
	Capital expenditures	75.3	79.4	82.1	80.1 ⁶	52.9
	Depreciation and amortization	43.2	49.4	55.6	67.8	69.4
	Equity ratio attributable to owners of the parent company	50.5	49.6	52.0	48.4	47.4
	ROE (profit for the period attributable to owners of the parent company/beginning and ending balance average equity attributable to owners of the parent company)	10.1	8.3	10.2	1.5	5.9
	ROA (business profit/beginning and ending balance average total assets)	6.9	7.4	6.8	3.9	5.6
	ROS (business profit/revenue)	6.4	6.8	6.5	3.9	6.2
	ROIC (return on invested capital) ³	7.4	7.9	7.2	4.1	5.6
	Consolidated dividend payout ratio	43.9	52.2	40.7	278.5	69.4
	Consolidated dividend payout ratio (based on business profit) ⁴	45.9	41.7	44.3	75.0	49.7
Per share data (yen)	Basic earnings per share (EPS)	136.82	118.78	152.49	22.26	89.38
	Equity attributable to owners of the parent company per share (BPS)	1,397.40	1,455.67	1,533.57	1,456.20	1,592.36
	Cash dividends per share	60.00	62.00	62.00	62.00	62.00
Index of stock price (multiples)	Price earnings ratio (PER)	17.13	15.92	11.12	52.56	20.14
	Price book-value ratio (PBR)	1.68	1.30	1.11	0.80	1.13
Revenue breakdown by region (billions of yen) ⁵	Japan	251.4	250.1	251.5	255.0	221.3
	The Americas	290.9	320.5	310.5	293.0	288.0
	Europe	211.9	233.3	225.2	214.0	208.5
	Asia/Oceania	270.6	298.2	302.4	281.6	278.2
Average exchange rate for the period (yen)	Yen/U.S. dollars	108.38	110.85	110.86	108.74	106.01
	Yen/Euro	118.79	129.66	128.40	120.85	123.67
Number of employees at period end (person)	Consolidated	72,420	76,391	76,647	75,608	79,944
	Non-consolidated	12,238	12,502	12,713	12,813	12,676

¹ Business profit is calculated by subtracting cost of sales and selling, general and administrative expenses from revenue.

² Lease obligations are included in interest-bearing liabilities.

³ ROIC = Business profit after tax/(equity attributable to owners of the parent company + interest-bearing liabilities)

⁴ Calculated based on profit after an amount equivalent to the statutory effective tax rate is deducted from business profit.

⁵ Sales (revenue) by region is based on the location of the customers.

⁶ The figure for FY2019 includes leases.

⁷ Includes a commemorative dividend of ¥10.00.

Consolidated Financial Highlights

		IFRS (Consolidation)				
		FY2021	FY2022	FY2023	FY2024	FY2025
Statement of income (billions of yen)	Revenue	1,128.9	1,330.3	1,314.0	1,362.9	1,413.3
	Gross profit	418.5	466.7	456.7	493.0	500.8
	Business profit ¹	89.6	95.1	64.7	89.6	83.8
	Profit from operating activities	94.5	97.0	57.5	75.1	49.6
	Profit before tax	97.2	103.8	70.1	78.4	50.0
	Profit for the period attributable to owners of the parent company	92.3	75.0	52.6	55.2	18.2
Statement of financial position (billions of yen)	Equity attributable to owners of the parent company	665.6	727.4	811.0	804.8	853.5
	Total assets	1,266.4	1,341.6	1,413.1	1,456.5	1,534.9
	Interest-bearing liabilities ²	243.2	233.3	204.8	224.7	231.5
Statement of cash flows (billions of yen)	Net cash provided by (used in) operating activities	110.8	61.3	165.6	138.1	112.4
	Net cash provided by (used in) investing activities	-44.1	-61.6	-59.0	-150.8	-65.6
	Free cash flows	66.7	-0.3	106.6	-12.7	46.8
Financial and management indicators (billions of yen·%)	Research and development expense	46.1	44.4	44.3	42.8	46.8
	Capital expenditures	48.3	78.4	70.0	75.8	74.5
	Depreciation and amortization	64.5	68.6	68.7	72.0	77.5
	Equity ratio attributable to owners of the parent company	52.6	54.2	57.4	55.3	55.6
	ROE (profit for the period attributable to owners of the parent company/beginning and ending balance average equity attributable to owners of the parent company)	15.2	10.8	6.8	6.8	2.2
	ROA (business profit/beginning and ending balance average total assets)	7.4	7.3	4.7	6.2	5.6
	ROS (business profit/revenue)	7.9	7.1	4.9	6.6	5.9
	ROIC (return on invested capital) ³	7.3	7.1	4.6	6.1	5.5
	Consolidated dividend payout ratio	23.2	32.6	46.6	43.9	130.3
	Consolidated dividend payout ratio (based on business profit) ⁴	34.2	36.3	54.2	38.2	40.4
Per share data (yen)	Basic earnings per share (EPS)	266.73	220.75	158.68	168.75	56.81
	Equity attributable to owners of the parent company per share (BPS)	1,923.68	2,194.02	2,445.52	2,512.15	2,663.64
	Cash dividends per share	62.00	72.00 ⁷	74.00	74.00	74.00
Index of stock price (multiples)	Price earnings ratio (PER)	6.90	8.52	16.67	14.14	33.76
	Price book-value ratio (PBR)	0.96	0.86	1.08	0.95	0.72
Revenue breakdown by region (billions of yen) ⁵	Japan	229.1	232.0	223.4	225.9	232.1
	The Americas	332.8	437.0	430.0	439.3	458.0
	Europe	239.6	282.3	289.5	299.0	313.3
	Asia/Oceania	327.5	379.1	371.2	398.8	409.8
Average exchange rate for the period (yen)	Yen/U.S. dollars	112.37	135.44	144.44	152.47	150.69
	Yen/Euro	130.55	140.90	156.66	163.64	174.74
Number of employees at period end (person)	Consolidated	77,642	79,906	74,464	75,352	74,619
	Non-consolidated	12,630	12,918	13,083	12,792	12,311

¹ Business profit is calculated by subtracting cost of sales and selling, general and administrative expenses from revenue.² Lease obligations are included in interest-bearing liabilities.³ ROIC = Business profit after tax/(equity attributable to owners of the parent company + interest-bearing liabilities)⁴ Calculated based on profit after an amount equivalent to the statutory effective tax rate is deducted from business profit.⁵ Sales (revenue) by region is based on the location of the customers.⁶ The figure for FY2019 includes leases.⁷ Includes a commemorative dividend of ¥10.00.

External Evaluations / Participation in Initiatives

Evaluations of the company

Our stock has been incorporated into all six ESG indices adopted by GPIF.



FTSE JPX Blossom
Japan Index



FTSE JPX Blossom
Japan Sector
Relative Index

2026 CONSTITUENT MSCI NIHONKABU
ESG SELECT LEADERS INDEX

2026 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)



Morningstar Japan ex-REIT Gender Diversity Tilt Index

In addition, Epson continues to receive high evaluations both domestically and internationally.



FTSE4Good



<https://recognition.covadis.com/x/Ez1nJe1EeNym9BDJsyCQ>

MSCI ESG Rating AAA



Participation in initiatives



Our company is committed to upholding the Ten Principles of the United Nations Global Compact. Please refer to our Communication on Progress.



Responsible Business Alliance
Advancing Sustainability Globally



SCIENCE
BASED
TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



JAPAN CLIMATE INITIATIVE



Evaluation by External Parties
<https://corporate.epson/en/sustainability/evaluation/>

Awards

Receipt of the Minister of Economy, Trade and Industry Award at the 34th Global Environment Awards

Recognition was given to the initiative of recycling used copy paper on-site through PaperLab, an office paper recycling system that utilizes Dry Fiber Technology (DFT). PaperLab uses Seiko Epson's proprietary DFT to recycle offices' used copier paper into new paper with the use of almost no water¹. Compared with the purchase of copier paper, this reduces water consumption and CO₂ emissions and makes effective use of wood resources, thereby helping to conserve biodiversity.



The 34th Global Environment Awards ceremony
(Photo courtesy of The Sankei Shimbun)

¹ A small amount of water is used for humidity control inside the equipment.
The Q-5000 unit also uses a small amount of water during fiber bonding.

Epson Wins WIPO Prize at the 2026 National Commendation for Invention

The Invention of a Compact and Cost-Effective Piezoelectric Inkjet Printhead Structure (Japanese Patent No. 5958568) has received the WIPO Prize at the 2026 National Commendation for Invention (sponsored by the Japan Institute of Invention and Innovation). In conventional inkjet technology, securing a sufficient ink ejection volume inevitably resulted in larger and more costly printheads. This invention enables a compact and cost-effective design by configuring the actuator responsible for ink ejection with a minimum number of constituent layers.



Some of Epson's award recipients at the award ceremony. Shunya Fukuda, COO of the IJS Operations Division, is on the far right.

Epson Wins the World's Preeminent Design Award, “Red Dot: Design Team of the Year 2026”

Epson has been awarded the prestigious honorary title “Red Dot: Design Team of the Year” for 2026 at the internationally renowned Red Dot Design Award competition organized by Design Zentrum Nordrhein Westfalen in Germany. This award recognizes a design team that has proved itself through its consistently innovative, top-class design achievements and has set the highest standards of design quality. The award is presented to only one honoree each year. Epson is the second Japanese company to have received the award since the first in 2000.



Award ceremony in Essen, Germany
(July 2026)

Group Outline

(current as of March 31, 2026)

Corporate Outline

Company name	Seiko Epson Corporation
Founded	May 18, 1942
Head Office	3-3-5 Owa, Suwa, Nagano Prefecture
Share capital	53,204 million yen
Employees	Epson Group: 74,619 persons Seiko Epson: 12,311 persons

Matters related to Company Shares

Total number of shares authorized to be issued	1,214,916,736 shares
Total number of shares outstanding	373,573,152 shares (including 53,145,401 treasury shares)
Number of shareholders	40,824 persons

Major shareholders	Shareholder name	Number of shares held (shares)	Shareholding ratio (%)
	The Master Trust Bank of Japan, Ltd. (Trust Account)	73,898,200	23.06
	Custody Bank of Japan, Ltd. (Trust Account)	28,530,700	8.90
	Seiko Group Corporation	11,000,000	3.43
	JPMorgan Securities Japan Co., Ltd.	8,504,881	2.65
	Mizuho Trust & Banking Co., Ltd., Retirement benefit trust, Mizuho Bank, Ltd. Account	8,153,800	2.54
	Epson Group Employees' Shareholding Association	6,851,102	2.13
	Nomura Trust and Banking Co., Ltd. (Investment trust account)	6,282,500	1.96
	STATE STREET BANK AND TRUST COMPANY 505001	6,159,370	1.92
	The Dai-ichi Life Insurance Company, Limited	4,586,400	1.43
	Etsuko Hattori	4,321,400	1.34

Note: Although the Company holds 53,145,401 shares of treasury shares, the Company is excluded from the above list of major shareholders. Shareholding ratio is calculated by deducting treasury shares.

Notes

- P.26** ³ The Spinning Water Atomization Process (SWAP[®]) is Atmix's proprietary alloy powder manufacturing method for the mass production of amorphous alloys. It injects high-pressure gas and cooling water into an alloy melted in an induction furnace to achieve ultra-rapid cooling on the order of several hundred thousand degrees Centigrade per second and produce amorphous (non-crystalline) alloy powder. Atmix developed the proprietary SWAP[®] method that enables solidification through this ultra-rapid cooling, achieving the world's first mass-production of amorphous alloy powder. The company has since continued to build up know-how in amorphous alloy powders and, as one of the few suppliers of amorphous alloy powder for which mass production is technically difficult, has worked to ensure stable supply to customers.
- * "SWAP[®]" is a registered trademark of Epson Atmix Corporation.
- ⁴ Scheduled to commence operation in January 2028. With the new plant launch, the company aims to increase amorphous alloy powder production capacity from the approximate levels of 6,000 t/year currently to 8,000 t/year by FY2028.
-
- P.29** ³ The largest share of products with Inkjet Printer shipped worldwide in FY25 (CY2025Q2 - CY2026Q1), according to IDC Quarterly HCP Tracker".
(*Source: IDC Quarterly Hardcopy Peripherals Tracker CY2026Q1)
-
- P.42** ¹ Source: Japan Patent Office website.
<https://www.jpo.go.jp/e/news/ugoki/202603/2026030902.html>
-
- P.43** ² Scope 1, 2, and 3 emissions compared to 2017
- ³ Reduce Scope 1 and 2 emissions by 90% compared to 2017 levels, and then offset the remaining emissions to achieve net-zero emissions.
- ⁴ The total ratio of the amount of sustainable resources input and the amount of depletable resources used that have been recycled, relative to raw materials. Sustainable resources refer to renewable resources, closed-loop materials, and less depletable resources.
-
- P.44** ⁶ Using market data from IDC's Worldwide Quarterly Hardcopy Peripherals Tracker and Epson sales data, we estimated the average alternative purchasing scenario that customers would likely have chosen in the absence of Epson's high-capacity ink tank printers. This scenario reflects the market share composition of high-capacity ink tank printers and ink cartridge printers. Avoided emissions were then calculated by multiplying the estimated number of printer units corresponding to ink cartridge printers in this scenario by the difference in lifetime CO₂ emissions between the two printer types.
- ⁷ Calculated based on approximately 70 million units for which comparable ink cartridge printer models were available, out of our cumulative worldwide sales of 119 million units from FY2015 to FY2025.
-
- P.48** ³ Smelters and refiners certified as being Conformant under RMI's Responsible Minerals Assurance Process (RMAP).
- ⁴ Smelters and refiners certified as being Active under RMI's Responsible Minerals Assurance Process (RMAP).
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- P.62** ³ Greenhouse gas (GHG) emission conversion factors
- Electricity: Market-based emissions are disclosed. In Japan, we use the adjusted emission factors of the electricity retailers from which our sites purchase electricity, based on the Load Serving Entity Emission Factors published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry. Outside Japan, we use either the emission factors of the electricity suppliers contracted by each site or country-specific emission factors published by the International Energy Agency (IEA). Emission factors are treated as zero for electricity covered by renewable energy certificates and J-Credits.
 - Fuels: Emission factors published by the IPCC in 2019 are used for both domestic and international operations.
 - GHGs other than CO₂: CO₂-equivalent emissions are calculated using the 100-year Global Warming Potential (GWP) values from the IPCC Fifth Assessment Report (AR5). Beginning in 2024, the Sixth Assessment Report (AR6) is used.
- ⁴ Calculations are based on the GHG Protocol. Calculations for FY2017 and from FY2023 onward are based on the latest SBT standards.
- ⁵ The figures for FY2022, 2023, and 2024 differ from those previously reported due to a revision of the calculation scope, which excludes the self-generated electricity portion from fuels such as cogeneration systems (CGS).
- ⁶ Excludes electricity consumption at certain sales offices and leased facilities for which usage data is unavailable, as well as fuel-based onsite power generation, including cogeneration systems (CGS).



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