

EPSON ON PACE TO BE FIRST JAPANESE MANUFACTURER TO TRANSITION TO RENEWABLE ELECTRICITY

– With the transition 93%¹ now complete, the Epson Group has its sights set on meeting its 100% renewable electricity goal in 2023 –

In March 2021, Epson committed to switching to 100% renewable electricity at all Epson Group sites² worldwide. In November 2021, Epson became the first Japanese manufacturer³ to convert to 100% renewable electricity (530 GWh annually) at all its domestic sites.

On September 1, 2023, Singapore Epson Industrial Pte. Ltd. (SEP), an Epson Group manufacturing company, completed the switch to 100% renewable electricity. With this, the Epson Group now sources 93% of the electricity it uses from renewables.

SEP has been generating electricity since January 2022 with solar panels at a facility that provides plating and other surface finishing services. The supply of renewable energy in Singapore is limited due to the scarcity of available space. So, in response to the announcement of the Epson Group's 100% renewable electricity policy, SEP decided to enter into an onsite PPA⁴ at another of its facilities. Under this agreement, a solar power generation system was installed on the rooftop of a factory, making this facility the 14th⁵ in the Epson Group to have rooftop solar. Approximately 25 GWh of the electricity annually consumed by SEP will be from a combination of electricity generated onsite and the use of renewable energy certificates in neighboring countries. While SEP cannot meet the RE100's expectation of locally produced electricity, it will adopt the best options currently available.



Rooftop solar panels at Singapore Epson Industrial

Contents

Environmental Vision 2050
Page 2

Decarbonization goal:
carbon negative
Page 3

Changes in RE100 requirements
and Epson's initiatives
Page 4

Support for recommendations
to expand the use of
renewable energy
Page 5



In addition to utilizing renewable electricity for its own operations, Epson has been actively promoting the adoption of region-specific renewable energy sources. In Japan, for example, we have been supporting the Shinshu Green Electricity Project in Nagano Prefecture, which focuses on the development of local renewable energy sources. In Indonesia, meanwhile, we are assisting the implementation of sustainable biomass power generation using palm kernel shells (PKS), a waste product from palm oil production. To reach our goal of meeting the entire Epson Group’s annual electricity needs (approximately 876 GWh⁶ in 2022) with 100% renewable electricity, the remaining facilities (including a manufacturing site in Malaysia and sales sites) will aim to switch to renewable electricity in 2023.

Environmental Vision 2050

In March 2021, Epson revised Environmental Vision 2050, a statement of the company’s environmental goals for 2050. Epson aims to be carbon negative and underground resource⁷ free by 2050.

Epson will become carbon negative and underground resource¹ free by 2050 to achieve sustainability and enrich communities

*1. Non-renewable resources such as oil and metals

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

Epson aspires to achieve sustainability and enrich communities. Achieving this aspirational goal will require addressing societal issues and driving transformative change in the way things are done.

Environmental Vision 2050 was conceived not from a perspective of what we can or cannot achieve but from a mindset of what we must achieve as a product creator and manufacturer.

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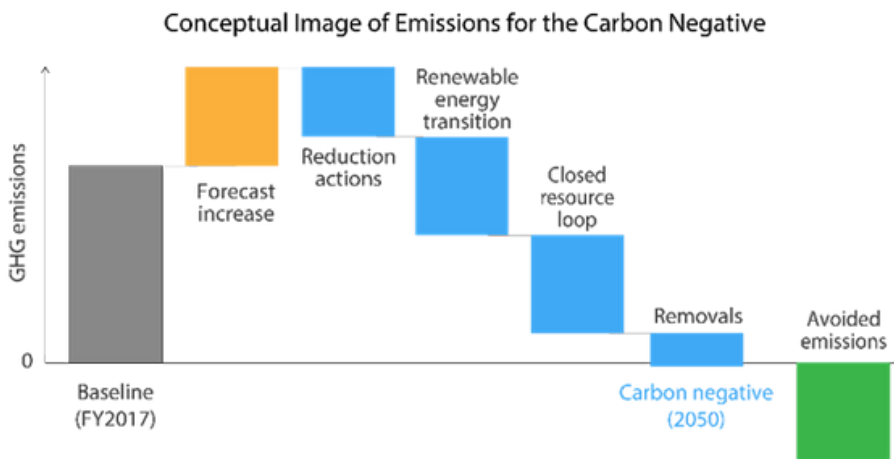




Decarbonization goal: carbon negative

Epson aims to become carbon negative, which is defined as limiting emissions of all greenhouse gases (GHG scopes 1, 2, 3) from our business activities, removing from the atmosphere an amount of CO₂ corresponding to the remaining GHGs to reach essentially zero GHG emissions, and then removing even more carbon.

First, we will minimize energy-use associated with production and products and switch to renewable energy sources. Closing the resource loop is also effective in reducing GHG emissions, so, along with our goal of becoming underground resource-free, we will move toward GHG-free manufacturing.

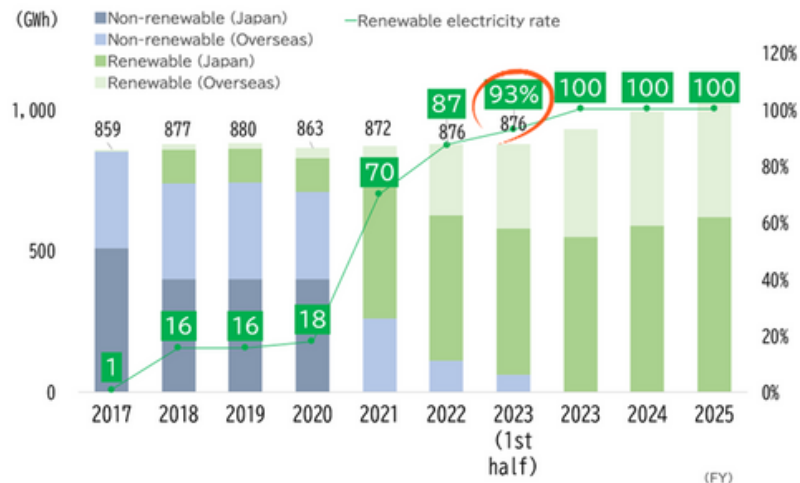


By switching to 100% renewable electricity for all electricity consumed by the Epson Group, we estimate that we will eliminate approximately 400,000 tons of CO₂ from electricity generation annually.

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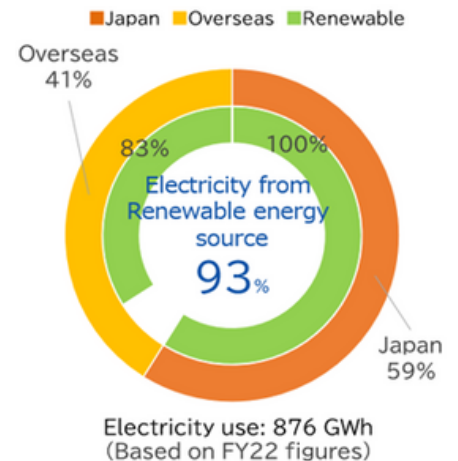
Initiatives to date in the transition to renewables

Transition and Breakdown of Renewable Electricity Replacement Rate

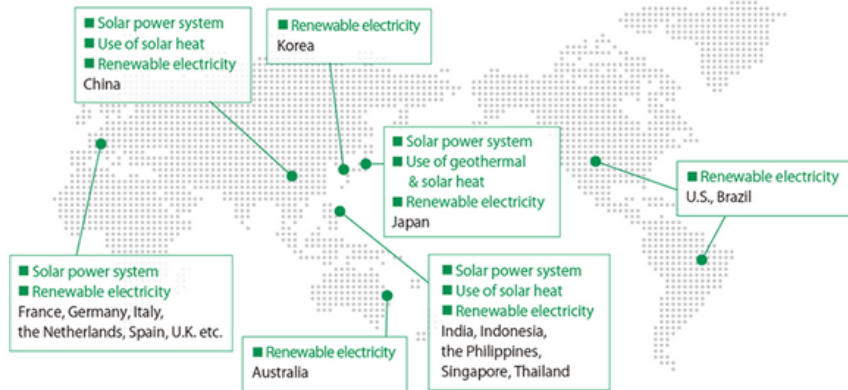


Renewable Electricity Replacement Rate

* Shows sites up to Sep. 2023



Use of Renewable Energy Globally



* Onsite equipment, power purchase agreement, and/or certificate purchasing

Epson sites and their renewable electricity initiative

Date	Epson Sites
By 2021/3	European sites & Epson Precision (Philippines) Inc. achieved 100% renewable
2021/3	Declared commitment to achieving 100% renewable electricity globally
2021/4	Sites in Nagano Prefecture
2021/4	Joined RE100
2021/5	Began the Shinshu Green Electricity Project in Nagano
2021/10	Sites in the Tohoku area achieved 100% renewable
2021/11	All sites in Japan achieved 100% renewable
2022/4	Epson Precision (Thailand) Ltd. achieved 100% renewable
2022/7	PT. Indonesia Epson Industry achieved 100% renewable
2023/1	China/Hong Kong area sites achieved 100% renewable
2023/9	Singapore Epson Industrial Pte. Ltd. achieved 100% renewable

Changes in RE100 requirements and Epson's initiatives

In March 2021, Epson made a public commitment to secure 100% of its global electricity from renewable sources. In April of the same year, Epson joined the international initiative RE100, which aims to drive a transition on the part of corporations to the use of 100% renewable electricity.

On October 24, 2022, "RE100 Technical Criteria," which defines what counts as renewable electricity for participation in the RE100 campaign, was revised. Member companies are required to comply with the new criteria for the electricity they source, effective from January 2024.

Most important are the changes stipulating that electricity must be procured from new power generation facilities such as PPAs or, alternatively, that electricity or certificates must be purchased from facilities in operation for 15 years or less.

At Epson, we recognize the value and significance of renewable energy, including hydropower, and emphasize the use of locally sourced energy



Near Epson's headoffice in Japan



At Epson, we recognize the value and significance of renewable energy, including hydropower, and emphasize the use of locally sourced energy. However, we also recognize that an immediate switch to electricity that meets the new requirements is not currently realistic or feasible. Therefore, while leveraging the advantages of having got off to an early start, we are looking to secure sources that align with the new criteria, including by entering into long-term agreements with electricity providers by the end of this year. For requirements that are challenging to meet, especially in places like Singapore, we will make recommendations to the RE100 and will otherwise continue to accelerate our efforts, including the development of new energy sources, to keep pace with the trends and contribute to local and global decarbonization.

Furthermore, Epson will be participating in a strategy conference for the expansion of renewable energy in Japan in the 2023 fiscal year. The conference, organized by the Climate Group, is scheduled for September 1, 2023. Representatives from the U.K. office of the Climate Group, which leads the RE100 program, will be visiting Japan to facilitate discussions and exchanges of ideas with Japanese companies participating in RE100 regarding the promotion of renewable energy.

Support for recommendations to expand the use of renewable energy

There are obstacles to expanding renewable energy use, including costs and supply limitations in some regions. Recognizing that there is nothing one company alone can do about these obstacles, Epson decided to declare its support for the important policy recommendations below as one solution. The realization of these recommendations will make it easier to take actions that minimize the impact on future climate change.

Coordinated global action is essential to combat climate change. We at Epson will therefore continue our efforts toward decarbonization, including by supporting future such recommendations.



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Month/Year ^①	Recommendations ^②	Secretariats ^③
August 2020 ^④	Making Japan a Nation where Renewable Electricity is Easily Accessed: Three Strategies and Nine Policies Sought by Corporations Engaged in Climate Action ^⑤	Renewable Energy Institute ^⑥ CDP Worldwide-Japan ^⑦ WWF Japan ^⑧
January 2021 ^④	Calling on the Japanese government to raise its 2030 renewable energy target to 40-50% ^⑨	Japan Climate Initiative (JCI) ^⑩
April 2021 ^④	Calling for an Ambitious 2030 Target for Japan to Realize the Paris Agreement Goal ^⑪	Japan Climate Initiative (JCI) ^⑩
June 2022 ^④	Call for accelerating renewable energy deployment ^⑫	Japan Climate Initiative (JCI) ^⑩
April 2023 ^④	Call for accelerating the deployment of renewable energy and introducing effective carbon pricing ^⑬	Japan Climate Initiative (JCI) ^⑩

■ For details about Environmental Vision 2020, please visit the website below.

<https://corporate.epson/en/sustainability/environment/vision/>

■ For more information about Epson's decarbonization initiatives, please see the website below.

<https://corporate.epson/en/sustainability/environment/decarbonization/>

■ For more information about Epson's renewable electricity initiatives, please see the news release below.
All Epson Group Sites to Use 100% Renewable Electricity by 2023 (2021/3/16)

<https://corporate.epson/en/news/2021/210316.html>

Epson Becomes the Manufacturing Industry's First to Switch to 100% Renewable Electricity at All Sites in Japan (2021/10/27)

<https://corporate.epson/en/news/2021/211027.html>

- 1 Converted based on FY2022 usage. The total annual electricity consumed by sites that have achieved 100% renewable electricity as a percentage of the total annual electricity consumed.
- 2 Excludes some sales sites and leased properties where the amount of electricity consumed cannot be determined
- 3 Among Japanese companies that have joined the RE100. Current as of October 27, 2021, per Epson research.
- 4 PPA (Power Purchase Agreement) model: A service in which a power company installs a solar power generation facility on the customer's premises and supplies the generated power to the customer.
- 5 Excludes sites that sell but do not use the electricity produced
- 6 Includes co-generation system (CGS) electricity and self-generated electricity. Currently, since there are no methods recognized by RE100 within Japan, we are using Non-Fossil Fuel Certificates to facilitate the transition to renewable electricity.
- 7 Non-renewable resources such as oil and metals.