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Corporate Governance Report

CORPORATE GOVERNANCE | Seiko Epson Corporation

Last Update: May 1, 2025

Seiko Epson Corporation

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The corporate governance of Seiko Epson Corporation (the "Company") is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

The general principles of corporate governance at the Company are as follows:

- Respect the rights of shareholders, and ensure equality.
- Bear in mind the interests of, and cooperate with, stakeholders, including shareholders, customers, local communities, business partners, and Epson personnel.
- Appropriately disclose company information and maintain transparency.
- Directors, Executive Officers, and Special Audit & Supervisory Officers shall be aware of their fiduciary duties and shall fulfill the roles and responsibilities expected of them.
- Engage in constructive dialogue with shareholders.

To realize our Purpose, which expresses our aim or reason for being in society based on the Epson Way, which defines the Company's values and behaviors based on the Management Philosophy, EXCEED YOUR VISION, promote sustainable growth, and increase corporate value over the medium and long term, the Company strives to continuously enhance and strengthen corporate governance so as to realize transparent, fair, fast, and decisive decision-making.
Under a company with an Audit & Supervisory Committee, to further increase the effectiveness of corporate governance, the Company further improves the supervisory function of the Board of Directors, further enhances deliberation and speeds up management decision-making.

The general principles and policies regarding corporate governance at Epson are summarized in "Corporate Governance Policy," which is available for viewing on the corporate website.
https://corporate.epson/en/sustainability/governance/pdf/epson_governance_policy_e.pdf

Reasons for Non-compliance with the Principles of the Corporate Governance Code

Epson continuously strives to enhance and strengthen its corporate governance based on the foregoing policy and has implemented all the principles in the Corporate Governance Code.

Disclosure Based on the Principles of the Corporate Governance Code

Principle 1.4

For the policy on cross-shareholdings, please see Article 5 in Epson's Corporate Governance Policy. Individual cross-shareholdings in the Epson Group (as of the end of March 2024) were analyzed by the Board of Directors in April 2024 based on Epson's compliance assessment criteria to determine the purpose of these cross-shareholdings and their associated risks and benefits. Epson is moving toward reducing those cross-shareholdings that were not recognized rational.

Please see Article 6 in the Corporate Governance Policy for Epson's standards for exercising voting rights for cross-shareholdings.

Principle 1.7

Please see Article 8 in the Corporate Governance Policy for procedures relating to transactions with related parties.

Supplementary Principles 2.4.1

[Our policies for ensuring diversity in the promotion to core human resources]

As stated in Article 11 of its Corporate Governance Policy, the Company takes full advantage of the value of human diversity and increases synergies between individuals and organizations. Further, it provides an environment and systems that allow the workforce to succeed, regardless of gender, nationality, age, race, physical abilities and disabilities, hiring time and other differences.

[Voluntary and measurable goals for ensuring diversity, and their status]

(1) Promotion of women to middle managerial positions

Seiko Epson has long been an equal opportunity employer. In 1983, Seiko Epson eliminated the gender pay gap and has sought to enable employees to enjoy a good work-life balance by providing leaves of absence, shorter workdays for women with young children, and financial assistance to help cover babysitter expenses. These and other actions have met with some success, as women stay with the company longer than men, on average.

However, there is still a gender gap when it comes to promotion to management and other leadership positions in Japan. Seiko Epson recognizes this as an urgent issue and is taking action to quickly make the ratio of women in middle and senior management equal to the ratio of female employees.

At the end of FY2023, women accounted for 4.7% of employees with management responsibilities and 7.7% of the leader class (equivalent to assistant managers), but we have set a goal of raising those numbers to 8% and 10%, respectively, and to have one or more female executive officers by the end of FY2025. Furthermore, we will take steps to enhance career support to expand the pool of candidates so we can increase the number of women who are candidates for management positions in future.

To promote a change in the mindset of employees, top executives issue diversity messages and the Company provides managers with training in managing diversity and holds internal DE&I fairs. We are also working to create a fair and amendable workplace, provide support through consultation services, and encourage male employees to take childcare leave. In addition, to support the career development and advancement of diverse range of talent, we have put in place various career support programs and an educational system that provides relearning opportunities.

For details, see “Diversity, Equity and Inclusion” on our website.

https://corporate.epson/en/sustainability/our-people/diversity/

(2) Promotion of foreign nationals to middle managerial positions

Epson has sites around the world to accurately identify and swiftly and flexibly meet the changing needs of customers in different regions. The Epson Group had about 55,000 foreign employees as of the end of FY2023.

Epson is vertically integrated, which means we have control over the value chain, from product development and production to sales. Epson Group companies around the world all play a role in this process. A high-performing, diverse workforce is essential for achieving vertical integration, making it vital for our operations divisions in Japan and Epson Group companies overseas to be on the same page in terms of business vision and policies. We hold seminars every year to develop leaders at our global affiliates who share common values and are capable of quickly making the right decisions. We also engage in inter-regional personnel exchanges and, as in Japan, work with local top management and human resource departments to define roles and requirements for overseas human resources, and formulate succession plans and development plans for key positions and personnel.

For details, see “Diversity, Equity and Inclusion” on our website.

https://corporate.epson/en/sustainability/our-people/diversity/

Thus, Seiko Epson and the entire Epson Group are developing business processes globally and establishing environments and systems whereby diverse personnel can play an active role regardless of nationality, race, and the like. For that reason, we have not at this time established any voluntary and measurable targets for the percentage of employees with management responsibilities who are non- Japanese at Seiko Epson, but we are improving the environment for our foreign workers and to make conditions more amendable and to ensure further diversity going forward. Specifically, we have posted a FAQ on the Company’s intranet and set up a consultation service for foreign nationals. The ratio of foreign executive officers as of the end of FY2023 was 14.3%.

(3) Promotion of mid-career hires to middle managerial positions

Mid-career hires account for a greater percentage of employees with management responsibilities than they do of employees overall, as we have been actively appointing people with a wide range of career backgrounds to core positions, based on the idea of appointing the best person for the role, regardless of whether they are new graduates or mid-career hires. As of the end of FY2023, mid-career hires accounted for 21.0% of the total number of management positions, and 12.5% of executive officers (excluding non-Japanese). As the promotion of mid-career hires to managerial positions is progressing to a certain extent, we have not at this time established any voluntary and measurable targets for this, to accurately grasp the wide variety of customer needs and to drive business transformation and innovation so that we can respond quickly and flexibly to those needs, we will continue to actively hire people from outside who have highly specialized skills in new areas and in DX, as well as management talent.

[Our policies and implementation for human resource development and internal environment development to ensure diversity]
For information about our human resource development and internal environment development policies to ensure diversity, see our 82nd Annual Securities Report, pp. 47-49.
https://corporate.epson/en/investors/publications/pdf/ar2024.pdf
For information about the implementation of these policies, see "Diversity, Equity and Inclusion" on our website.
https://corporate.epson/en/sustainability/our-people/diversity/

Principle 2.6

As stated in Article 13 of the Corporate Governance Policy, the Seiko Epson Corporate Pension Fund manages the Company's corporate pension reserves. The Company has adopted a funded corporate pension plan to help assure the appropriate management of conflicts of interest between the Company and corporate pension beneficiaries, and it has worked with the corporate pension fund and labor union to build a system for monitoring and supervising the management of the corporate pension.

The Company systematically promotes and assigns qualified individuals to manage the corporate pension fund and provides them with ongoing educational opportunities so that they can increase their professional knowledge of corporate pension fund management and fulfill the functions expected of them as asset owners.

In March 2021, the Corporate Pension Fund announced that it would support and accept the purpose of the Japanese Stewardship Code as an "institutional investor as an asset owner." The Fund, since it does not directly engage in stewardship activities, including exercising voting rights, requires institutional investors who manage assets to fulfill its stewardship responsibilities by improving and fostering the investee companies' corporate value and sustainable growth through constructive engagement or purposeful dialogue.

Principle 3.1

(1) The Company established and publicly announced a purpose statement that articulates the type of value the Epson Group offers the world, the company's unique reason for being, and its aspirations. In conjunction with this, we redefined the relationships among the components of our philosophical framework, which consists of the Purpose statement, the Epson Way, which are shared values and behavior within the Epson Group, and a corporate "vision" that outlines strategies for realizing the Purpose. Details are provided on the Company's corporate website.

Purpose
https://corporate.epson/en/philosophy/purpose/

Epson Way
- Management Philosophy and EXCEED YOUR VISION: Universal principles that underlie the Epson Group
- Principles of Corporate Behavior and the Epson Global Code of Conduct: Guides to values and conduct based on the Management Philosophy

https://corporate.epson/en/philosophy/epson-way/

Vision
- Epson 25 Renewed Corporate Vision (including the Mid-Range Business Plan)
- Environmental Vision 2050

https://corporate.epson/en/philosophy/vision/

(2) As stated in "I.1. Basic Views" of this report, the Company's basic principles and policies regarding corporate governance are set forth in the Corporate Governance Policy, which is available on the corporate website.
https://corporate.epson/en/sustainability/governance/pdf/epson_governance_policy_e.pdf

(3) The policies and procedures that the Board of Directors follows when deciding Director compensation are stated in "Policy on Determining and Calculating Compensation" under "II 1. Director Remuneration" in this Report.

(4) The policies and procedures that the Board of Directors follows when nominating Director candidates and dismissing Officers are stated in Article 24 of the Corporate Governance Policy.

(5) The reasons for the selection of Directors who were selected at the General Meeting of Shareholders held on June 25, 2024, are stated in the convocation notice of the 82nd Ordinary General Meeting of Shareholders.
https://corporate.epson/en/investors/information/pdf/notice_240524.pdf

Supplementary Principles 3.1.3

[Our initiatives on sustainability]

The movement toward sustainability around the world is accelerating, with the expansion of ESG investment and the formulation of sustainability-related policies in various countries and regions. Against this backdrop, companies are increasingly being asked to take a stance on how to respond to the issues facing society through their business activities. Epson has been contributing to solving various social issues through the provision of its products and services. Going forward, under the banner of our Corporate Purpose, we will continue to work with our customers and partners from a long-term perspective with the goal of achieving sustainability and enriching communities by working to get sustainability of society synchronized with that of Epson.

For details, see our 82nd Annual Securities Report, pp. 25-37.

https://corporate.epson/en/investors/publications/pdf/ar2024.pdf

[Information on investments in human capital]

Epson is committed to contributing to the resolution of social issues through its business based on the Corporate Purpose, with the aim of enhancing corporate value and sustainable growth over the medium to long term. To achieve this, it is necessary to expand and create businesses through environmental, co-creation, and DX initiatives, in line with the positioning, strategies, and policies for each business domain defined in the long-term vision, Epson 25 Renewed. These activities are supported by efforts to strengthen the management base through human resource strategies. Epson is promoting the pillars of its human resource strategy, which are “allocate human resources to priority areas,” “strengthen human resource development” and “organizational activation,” in order to develop human resources who are capable of thinking autonomously about what services are required in a society undergoing change and how to provide solutions to social issues, and are capable of producing services and solutions, as well as to create an environment in which they can demonstrate their abilities.

For details, see our 82nd Annual Securities Report, pp. 45-51.

https://corporate.epson/en/investors/publications/pdf/ar2024.pdf

[Information on investments in intellectual property]

Epson believes that it is important to “Convert intellectual property (IP) in the broad sense (as well as IP rights, this includes assets like brands and data) into assets that drive sustainable growth of Epson’s value.”

Under this belief, to achieve sustainability and enrich communities, which is the aim of our corporate vision, the Intellectual Property Division works closely with management, operations divisions, and development and strategy departments, converts IP into value by proactively utilizing all IP, and enhances Epson’s value and supports the realization of its sustainable growth by tirelessly engaging in such activities.

For details, see our 82nd Annual Securities Report, pp. 52-56, and “Proactive Intellectual Property Activities Based on Purpose” on our website.

82nd Annual Securities Report

https://corporate.epson/en/investors/publications/pdf/ar2024.pdf

Proactive Intellectual Property Activities Based on Purpose

https://corporate.epson/en/technology/intellectual-property/

[The impact of climate change-related risks and earning opportunities on our business activities and profits]

Climate change is greatly impacting society and Epson sees it as a serious social problem. The goal of the Paris Agreement is to limit the increase in global average temperature to well below 2℃ compared to pre-industrial levels and to pursue efforts to limit it to 1.5℃. Epson has pledged to do its part by achieving its goal of reducing its total emissions in line with the 1.5℃ scenario by 2030. As stated in Environmental Vision 2050, which was announced along with the Epson 25 Renewed corporate vision, Epson seeks to become carbon negative and underground resource14 free by 2050 by decarbonizing and closing the resource loop. We are also providing products and services that have a smaller carbon footprint and are developing environmental technologies.

For details, see our 82nd Annual Securities Report, pp. 38-44.

https://corporate.epson/en/investors/publications/pdf/ar2024.pdf

* Non-renewable resources such as oil and metals

Supplementary Principles 4.1.1

As stated in Article 16 of the Corporate Governance Policy, after establishing the strategic direction of the Company, the Board of Directors shall use its supervisory function on general operations to ensure that these operations are fair and transparent. The Board of Directors shall also make decisions on the important business affairs of the Company, such as decisions on the formulation of management plans and business plans and decisions on investment projects that exceed a certain fixed amount of money.

Principle 4.9

The criteria for judging the independence of Outside Directors are described in “Other Matters Concerning Independent Directors” under “II. 1. Matters Concerning Independent Directors” in this report. The criteria are also listed in Appendix 2 to the Corporate Governance Policy.

Supplementary Principles 4.10.1

The Company has established the Director Nomination Committee and the Director Compensation Committee as voluntary deliberation bodies, and they are chaired by an Outside Director, and the majority of committee members are Outside Directors. These Committees are designed to ensure transparency and objectivity in the screening and nomination of candidates for Director, Executive Officer, and Special Audit & Supervisory Officer and in matters of Director compensation. The Human Resources Department serves as the secretariat for these deliberation committees.

For details, see “Supplementary Explanation” under “II. 1. Voluntary Established Committee(s)”

Supplementary Principles 4.11.1

As stipulated in Article 18 of the Corporate Governance Policy, the Company believes that a diverse Board of Directors is useful for facilitating substantive board discussions that cover all angles. Therefore, the Company has a fundamental policy of assembling a Board of Directors that is well- balanced and composed of persons who combine a broad spectrum of knowledge, experience, and skill, without regard to things such as gender, race, ethnicity, nationality, cultural background, or age.

The current Board of Directors reflects this policy and has articulated a management organization for realizing the Management Philosophy and corporate vision so as to enable the Company to achieve sustainable growth and improve corporate value over the medium to long term.

Please see the Notice of the 82nd Ordinary General Meeting of Shareholders for information about the areas and skills where there are particularly high expectations for Directors.

https://corporate.epson/en/investors/information/pdf/notice_240524.pdf

Supplementary Principles 4.11.2

Epson Officers who concurrently serve on the boards of other publicly listed companies shall keep the number to within reasonable limits based on Article 21 of the Corporate Governance Policy. As a general rule, Outside Directors in particular shall not concurrently serve as either a Director or a Kansayaku of more than three publicly listed companies other than Epson per the bylaws established by resolution of the Board of Directors. Per Epson policy, Directors shall attend at least 75% of the meetings of the Board of Directors per year.

Epson discloses information about Directors who hold important concurrent positions at other companies every year in the reference materials provided along with the notices of Ordinary General Meetings of Shareholders as well as in other business reports.

https://corporate.epson/en/investors/information/pdf/notice_240524.pdf

Information about Outside Directors who held important concurrent positions at other companies is provided in “Outside Directors’ Relationship with the Company (2)” under “II. 1. Directors”.

Supplementary Principles 4.11.3

1. Overview of efforts to evaluate the effectiveness of the Board of Directors

The Board of Directors of the Company analyzes and evaluates the effectiveness of the entire Board of Directors every year based on Article 19 of the Corporate Governance Policy.

Annual cycle for evaluating the effectiveness of the Board of Directors (general principles)
When evaluation is planned: November to February
When evaluation is performed: February to March
When evaluation results are analyzed and issues are selected: April to May
Disclosure of issues in a Corporate Governance Report: June
Interim report to the Board of Directors (regarding actions taken to resolve issues): October to November
Final report to the Board of Directors (regarding action to take to resolve issues): February of the following year
Disclosure of the results of actions taken to resolve issues in a Corporate Governance Report: June of the following year

2. Board of Directors effectiveness evaluation for the 2022 fiscal year

The results of actions taken to address issues that were raised when the effectiveness of the Board of Directors was evaluated for the 2022 fiscal year are provided below. The effectiveness of the Board of Directors in the 2022 fiscal year was evaluated by having all Board members complete a questionnaire. The questionnaire results showed that the Board of Directors is

functioning effectively.
(1) Enhance discussions on long-term corporate strategy.
Key issues were identified and an early consensus was reached on the next corporate vision. The conditions are thus in place for exploration of the long-term strategy, which is planned for FY2024 and beyond.
(2) Increase the ability to execute Epson 25 Renewed and the speed of execution.
The Board of Directors contributed to things such as decisions regarding the direction of business by discussing each area of innovation and topics that concern the entire Epson Group.
(3) Develop details of succession plans for the management team and carry out the plans.
Discussions and actions regarding succession plans, including the development of a detailed succession plan, are on the path to completion. We will carry out the plan and regularly report the progress to the Board of Directors.

Issues (1) and (2) are associated with medium- and long-term corporate strategies that are being executed or studied. The Board of Directors will continue to supervise and discuss these strategies during the 2024 fiscal year.

3. Board of Directors effectiveness evaluation for the 2023 fiscal year
To incorporate a more objective perspective, the Board of Directors effectiveness evaluation for the 2023 fiscal year was conducted based on the evaluation and opinions of a third-party organization in a series of steps from the preparation of the questionnaire to its analysis and evaluation. The questionnaire was administered to all Directors and included the following items:
(1) Composition of the Board of Directors and how it is positioned
(2) Operation of the Board of Directors
(3) Discussions of the Board of Directors
(4) Board of Directors monitoring function
(5) Directors' activities (self-evaluation/roles and activities of Directors, etc.)
(6) Training
(7) Dialogue with shareholders (investors)
(8) Functions and operations of advisory bodies to the Board (the Director Nomination Committee, Director Compensation Committee, and Compliance Committee)
(9) Summary (effectiveness of the Board of Directors) and free comments

The results of the evaluation showed that the Board of Directors as a whole is generally functioning effectively. However, Board members held discussions and, considering the results of the 2022 fiscal year Board effectiveness evaluation, the Board identified the following issues in order to improve effectiveness in the future.
(1) Discussion and supervision of actions taken with regard to the Epson 25 Renewed financial goals and strategy execution
(2) Holding and acceleration of discussions on long-term corporate strategy
(3) Human capital management initiatives linked to management strategy

In the future, we will work to further improve effectiveness by addressing these issues.

Supplementary Principles 4.14.2
Epson provides, at Company expense, the necessary training opportunities to Officers and Officers candidates so that they fulfill their roles and responsibilities.
For details, see Article 30 in the Corporate Governance Policy.

Principle 5.1
Epson recognizes that to sustain growth and increase corporate value over the medium and long terms, we must increase the transparency of management and build and strengthen lasting trust and partnerships through honest dialogue with stakeholders. As part of our efforts to do so, we have articulated a policy on the disclosure of information to shareholders, investors, and other stakeholders. We are also further enhancing our investor relations and sustainability reporting (IR & SR) activities and are engaging in constructive dialogue. For details on our information disclosure policy, see Policy on Information Disclosure and Dialogue (Disclosure Policy).
https://corporate.epson/en/investors/management-policy/
[Dialogue with Shareholders]
As a general rule, the President, the Officer in charge of IR & SR, and the IR & SR group manager, or a manager of another relevant department represent Epson in dialogue with shareholders and investors, and Directors (including Outside Directors) also respond within a reasonable scope. Preparations are made to ensure that dialogue is based on the needs of shareholders and investors and is also conducive to increasing long-term corporate value by covering not only financial information such as

changes in performance but also non-financial information such as the long-term vision, mid-range business plans, business strategies, and ESG topics.
For information about dialogue in the 2023 fiscal year, see the Company's website.
https://corporate.epson/en/sustainability/engagement/shareholder.html

Principle 5.2(Action to Implement Management that is Conscious of Cost of Capital and Stock Price) (updated April 26, 2024)
We are committed to management that emphasizes profitability and capital efficiency pursuant to the Epson 25 Renewed corporate vision. For information on progress, see "Fourth Quarter Financial Results Fiscal Year 2023(Ending March 2024)" on our website,pp,14-24(Progress toward Realizing the Corporate Vision).
https://corporate.epson/en/investors/publications/financial-reports/2023/pdf/2023_full_presentation_wn_eng.pdf

2. Capital Structure

Foreign Shareholding Ratio	20% or more and less than 30%

Status of Major Shareholders

Name or Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	72,625,700	21.89
Custody Bank of Japan, Ltd. (Trust Account)	27,427,200	8.26
Seiko Group Corporation	12,000,000	3.61
Sanko Kigyo Kabushiki Kaisha	10,500,000	3.16
Mizuho Trust & Banking Co., Ltd., Retirement benefit trust, Mizuho Bank, Ltd. Account	8,153,800	2.45
Epson Group Employees' Shareholding Association	7,422,224	2.23
STATE STREET BANK WEST CLIENT-TREATY 505234	6,152,177	1.85
The Dai-ichi Life Insurance Company, Limited	6,115,200	1.84
HSBC HONG KONG–TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES	4,604,864	1.38
JPMorgan Securities Japan Co., Ltd.	4,581,315	1.38

Name of Controlling Shareholder, if applicable (excluding Parent Company)	—
Name of Parent Company, if applicable	None

Supplementary Explanation

1. Information about major shareholders is current as of March 31, 2024
2. Although the Company holds 53,289,742 treasury shares, the Company is excluded from the above list of major shareholders. The shareholding ratio is calculated after deducting treasury shares. Treasury shares do not include the Company's shares (109,170 shares) owned by the Officer compensation BIP Trust.
3. The list of major shareholders shown above does not include the following Large Volume Holding Reports and Change Reports that were filed with the Director-General of the Kanto Local Finance Bureau from April 1, 2023 to March 31, 2024, as it is not possible for us to confirm the actual status of the shareholding ratio as of March 31, 2024.

Name of shareholder: BlackRock Japan Co., Ltd. and 7 others
Ownership as of: June 30, 2023
Number of shares owned: 23,330,170
Holding ratio: 6.06%

Name of shareholder: Mitsubishi UFJ Trust and Banking Corporation. and 2 others
Ownership as of: October 9, 2023
Number of shares owned: 17,374,514
Holding ratio: 4.51%

Name of shareholder: Sumitomo Mitsui Trust Asset Management Co., Ltd. and 1 others
Ownership as of: November 30, 2023
Number of shares owned: 21,900,500
Holding ratio: 5.69%

Name of shareholder: Nomura Securities Co. Ltd. and 2 others
Ownership as of: December 29, 2023
Number of shares owned: 29,343,532
Holding ratio: 7.62%

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Prime Market
Fiscal Year-End	March
Business Sector	Electrical Appliances
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) as of the End of the Previous Fiscal Year	¥1 trillion or more
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	50 or more and fewer than 100

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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5. Other Special Circumstances which May have Material Impact on Corporate Governance

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II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Corporate Governance System	Company with Supervisory Committee

Directors

Number of Directors Stipulated in Articles of Incorporation	14
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board Updated	Chairman (excluding those concurrently serving as President)
Number of Directors	11
Election of Outside Directors	Elected
Number of Outside Directors	6
Number of Independent Directors	6

Outside Directors’ Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Tadashi Shimamoto	From another company								△			
Masaki Yamauchi	From another company								△			
Kahori Miyake	From another company											
Susumu Murakoshi	Lawyer											
Michiko Ohtsuka	CPA											
Akira Marumoto	From another company											

*Categories for “Relationship with the Company”.
(Use “○” when the director presently falls or has recently fallen under the category; “△” when the director fell under the category in the past; “●” when a close relative of the director presently falls or has recently fallen under the category; and “▲” when a close relative of the director fell under the category in the past.)

a. Person who executes business of the Company or a subsidiary
b. Person who executes business or a non-executive director of a parent company
c. Person who executes business of a fellow subsidiary
d. Person/entity for which the Company is a major client or a person who executes business for such person/entity
e. Major client of the Company or a person who executes business for such client
f. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets in addition to director/Audit and Supervisory Board Member compensation from the Company
g. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business of the corporation)
h. Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to self only)
i. Person who executes business for another company holding cross-directorships/cross-auditorships with the Company (applies to self only)
j. Person who executes business for an entity receiving contributions from the Company (applies to self only)
k. Other

Outside Directors' Relationship with the Company (2)

Name	Membership of Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Applicable Relationship	Reasons for Appointment
Tadashi Shimamoto		○	**Important concurrent positions held at other companies** Director of Reading Skill Test, Inc. Outside Director of Mitsubishi Pencil Co., Ltd. Member of the Public Interest Body, PricewaterhouseCoopers Japan LLC	**Reason for nominating Tadashi Shimamoto as an Outside Director** Tadashi Shimamoto has served as President and Chairman of Nomura Research Institute, Ltd. and has a wealth of experience and insight as a corporate manager and in fundamental technology, distribution, service, and industry-related systems. We have nominated him as an Outside Director with the expectation that as Outside Director he will monitor corporate management appropriately, aiming at achieving sustainable growth and improving the Company's corporate value over the medium- to long-term through his active opinions and proposals from the perspective of overall management and DX/IT systems, based on his familiarity with corporate management in the information service industry, which is a different business field. **Independence of duties** Tadashi Shimamoto was involved in business affairs at Nomura Research Institute, Ltd. Although the Company has had a business relationship with Nomura Research Institute, Ltd. for the past three years, the annual transaction amount is minimal, accounting for less than 0.1% of the consolidated net sales of the Company and Nomura Research Institute, Ltd., and Nomura Research Institute, Ltd. does not account for a major business partner as defined in the Criteria for Independence of Outside Directors. He owns a very small number of shares in the Company, and there are no human, capital, business or other interests between her and the Company. The Company has registered Tadashi Shimamoto as an Independent Director with the Tokyo Stock Exchange.
Masaki Yamauchi		○	**Important concurrent positions held at other**	**Reason for nominating Masaki Yamauchi as an Outside**

			companies Advisor of Yamato Holdings Co., Ltd. Independent Director of Persol Holdings Co., Ltd. Outside Director of Resona Holdings, Inc.	**Director** Masaki Yamauchi has served as President and Chairperson of the Board of Directors of Yamato Holdings Co., Ltd. and has a wealth of insight and experience in corporate management. We have nominated him as an Outside Director with the expectation that, based on his experience in practicing satisfaction-creating management that makes full use of digital technology, his efforts to instill Yamato's DNA (values) in employees and his track record of fostering organizational culture, he will monitor corporate management appropriately, aiming at achieving sustainable growth and improving the Company's corporate value over the medium- to long-term through his active opinions and proposals from the perspectives of organizational management, DX/IT, and sustainability that relate to the fundamentals of corporate management. **Independence of duties** Masaki Yamauchi was involved in business affairs at Yamato Holdings Co., Ltd. Although the Company has had a business relationship with Yamato Transport Co., Ltd., a consolidated subsidiary of Yamato Holdings Co., Ltd., for the past three years, the annual transaction amount is minimal, accounting for less than 0.1% of the consolidated net sales of the Company and Yamato Holdings Co., Ltd., and Yamato Holdings Co., Ltd. does not account for a major business partner as defined in the Criteria for Independence of Outside Directors. He owns a very small number of shares in the Company, and there are no human, capital, business or other interests between her and the Company. The Company has registered Masaki Yamauchi as an Independent Director with the Tokyo Stock Exchange.
Kahori Miyake		○	**Important concurrent positions held at other companies** Co-Chair of Japan Climate	**Reason for nominating Kahori Miyake as an Outside Director** Kahori Miyake promoted ESG strategies as Executive Officer of

			Leaders' Partnership Fellow Officer; Director, ESG Planning and Promotion Department of Sumitomo Mitsui Trust Bank, Limited Outside Director (Audit and Supervisory Committee Member) of Members Co., Ltd.	AEON Co., Ltd. and is currently a Fellow Officer of Sumitomo Mitsui Trust Bank, Limited and Co-Chair of the Japan Climate Leaders' Partnership, a cross-industry group of companies working to achieve a sustainable, decarbonized society. We have nominated her as an Outside Director with the expectation that, based on her wealth of experience and considerable insight into ESG and decarbonization measures, she will monitor corporate management appropriately, aiming at our goal of achieving sustainability and enriching communities and improving the Company's corporate value over the medium- to long-term through her active opinions and proposals from the perspective of environmental management with expertise in environmental and social contribution. **Independence of duties** Although the Company has requested her to give lectures and has had transactions with her to receive advice on the promotion of environmental strategies, etc. for the past three years, the transaction amount is minimal, accounting for less than 500,000 yen, and she is not a major business partner or a consultant who receives large amounts of money or other benefits from the Company other than compensation as defined in the Criteria for Independence of Outside Directors. The Company has registered Kahori Miyake as an Independent Director with the Tokyo Stock Exchange.
Susumu Murakoshi	○	○	**Important concurrent positions held at other companies** Attorney-at-law	**Reason for nominating Susumu Murakoshi as an Outside Director** Susumu Murakoshi has a high level of expertise as an attorney. Having served as the President of Japan Federation of Bar Associations and the President of Japan Attorneys Political Association, he has a wealth of experience in the legal community. We have nominated him as an Outside Director who is

				Audit & Supervisory Committee Member with the expectation that he will continue to appropriately supervise and contribute to the soundness of the Company's management aimed at achieving sustainable growth and improving the Company's corporate value over the medium-to long- term. **Independence of duties** The Company has not entered into a consulting agreement, nor has it consigned any business under any individual agreement with Susumu Murakoshi,who is an attorney-at-law, or with the law office to which he belongs. He owns a very small number of shares in the Company, and there are no human, capital, business or other interests between her and the Company. The Company has registered Susumu Murakoshi as an Independent Director with theTokyo Stock Exchange.
Michiko Ohtsuka	○	○	**Important concurrent positions held at other companies** Certified Public Accountant	**Reason for nominating Michiko Ohtsuka as an Outside Director** Michiko Ohtsuka has a high level of expertise as a certified public accountant. She has experience and considerable insight as an independent officer of a listed company. We have nominated her as an Outside Director who is Audit & Supervisory Committee Member with the expectation that she will continue to appropriately supervise and contribute to the soundness of the Company's management aimed at achieving sustainable growth and improving the Company's corporate value over the medium-to long-term. **Independence of duties** The Company has not entered into a consulting agreement, nor has it consigned any business under any individual agreement with Michiko Ohtsuka who is a certified public accountant, and there is no transactional relationship. She owns a very small number of

				shares in the Company, and there are no human, capital, business or other interests between her and the Company. The Company has registered Michiko Ohtsuka as an Independent Director with the Tokyo Stock Exchange.
Akira Marumoto	○	○	**Important concurrent positions held at other companies** Senior Advisor of Mazda Motor Corporation	**Reason for nominating Akira Marumoto as an Outside Director** Akira Marumoto has served as Executive Vice President and President of Mazda Motor Corporation and has a wealth of experience and considerable insight in corporate management. He was in charge of a wide range of administrative areas, including corporate planning, production and sales operations in the U.S., general affairs, public relations, and human resources. After assuming the position of president, he responded to various management issues and, as one example, strengthened earning power by improving profitability through dealership reforms and putting a new plant into operation. We have nominated him as an Outside Director who is Audit & Supervisory Committee Member with the expectation that he will be able to appropriately supervise and contribute to the soundness of the Company's management aimed at achieving sustainable growth and improving the Company's corporate value over the medium- to long-term. **Independence of duties** Akira Marumoto has been involved in business affairs at Mazda Motor Corporation for the past five years. The Company has had no business relationship with Mazda Motor Corporation for the past three years. He does not own shares in the Company, and there are no human, capital, business or other interests between her and the Company. The Company has registered Akira Marumoto as an Independent Director with the Tokyo Stock Exchange.

Supervisory Committee

Composition of Supervisory Committee and Attributes of the Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Committee Chair
Supervisory Committee	4	1	1	3	Inside Director

Appointment of Directors and/or Staff to Support the Supervisory Committee	Appointed

Matters Concerning Independence of Said Directors and/or Employees from Executive Officers

The Company has set up an Audit & Supervisory Committee Office to assist the Audit & Supervisory Committee in performing its duties. The head of the Audit & Supervisory Committee Office serves as a Special Audit & Supervisory Officer and assigns full-time personnel to the Audit & Supervisory Committee Office. The head and personnel of the Audit & Supervisory Committee Office discharge their duties to assist the Audit & Supervisory Committee, obeying the orders of the Audit & Supervisory Committee alone and not orders from Directors who are not Audit & Supervisory Committee members. Matters relating to the personnel of the Office must be approved in advance by the Audit & Supervisory Committee.

Status of Coordination between Supervisory Committee, Accounting Auditor, and Internal Audit Department

To ensure that audits by the Audit & Supervisory Committee are systematic and effective, a framework has been created to secure close cooperation between the internal audit department and others and the Audit & Supervisory Committee. Matters relating to the appointment and dismissal of the head of the internal audit administrative department, as well as performance evaluations of said person, must be approved in advance by the Audit & Supervisory Committee.
The Audit & Supervisory Committee can ask the Representative Director or the Board of Directors to take corrective action if the Audit & Supervisory Committee recognizes that the structure of the Audit & Supervisory Committee Office and the system of cooperation between the Audit & Supervisory Committee and the internal audit departments and others interfere with the efficacy of audits.
The Company's internal audit department regularly reports audit plans and audit results to the Audit & Supervisory Committee directly. After receiving these reports, the Audit & Supervisory Committee can, when it deems it necessary, call upon the internal audit department to conduct an inquiry and can give specific instructions, including reporting to the Board of Directors, regarding the execution of those duties. In this way, we ensure the effectiveness of systematic audits by the Audit & Supervisory Committee.
The internal audit department is designated as the cornerstone of the internal control functions that the President and Representative Director and departments responsible for executing business affairs put in place. On the other hand, to ensure the effectiveness and independence of audits conducted by the Audit & Supervisory Committee and internal audit department, when the instructions of the Audit & Supervisory Committee and the President and Representative Director conflict, the President has the instructions of the Audit & Supervisory Committee shall take precedence.
The Audit & Supervisory Committee and internal audit department thus strive to actively cooperate, but the Company has set up an Audit & Supervisory Committee Office, which is headed up by a Special Audit & Supervisory Officer, as an organization dedicated to supporting the Audit & Supervisory Committee. The Audit & Supervisory Committee Office is independent from the executive side. It operates under the direct instructions and chain of command of the Audit & Supervisory Committee to provide support to the Audit & Supervisory Committee.
At the beginning of the fiscal year, the Audit & Supervisory Committee and the financial auditor share risk assessments, confirm the audit plan of the financial auditor, and hold periodic discussions during the period to enhance the effectiveness of the audit. Financial Auditors and the head of the internal audit administrative department can attend Compliance Committee meetings as observers, the Compliance Committee being composed of Outside Directors and Directors who are Audit & Supervisory Committee members.

Voluntary Established Committee(s)

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee	Established

Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chair (Chairperson)

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Director Nomination Committee	7	0	1	6	0	0	Outside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Director Compensation Committee	7	0	1	6	0	0	Outside Director

Supplementary Explanation Updated

Composition and the Policy regarding Independence

As stated in Article 23 of the Corporate Governance Policy, Outside Directors make up a majority of the members of the Director Nomination Committee and Director Compensation Committee and a Chairperson is elected by the Board from among the Outside Directors, to ensure transparency, objectivity, and independence. The committees shall be composed of all the Outside Directors and the President/Representative Director. Directors who are full-time members of the Audit & Supervisory Committee can attend either meeting as observers.

As of the date this report was submitted, the current members are as follows:

[The Director Nomination Committee]

Chairman: Outside Director, Tadashi Shimamoto

Members: Outside Directors, Masaki Yamauchi, Kahori Miyake, Susumu Murakoshi, Michiko Ohtsuka, Akira Marumoto, and Junkichi Yoshida, President

[The Director Compensation Committee]

Chairman: Outside Director, Masaki Yamauchi

Members: Outside Directors, Tadashi Shimamoto, Kahori Miyake, Susumu Murakoshi, Michiko Ohtsuka, Akira Marumoto, and Junkichi Yoshida, President

The Mandates, Roles, and Activities of the Director Nomination Committee

As stated in Article 23 of the Corporate Governance Policy, the Company has established a Director Nomination Committee as an optional deliberative body to impartially examine through a transparent and objective process the selection of Director candidates and the dismissal of Directors as well as to evaluate and supervise the status of Director successor development plans created by the President and Representative Director, the issues therein, and Director succession plans created by the President and Representative Director.

The Committee met 12 times in the 2023 fiscal year and three times during the period from April 2024 to the June 2024 Ordinary General Meeting of Shareholders. The Committee deliberated on matters including succession plans for the President and Representative Director, Officer (Directors, Executive Officers and Special Audit & Supervisory Officers) selection policy and candidate proposals, consideration of Outside Director candidates, and revisions to the skills matrix.

The Mandates, Roles, and Activities of the Director Compensation Committee

As stated in Article 23 of the Corporate Governance Policy, the Company has established a Director Compensation Committee as an optional deliberative body to impartially examine through a transparent and objective process proposals and discussions concerning matters such as the compensation system and bylaws for Directors of the Company as well as Directors' individual compensation. The Director Compensation Committee, with a mandate from the Board of Directors, decides the individual compensation of Directors who are not Audit & Supervisory Committee members.

The Committee met eight times in the 2023 fiscal year and four times during the period from April 2024 to the June 2024 Ordinary General Meeting of Shareholders. The Committee deliberated on matters such as the amount of individual base compensation, the payment coefficient for bonuses and individual bonus amounts, the coefficient for allocating shares under the restricted stock compensation plan, the amount of monetary compensation claims and the number of allocated shares, and update of the liability insurance for Directors, etc., and conclusion of a Company indemnity agreement and limited liability agreements, etc.

Committee attendance

The attendance rate of each member of the Director Nomination Committee and Director Compensation Committee during the 2023 fiscal year and during the period from April 2024 to the June 2024 Ordinary General Meeting of Shareholders was as follows.
Director Nomination Committee: 100% for both the 2023 fiscal year and the period from April 2024 to the June 2024 Ordinary General Meeting of Shareholders
Director Compensation Committee: 100% for the 2023 fiscal year; 75% (three out of four meetings) for the period from April 2024 to the June 2024 Ordinary General Meeting of Shareholders for Mari Matsunaga, and 100% for the others

Matters Concerning Independent Directors

Number of Independent Directors	6

Other Matters Concerning Independent Directors

The Company has designated all Outside Directors who qualify as independent directors or auditors as independent directors or auditors.

Criteria for Independence of Outside Directors

The Company has established the criteria below to objectively determine whether potential Outside Directors are independent.

1. A person is not independent if:
(1) The person considers the Company to be a major business partner[1], or has served as an executive[2] within the past five years in an entity for which the Company is a major business partner;
(2) The person is a major business partner[3] of the Company or has served as an executive within the past five years in an entity that is a major business partner of the Company;
(3) The person is a business consultant, certified public accountant, or lawyer who has received a large sum of money or other forms of compensation[4] (other than compensation as an officer) from the Company or has, within the past three years, performed duties equivalent to those of an executive as an employee of a corporation or group, such as a union, that has received a large sum of money or other forms of compensation from the Company;
(4) The person is a major shareholder[5] of the Company or has, within the past five years, been an executive or Audit & Supervisory Board Member of an entity that is a major shareholder of the Company;
(5) The person is an executive or Audit & Supervisory Board Member of an entity in which the Company is currently a major shareholder;
(6) The person is a major lender[6] to the Company or has been an executive of a major lender to the Company within the past five years;
(7) The person has been employed by an auditing firm that has conducted a legal accounting audit of the Company within the past five years;
(8) The person has been employed by a leading managing underwriter of the Company within the past five years;
(9) The person has received a large donation[7] from the Company or, within the past three years, has performed duties equivalent to those of an executive as an employee of a corporation or a group, such as a union, that has received a large donation from the Company;
(10) The person came from an entity with a relationship of reciprocal employment of Outside Director[8]; or
(11) The spouse or other immediate family member of a person to whom any of items (1) through (9) apply.

2. Even if any of the foregoing criteria apply to a potential Outside Director, the Company can elect that person as an Outside Director if that person satisfies the requirements for Outside Directors set forth in the Companies Act, and the Company deems the person suitable as an Outside Director of the Company in light of his or her personality, knowledge, experience, or other qualifications upon explaining and announcing the reasons thereof.

Notes
1: A person (usually a supplier) considers the Company to be a major business partner if 2% or more of its consolidated net sales (consolidated revenue) has come from the Company in any fiscal year within the past three years.
2: "Executive" means an executive officer, executive director, operating officer, or an employee occupying a senior management position of department manager or higher.

3: A person (usually a buyer) is a major business partner if 2% or more of the Company's consolidated revenue has come from that partner in any fiscal year within the past three years.
4: "A large sum of money or other forms of compensation" means an average annual amount for the past three years that is:
i) no less than 10 million yen for an individual; or
ii) no less than 2% of the annual revenues in any fiscal year for a group.
5: "Major shareholder" means a shareholder who directly or indirectly holds 10% or more of the voting rights.
6: "A major lender" means a financial institution or other major creditor that is indispensable for the Company's financing and on which the Company depends to the extent that it is irreplaceable in any fiscal year within the past three years.
7: "Large donation" means a donation whose annual average amount for the past three years exceeds either;
i) 10 million yen or
ii) 30% of the annual expense of the group, whichever is higher.
8: "Reciprocal employment of Outside Director" means accepting an Outside Director from an entity that currently employs someone from the Company as an Outside Director.

Incentives

Implementation Status of Measures related to Incentives Granted to Directors	Introduction of Performance-linked Remuneration Scheme

Supplementary Explanation for Applicable Items

For details, please see "Disclosure of Policy on Determining Remuneration Amounts and the Calculation Methods Thereof" under II 1. " Director Remuneration" in this Report.

Persons Eligible for Stock Options	None

Supplementary Explanation for Applicable Items

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Director Remuneration

Status of Disclosure of Individual Directors' Remuneration	No Disclosure for any Directors

Supplementary Explanation for Applicable Items

Compensation of Directors in the fiscal year ending March 31, 2024 is as follows.

- The eight Directors who are not Audit & Supervisory Committee members received compensation totaling 262 million yen, including 189 million yen in base compensation, 31 million yen in bonuses, and 41 million yen in stock compensation.
(This includes four Outside Directors who received compensation totaling 39 million yen, consisting of 39 million yen in base compensation.)
- The four Directors who are Audit & Supervisory Committee members received compensation totaling 82 million yen, consisting of 82 million yen in base compensation.
(This includes three Outside Directors who received compensation totaling 49 million yen, consisting of 49 million yen in base compensation.)

Notes
1. The Company has introduced an officer stock ownership plan to link compensation more closely to shareholders' value. A portion of the base compensation is discretionally allotted for the acquisition of the Company's shares. Epson has established the criteria for shareholding by its officers based on internal regulations defined by the Board of Directors to demonstrate its commitment to and responsibilities for business operations to all shareholders.
2. The amount above includes bonuses to be paid to Directors in the amount of 31 million yen (amount to be paid to two Directors excluding Chairman and Director without the right of representation, Outside Directors, and Directors who are Audit & Supervisory Committee members), as resolved at the Ordinary General Meeting of Shareholders held on June 25, 2024.

3. Based on a resolution at the Ordinary General Meeting of Shareholders held on June 23, 2006 to abolish bonuses for retiring executives, the Company provided payment of 24 million yen to one eligible Director who retired at the conclusion of the Ordinary General Meeting of Shareholders held on June 25, 2024.
4. Stock options are not granted.

Policy on Determining Remuneration Amounts and the Calculation Methods Thereof	Established

Disclosure of Policy on Determining Remuneration Amounts and the Calculation Methods Thereof

The Company revised its officer compensation system based on the resolution of the Board of Directors on April 28 and May 19, 2022 and the resolution at the Ordinary General Meeting of Shareholders on June 28, 2022. The new system has been adopted and is effective from FY2022 (June 28, 2022 for restricted stock compensation). No additional contribution will be made to the former performance-linked stock compensation plan (BIP trust) in the future. The delivery and payment of the Company's common shares pertaining to the points already granted and the cash equivalent to an amount obtained through the conversion of the Company's common shares into cash has completed, and the plan has been terminated.

With the aim of ensuring transparency and objectivity, compensation of officers is determined through resolutions at the General Meeting of Shareholders and the Board of Directors' meeting for Directors who are not Audit & Supervisory Committee members, or through resolutions at the General Meeting of Shareholders and discussions by Audit & Supervisory Committee members for Directors who are Audit & Supervisory Committee members, after going through fair, transparent and rigorous reporting by the Director Compensation Committee which is chaired by an Outside Director, and the majority of whose members are Outside Directors.
With regard to compensation of the Directors who are not Audit & Supervisory Committee members, the Audit & Supervisory Committee shares and discusses what have been examined by the Director Compensation Committee to confirm whether there are special items to be stated at the General Meeting of Shareholders.
Matters related to the compensation, including the individual amounts, of the Directors who are not Audit & Supervisory Committee members are left to the discretion of the Director Compensation Committee.
For details, such as the mandates and roles of the Director Compensation Committee, see "Supplementary Explanation" under "II. 1. Voluntary Established Committee(s)."

Policies
1) Decision-making policies, etc. on compensation for individual Directors who are not Audit & Supervisory Committee members
The Company has established its decision-making policies on compensation for individual Directors who are not Audit & Supervisory Committee members.

<Method of determining the decision-making policies>
Decision-making policies are deliberated by the Director Compensation Committee, which is chaired by an Outside Director, is composed of a majority of Outside Directors, and decided by the Board of Directors.

<Outline of contents of the decision-making policies>
i) Basic stance
The Company's officer compensation shall consist of base compensation, which is comprised of fixed compensation, bonuses, which is performance-linked compensation, and stock compensation, which is non-monetary compensation. Given their roles to monitor the management as a whole as well as their independence from the business affairs, the Company pays only base compensation to non-executive officers and therefore does not pay bonuses and stock compensation.

Compensation for executive officers
(a) 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.
(b) Compensation shall be sufficient to attract and retain qualified persons both from within the Company and from outside.
(c) Compensation shall be commensurate with period performance so that directors and executive officers can demonstrate their management capabilities to the fullest during their tenure.
(d) 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.
(e) A mechanism to suppress fraud shall be embedded.
(f) The process for determining compensation shall be highly transparent, objective and fair.

Compensation for non-executive officers

(a) The composition of compensation shall guarantee independence so that these officers can suitably exert their general management supervisory function, etc.

(b) Compensation shall be sufficient to attract and retain qualified persons both from within the Company and from outside.

ii) Decision-making policies on base compensation for individual Directors who are not Audit & Supervisory Committee members

Base compensation

Base compensation is a monetary compensation that is determined in accordance with the position and the magnitude of roles including the contents of operations commissioned and delegated ("Role Grade"). It is paid monthly during the terms of office. Depending on the operating performance of the company and other reasons, the Board of Directors may take measures to increase or decrease the amount.

iii)Decision-making policies on performance-linked compensation for Directors who are not Audit & Supervisory Committee members

Bonuses

Bonus is an annually paid variable performance-linked compensation for officers with executive duties that is determined by the achievement level of the annual operating performance targets and personal goals.

[Details of performance indicators and reasons for selection thereof]

In consideration of the nature of bonuses as a short-term incentive, the amount of annual company-wide ROE among others is set as a performance indicator, taking into account factors such as the achievement level of personal goals.

[Calculation method]

The amount of bonuses payable is calculated by multiplying the annual total compensation calculated based on position and Role Grade by the ratio of bonus (25% to 30%) by position and Role Grade to derive the base bonus amount, and taking the base bonus amount and multiplying it by a coefficient (0% to 200%) corresponding to the achievement level against the company-wide ROE target and other performance indicators and a coefficient (±40%) corresponding to the achievement level of personal goals.

[Results of performance indicators]

The company-wide ROE used as a performance indicator is 6.6(actual result for FY2023)%. Company-wide ROE is calculated excluding treasury shares acquired in or after FY2022.

iv) Decision-making policies on non-monetary compensation for Directors who are not Audit & Supervisory Committee members

Restricted stock compensation

The restricted stock compensation is a stock compensation aimed at further promoting sharing of value with shareholders and providing officers with a greater incentive than before to increase the stock price, sustain growth, and increase medium- to long-term corporate value. It is paid to Directors with executive duties once a year.

Pursuant to the resolution of the Board of Directors of the Company, the Company will pay monetary compensation claims up to the aforesaid annual amount of 200 million yen as compensation, etc., for restricted stock. In turn, Eligible Directors will pay all monetary compensation claims provided by the Company as in-kind contributions and will receive an allotment of restricted stock.

The aforesaid monetary compensation claims will be paid on condition that Eligible Directors have agreed to the aforesaid in-kind contributions and have concluded a restricted stock allotment agreement.

The total number of restricted stock shares to be allotted to Eligible Directors will not exceed 200,000 shares annually.

The restricted stock allotment agreement will include the following:

a) Nature of restrictions on transfer

Eligible Directors shall not transfer, pledge, grant security interests, gift during their lifetime, or bequeath, to any third party, or otherwise dispose of restricted stock (hereafter "the Allotted Stock") during the period from the date of allotment to the date on which they resign or retire from their position as either a director, executive officer, or employee of the Company.

b) Gratis acquisition of restricted stock

If an Eligible Director resigns or retires from his or her position as a director, executive officer, or employee of the Company during the Restricted Period, the Company will rightfully acquire the Allotted Stock without compensation, unless there are extenuating circumstances that the Company's Board of Directors deem reasonable.

c) Lifting of the Transfer Restrictions

The Company will lift Transfer Restrictions for all the Allotted Stock upon the end of the final day of the Transfer Restriction Period, provided that the Eligible Director holds the position of director, executive officer or employee of the Company continuously from the date the Transfer Restriction Period starts to the date of the first General Meeting of Shareholders thereafter.

d) Malus and clawback provisions

The Company will establish provisions to acquire without contribution some or all of the Allotted Stock allotted to Eligible Directors or common shares of the Company for which Transfer Restrictions have been lifted, or to be paid an amount equivalent to the value of the Allotted Stock or common shares of the Company for which Transfer Restrictions have been lifted, in cases in which the Board of Directors recognizes that Eligible Directors have violated laws, regulations, or internal rules, etc. in any material respect during the Transfer Restriction Period or after the lifting of the Transfer Restrictions, and when certain circumstances determined by the Board of Directors have occurred, including serious accounting irregularities or large losses, etc.

e) Treatment in organizational restructuring, etc.

If, during the Transfer Restriction Period, matters concerning organizational restructuring, etc., are approved at a General Meeting of Shareholders, the Company will, by resolution of the Board of Directors, lift the Transfer Restrictions prior to the effective date of the organizational restructuring, etc., for the number of Allotted Stock that is reasonably determined based on the period from the date the Transfer Restriction Period starts to the date the organizational restructuring, etc., is approved.

In such cases, the Company will rightfully acquire the Allotted Stock to which Transfer Restrictions still apply immediately after the Transfer Restrictions are lifted pursuant to the aforesaid provisions.

* The Company plans to also allocate restricted stock like the restricted stock described above to Executive Officers who are not Directors of the Company.

[Details of performance indicators and reasons for selection thereof]

To share the benefits and risks of changes in the stock price with general shareholders and to enhance the incentive to increase the stock price, sustain growth, and increase medium- to long-term corporate value, the achievement levels against the indicators including the company-wide ROIC and sustainability goals are set as indicators.

[Calculation method]

The number of shares to be allotted during the target period is calculated by multiplying the amount of annual total compensation calculated based on the position and Role Grade of each Director by the ratio of stock compensation (20% to 25%) commensurate with position and Role Grade by the coefficient (80% to 120% for each) corresponding to the achievement levels against the indicators including the company-wide ROIC and sustainability goals to derive the base compensation amount, and dividing the base compensation amount by the value of restricted stock per share determined by the Board of Directors.

The amount of monetary compensation claim paid to each Director as compensation, etc. concerning restricted stock is calculated by multiplying the number of shares to be allotted by the closing price of the common stock of the Company on the Tokyo Stock Exchange on the business day immediately preceding the date of the Board of Directors' resolution regarding the issuance or disposal.

[Results of performance indicators]

The company-wide ROIC used as a performance indicator is 7.0%(actual result for FY2022). Company-wide ROIC is calculated excluding treasury shares acquired in or after FY2022. In addition, the achievement rate for sustainability goals, etc. is 90%.

v) Decision-making policies on the ratio of compensation for individual Directors who are not Audit & Supervisory Committee members

With regard to the policies on decisions on the ratio of compensation by category for Directors who are not Audit & Supervisory Committee members (excluding the Chairman and Directors without the right of representation and Outside Directors), the total annual compensation is used as the basis to calculate bonuses, which are calculated by multiplying the base bonus amount, which ranges between 25% and 30% of bonuses, by a coefficient corresponding to the achievement levels of performance indicators. In addition, stock compensation is calculated by multiplying the total annual compensation by the ratio of stock compensation ranging from 20% to 25% and subsequently multiplying the amount derived by a coefficient corresponding to the achievement level against the company-wide ROIC target, sustainability goals, etc. It is designed so that the ratio of "bonuses" and "stock compensation" increases, commensurate to the position and Role Grade.

For FY2023, the composition ratio of the total amount of compensation for Directors who are not Audit & Supervisory Committee members (excluding Chairman and Director without the right of representation and Outside Directors) was as follows: approximately 53.7% as base compensation, approximately 20.1% as bonuses, and approximately 26.2% as stock compensation.

vi) Matters regarding delegation of decisions on compensation for individual Directors who are not Audit & Supervisory Committee members

Decisions on the amounts of compensation for the fiscal year ended March 2024 are left to the discretion of the Director Compensation Committee. To ensure that the said authority is exercised appropriately, Outside Directors account for the majority of members of the Director Compensation Committee and the chairperson of the Committee is selected among the Outside Directors by the members.

vii) Other important matters regarding decisions on the details of compensation for individual Directors who are not Audit & Supervisory Committee members

The Company establishes provisions (malus and clawback clauses) to acquire without contribution some or all of the allotted shares to eligible Directors or ordinary shares of the Company for which transfer restrictions have been lifted, or to be paid an amount equivalent to the value of the allotted shares or ordinary shares of the Company for which transfer restrictions have been lifted. This applies in cases where the Company's Board of Directors recognizes that eligible Directors have violated laws, regulations, or internal rules, etc. in any material aspect and when certain circumstances determined by the Board of Directors have occurred, including serious accounting irregularities or large losses.

<Reasons why the Board of Directors has determined that the details of compensation for individual Directors who are not Audit & Supervisory Committee members for the fiscal year under review comply with the said decision-making policies>

The Board of Directors has confirmed the following points and determined that the compensation for Directors who are not Audit & Supervisory Committee members for the fiscal year under review complies with the said policies.

- A fair, transparent, and rigorous reporting by the Director Compensation Committee, which is chaired by an Outside Director, and the majority of whose members are Outside Directors has been conducted.
- The Audit & Supervisory Committee shared and discussed the details that were discussed by the Director Compensation Committee and reported that there were no items to be stated at the General Meeting of Shareholders.

2) Decision-making policies, etc. on compensation for individual Directors who are Audit & Supervisory Committee members

The Company has established its decision-making policies on compensation for individual Directors who are Audit & Supervisory Committee members.

<Method of determining the decision-making policies>

Decision-making policies are determined by the Audit & Supervisory Committee.

<Outline of contents of the decision-making policies>

The Company's compensation for individual Directors who are Audit & Supervisory Committee members shall be decided by taking into consideration factors such as whether he or she is Full-Time or not, how the audit work has been divided, and the details and levels of compensation for Directors who are not Audit & Supervisory Committee members.

Given their roles to monitor the management as a whole based on independence from the business affairs, the Company pays only fixed compensation to Directors who are Audit & Supervisory Committee members. In addition, basic stance for such fixed compensation is as stated in "Compensation for non-executive officers," and it is determined by the Board of Directors upon deliberation of its contents at the Director Compensation Committee, which is chaired by an Outside Director, and the majority of whose members are Outside Directors.

3) Resolutions by the General Meeting of Shareholders on compensation for Directors

Base compensation

Upon the resolution at the Ordinary General Meeting of Shareholders of June 28, 2016, the maximum base compensation was set at 62 million yen per month for Directors who are not Audit & Supervisory Committee members (including 10 million yen per month for Outside Directors). At the conclusion of the said Ordinary General Meeting of Shareholders, the number of Directors who are not Audit & Supervisory Committee members was eight (including two Outside Directors).

In addition, upon the resolution at the said Ordinary General Meeting of Shareholders, the maximum base compensation was set at 20 million yen per month for Directors who are Audit & Supervisory Committee members. At the conclusion of the said Ordinary General Meeting of Shareholders, the number of Directors who are Audit & Supervisory Committee members was four.

Restricted stock compensation
Upon the resolution at the Ordinary General Meeting of Shareholders on June 28, 2022 with respect to restricted stock compensation for Directors who are not Audit & Supervisory Committee members (excluding persons in positions independent from business execution, such as Outside Directors, as well as those residing overseas), the total number of monetary compensation claims paid as compensation, etc. concerning restricted stock under a framework separate from the aforementioned amounts of compensation of Directors (base compensation) and performance-linked stock compensation (officer compensation BIP trust), is set to be no more than an annual amount of 200 million yen. At the conclusion of the said Ordinary General Meeting of Shareholders, the number of Directors who are not Audit & Supervisory Committee members was three.

Support System for Outside Directors

The Company has set up a department to serve as the administrative office for the Board of Directors and to provide the necessary support to the Outside Directors, including but not limited to providing supplementary explanations about motions to be submitted to the Board of Directors. The department that is responsible for the administration of the Board of Directors provides materials concerning matters to be deliberated by the Board of Directors to all Directors, including Outside Directors, sufficiently in advance of meetings.　Since the 2023 fiscal year, a system has been in placethat allows files and information to be shared on the cloud using an external file sharing service. The department also sets the schedule for the next fiscal year's regular meetings of the Board of Directors by the end of each fiscal year and provides the schedule to all Directors, including Outside Directors.

Status of Persons who have Retired as Representative Director and President, etc.

Information on Persons Holding Advisory Positions (*Sodanyaku*, *Komon*, etc.) after Retiring as Representative Director and President, etc.

Name	Job title/ position	Responsibilities	Terms and Conditions of Employment (Full/part time, with/without remuneration, etc.)	Date when former role as president/ CEO ended	Term
Minoru Usui	Executive Advisor	Economic organization activities, social contribution activities, etc.	Working arrangements: Part-time Compensation: Yes	June 25, 2024	1 year

Number of Persons Holding Advisory Positions (*Sodanyaku*, *Komon*, etc.) After Retiring as Representative Director and President, etc.	1

Other Related Matters

The role of Executive Advisor is to assist the incumbent management in fulfilling the Company's social responsibility by assuming public positions (involving economic organization activities, social contribution activities, etc.). Executive Advisors are not involved in the execution of the Company's business or decision-making.
Executive Advisors are elected by resolution of the Board of Directors after deliberation by the Director Nomination Committee. Executive Advisor compensation is determined individually, taking into consideration their contribution to the Company through their external affairs activities and is approved by the Director Compensation Committee, which is entrusted to do so by the Board of Directors.

* "Date when former role as president/CEO ended" above indicates the date on which Minoru Usui retired as a director.

2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System) Updated

Matters relating to the execution of business affairs

The Board of Directors, with a mandate from shareholders, is responsible for realizing efficient and effective corporate governance, through which the Company will accomplish its social mission, sustain growth, and maximize corporate value over the medium and long term. To fulfill these responsibilities, the Board of Directors will exercise a supervisory function over general management affairs, maintain management fairness and transparency, and make important business decisions, including decisions on things such as management plans, business plans, and investments exceeding a certain amount. The Board of Directors is composed of 11 Directors, including six Outside Directors. Meetings of the Board of Directors are, as a rule, held once per month and as needed. The Chairman acts as the chairperson of the Board meetings. Corporate Governance Policy states that at least one-third of the board members should be Outside Directors.

The Board of Directors makes decisions on basic business policies, important business affairs, and other matters that the Board of Directors is responsible for deciding as provided for in internal regulations.

Business affairs that the Board of Directors is not responsible for deciding are delegated to executive management, and the Board monitors these. The Company has adopted an Audit & Supervisory Committee structure and has expanded the scope of business affairs that the Board of Directors delegates to executive management, such as approving investment projects that are less than a certain fixed amount of money, to speed up business decision-making and increase the agility of business.

Board meetings were held 13 times in the 2023 fiscal year and three times during the period from April 2024 to the June Ordinary General Meeting of Shareholders. The attendance rate for each director is 90% for Tadashi Shimamoto in fiscal 2023, 100% for other directors, and 100% for each director for the period from April 2024 to the regular general meeting of shareholders in June 2024.

The Board of Directors first discussed topics and points to be focused on during the fiscal year, and deliberated on the progress and strategy of each innovation area to achieve Epson 25 Renewed throughout the year. It also had deliberations on initiatives aimed at realizing management that is conscious of capital cost and share prices, the result of dialogue with our shareholders, and succession plans of the management, among other things. Epson has a mechanism in place that allows free discussions by the members of the Board of Directors from the initial stage of reviewing important business topics, in addition to discussions at the Board of Directors' meetings, to enhance the strategy function of the Board of Directors. During the fiscal year they exchanged views on and discussed the next long-term strategies and how to improve the effectiveness of the Board of Directors.

As part of its business execution structure, the Company has established a management meeting body as a forum at which Directors, Executive Officers, and the Special Audit and Supervisory Officer exhaustively deliberate important management topics such as the corporate vision and business strategies of the entire Epson Group, as well as business affairs to be presented at Board of Directors meetings. These management meetings are generally held on a weekly basis. Outside Directors can attend meetings of this meeting body, but even if they cannot attend, they are provided with materials for the topics discussed and supplementary explanations of what was discussed. The Company strives to ensure the fairness and transparency of the execution of business affairs through the attendance of a Director who is a Full-Time Audit & Supervisory Committee member.

Matters subject to audit and supervision

The Audit & Supervisory Committee is composed of four Directors, including three Outside Directors. Masayuki Kawana was selected to serve as a Full-Time Audit & Supervisory Committee member to help ensure that the Audit & Supervisory Committee works effectively, as it was concluded that it would be necessary for someone to prepare an environment to facilitate audits, attend important internal meetings to smoothly collect internal information, work closely with groups such as the internal audit department, and monitor the internal control system.

Audit & Supervisory Committee members can attend meetings of the aforesaid meeting body and other meetings as part of their efforts to properly monitor business affairs. They examine the legality and suitability of actions taken by the Directors by checking and confirming compliance and by supervising and verifying things such as the state of the internal control system, including internal control over financial reporting. When deemed necessary, they can call upon the internal audit department to conduct an inquiry and can give specific instructions regarding the execution of those duties. Through these, we ensure the effectiveness of systematic audits by the Audit & Supervisory Committee.

The Company has been evaluating the effectiveness of the Audit and Supervisory Committee since April 2017 in order to improve and stabilize the operation of the Audit and Supervisory Committee. It is standard practice for the Audit and Supervisory Committee to share the findings of effectiveness evaluations with the Board of Directors. In the 2023 fiscal year, the evaluation results, which showed that the Audit & Supervisory Committee is operating effectively, were shared with the Board of Directors, and recommendations were made on issues found in the effectiveness evaluation regarding improvements to the Company's internal controls and governance system.

Audit & Supervisory Committee member Michiko Ohtsuka is a certified public accountant and has an appreciable degree of knowledge and insight into finance and accounting.

Matters relating to nomination and compensation decisions, etc.

Please see the supplementary explanation under "Advisory bodies" in II 1.

Names of certified public accountants and consecutive audit years

The names of certified public accountants who executed financial audits during the period (the fiscal year ended March 31, 2024) and the names of the audit firm to which they belong are as follows:

Makoto Usui, Designated and Engagement Partner, (Ernst & Young Japan) 5 years

Takuya Tanaka, Designated and Engagement Partner, (Ernst & Young Japan) 1 year

Ryuichi Minami, Designated and Engagement Partner, (Ernst & Young Japan) 4 years

Matters concerning limited liability agreements

The Company has executed agreements with Non-Executive Directors Tadashi Shimamoto, Masaki Yamauchi, Kahori Miyake, Masayuki Kawana, Susumu Murakoshi, Michiko Ohtsuka, and Akira Marumoto that limit their liability for damages under Article 423 (1), pursuant to the provisions of Article 427 (1) of the Companies Act. The maximum amount of liability for damages under these agreements is limited to the amount provided for by laws and regulations. The liability of the Non-Executive Directors shall be limited only if they have acted in good faith and without gross negligence in performing their duties.

3. Reasons for Adoption of Current Corporate Governance System

The Company is structured as a company with an Audit & Supervisory Committee. It has a Board of Directors, an Audit & Supervisory Committee, and a financial auditor. It has also voluntarily established advisory committees for matters such as the Director nomination and compensation.

This governance system was adopted to further increase the effectiveness of corporate governance by strengthening supervision over management and by enabling the Board of Directors to devote more time to discussions while speeding up decision-making by management.

Please see Article 22 in the Corporate Governance Policy for the role of Outside Directors.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Facilitate Exercise of Voting Rights

	Supplementary Explanation
Early Posting of Notice of the General Shareholders Meeting	As a general rule, shareholders are notified by mail of the date of General Meeting of Shareholders at least three weeks before the date. Convocation notices for the Ordinary General Meeting of Shareholders (held on June 25, 2024) for the period (the fiscal year ended March 31, 2024) were mailed on May 31, 2024. On May 25, 2024, prior to the mailing of the convocation notices, the Company posted a convocation notice on the Corporate website.
Scheduling of the General Shareholders Meeting During Non-Peak Days	The Company avoids holding the Ordinary General Meeting of Shareholders on the peak day so that as many shareholders as possible can attend.
Electronic Exercise of Voting Rights	Shareholders can exercise their voting rights either by mail or electronically.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	The Company posts convocation notices on its website, provides convocation notices in English, and uses visuals to report its operations at General Meeting of Shareholders. The Company participates in the electronic voting platform for institutional investors that is run by ICJ.
Provision of Notice (or Summary of Notice) of the General Shareholders Meeting in English	In addition to exercising their voting rights by mailing in a form, shareholders can exercise their voting rights electronically.
Other	From the 78th and subsequent General Shareholders Meetings (from 2020 onwards), we have streamed video footage of the venue over the internet for shareholders to view. From the 79th and subsequent General Shareholders Meetings (from 2021 onwards), we have accepted opinions and questions in advance via the internet in order to enhance the General Shareholders Meeting. From the 80th General Shareholders Meeting (from 2022), we have posted a video of the president' s business report presentation on our website for approximately three months after the General Shareholders Meeting, to have more people understand our company.

2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	The Company is committed to engaging in honest dialogue with stakeholders, in keeping with the Epson Way and the Corporate Governance Policy, and has established and published on the corporate website a Policy on Information Disclosure and Dialogue (Disclosure Policy). https://corporate.epson/en/investors/management-policy/	
Regular Investor Briefings held for Analysts and Institutional Investors	In addition to full-year and quarterly financial results announcements, the Company holds briefings for analysts when it announces its long-range corporate vision and midrange business plans, etc.	Held
Regular Investor Briefings held for Overseas Investors	The Company's officers, etc., explain Epson's mid- and long-range strategies, financial results, and so forth one-on-one to investors in North America, Europe, and Asia.	Held
Online Disclosure of IR Information	The Company provides IR information on the corporate website. The site carries messages from management, financial data, the IR schedule, financial materials (including financial statements, explanatory presentation materials, and summaries of answers to questions taken when earnings are announced), annual reports, integrated reports, shareholder communications, notices of Ordinary	

	General Meeting of Shareholders convocation and resolutions, and ESG-related information. News releases and other information are also available on the site. The main IR materials, such as financial statements and annual reports, are also available in English. https://corporate.epson/en/investors/
Establishment of Department and/or Placement of a Manager in Charge of IR	The Company's Corporate Communications Department is in charge of investor relations. In addition to handling full-year and quarterly financial results announcements, the PR & IR Department handles day-to-day communications with analysts and institutional investors. It also regularly shares feedback from capital markets with the management team.

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	The Company specifies actions for maintaining the trust of all stakeholders, including customers, shareholders, investors, local communities, business partners and employees, in the Corporate Governance Policy, Principles of Corporate Behavior, and the Epson Global Code of Conduct.
Implementation of Environmental Preservation Activities and CSR Activities, etc.	The Company provides information about its activities on the corporate website. It also prepares an annual Sustainability Report and Integrated Report and makes them available on the website. The Company created a Sustainability Strategy Council to serve as an advisory body to the President. It reviews social trends, formulates the Epson Group's long-term sustainability strategies, reviews actions taken, and discusses initiatives for addressing important issues. In the 2023 fiscal year the Sustainability Strategy Council worked toward the goal of achieving sustainability and enriching communities by reporting dialogue with investors, promoting independently evaluated sustainability activities, setting KPI for key sustainability topics, addressing issues in RBA activities, reviewing Task Force on Climate-related Financial Disclosures (TCFD). For details, see our "Sustainability" website. https://corporate.epson/en/sustainability/ In 2021, the Company revised Environmental Vision 2050, setting the goal of becoming carbon negative and underground resource free by 2050. It is working toward these goals by decarbonizing, closing resource loops, providing products and services that have a smaller environmental impact, and developing environmental technologies. For details, see "Environment" in the Sustainability section of the corporate website. https://corporate.epson/en/sustainability/environment/
Formulation of Policies, etc. on Provision of Information to Stakeholders	Principles of Corporate Behavior mandates proactive disclosure of information, including negative information, to its stakeholders as part of Epson's commitment to transparency. To ensure fair disclosure, the Company posts its financial results and other data on its website in a timely manner.
Other	Health and Productivity Management Initiatives The Company considers the health of its employees and other contributors to be the top priority in terms of health and productivity management. Accordingly, we want to see their health improve and to create a positive, dynamic workplace that is conducive to job satisfaction in line with top-level policy. We believe this will ultimately result in better financial performance and higher corporate value. Seiko Epson created an integrated Human Capital & Well-Being Management Division under the President to drive initiatives forward. 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. In March 2024, Seiko Epson was selected under the Health & Productivity Stock Selection Program for the third consecutive year. The Company was recognized for its efforts to promote health through cooperation between the company, employees and other contributors, and the health insurance union. It was also recognized for having established employee-driven health promotion committees at each business site.

IV. Matters Concerning the Internal Control System

1. Basic Views on Internal Control System and Status of Development Updated

The Company's Board of Directors passed a resolution on a basic internal control system policy (a system for ensuring that business is conducted suitably by the corporate group) and the Company has provided an improved internal control system based on this resolution.

[Basic Internal Control System Policy]

Seiko Epson Corporation ("Epson" or "the Company") has defined the Epson Way, which is founded on the Management Philosophy, and strives to share it across the corporate group, which is comprised of the Company and its subsidiaries (the "Epson Group."). The Company shall provide an internal control system for implementation throughout the Epson Group. The following basic policy regarding the internal control system is intended to ensure that business is conducted appropriately within the Epson Group based on the Epson Way and is provided in aims of having each organization detect and solve issues by itself (decentralized autonomous internal control system).

* The Epson Way is a set of shared values and behavior within the Epson Group. It refers generally to the Management Philosophy and EXCEED YOUR VISION, which state the fundamental, universal principles of the Epson Group; the Principles of Corporate Behavior, which sets forth values and actions that reflect our philosophy of management and so on.

<u>1. Compliance</u>

(1) The Company has established a compliance regulation for the Epson Group and defined the compliance organization, system, and other basic matters.

(2) The Company shall also create a Compliance Committee to serve as an advisory body to the Board of Directors. The Compliance Committee shall be chaired by a Full-Time Audit & Supervisory Committee Member and shall be made up as members the outside directors and Audit & Supervisory Committee members. The Compliance Committee will meet to hear and discuss important matters concerning the Company's compliance program. It will report its findings and offer opinions to the board of directors. Financial Auditors and the head of the internal audit administrative department shall be able to attend meetings of the Compliance Committee as observers.

(3) A Chief Compliance Officer ("CCO") shall be selected to oversee and monitor the execution of all compliance operations. The CCO shall periodically report the state of compliance affairs to the Compliance Committee.

(4) Compliance promotion and enforcement shall be supervised by the President of the Company. Compliance programs shared by the Epson Group shall be carried out by Head Office supervisory departments with the cooperation of departments in the various operations divisions and subsidiaries. Compliance programs of the divisions and their related subsidiaries shall be promoted by the respective Chief Operating Officers of the divisions. A compliance control department shall help to ensure the completeness and effectiveness of compliance programs by monitoring compliance across the Epson Group and by taking corrective action or making adjustments where needed.

(5) The Corporate Management Council, an advisory body to the President comprised of the Directors and others, addresses important matters with respect to compliance promotion and enforcement within the Epson Group. The Council strives to ensure the effectiveness of compliance by exhaustively discussing and analyzing the state of programs for assuring observance of statutes, internal regulations, business ethics and initiatives in key areas.

(6) The Company shall strive to provide an effective whistleblowing system. Employees shall be encouraged and shall be able to easily and immediately report compliance violations using internal and external hotlines and e-mail addresses. Controls shall be in place to protect whistleblowers from reprisal, and allegations shall be reported to the Board of Directors, the Audit & Supervisory Committee, the Compliance Committee, and the Corporate Management Council in a way that whistleblowers cannot be identified.

(7) The Company shall strive to enhance compliance consciousness by providing Epson Group employees with web-based training and other educational opportunities.

(8) The President of the Company shall periodically report important compliance-related matters to the Board of Directors and shall take measures as needed to respond to issues.
(9) Principles of Corporate Behavior, which provides that the Company shall have no association whatsoever with organized crime, shall be observed. The Company shall take a firm stance in rejecting any and all contact with organized crime that threatens social order and security.

2. System for Ensuring Proper Financial Reporting

(1) The creation of proper financial reports is recognized as a critical issue. The Company shall build, on the orders of the president, a system that enables internal control over financial reporting to be properly arranged, implemented, and evaluated. The financial reports will not be limited in scope to evaluations and reporting required by the Financial Instruments and Exchange Act but will also include reporting over the scope deemed necessary by management.
(2) A basic regulation and other regulations and standards pertaining to internal control over financial reporting shall be created, and their observance shall be obligatory across the entire Epson Group.
(3) Continuously evaluate whether the internal controls that have been put in place for financial reporting are effectively and properly functioning, and take corrective action where needed.

3. Business execution system

(1) The Company shall formulate long-term vision statements and mid-range business plans, and it shall set clear med-to long-term goals for the Epson Group as a whole.
(2) The Company shall institute a system that shall ensure the appropriate and efficient execution of business. To that end, the Company shall establish regulations governing organization management, job authorities, the division of responsibilities, and the management of affiliated companies, thus distributing power and authority across the entire Group.
(3) Personnel responsible for business operations shall report the matters below to the Board of Directors at least once every three months.
・Current business performance and performance outlook
・Status of key business operations

4. Risk management

(1) The Company shall establish a regulation that stipulates the risk management system of the Epson Group and that defines the organization, risk management methods and procedures, and other basic elements of this system.
(2) Overall responsibility for risk management in the Epson Group shall belong to the President of the Company. Risks shared by the Epson Group shall be managed by Head Office supervisory departments with the cooperation of the operations divisions and subsidiaries. Risks unique to an individual business shall be managed by the Chief Operating Officer of that business, including at subsidiaries consolidated under them. The Company shall also set up a risk management control department, monitor overall risk management within the Epson Group, make corrections and adjustments thereto, and ensure the effectiveness of risk management programs.
(3) The Corporate Management Council shall strive to ensure effective management of serious risks that could have an egregious effect on the Company by dynamically and exhaustively discussing and analyzing action to identify and control risks. Also, when major risks become apparent, the President shall lead the entire company in mounting a swift initial response in line with the Company’s prescribed crisis management program.
(4) The President of the Company shall periodically report to the Board of Directors on critical risk management issues and formulate appropriate measures to respond to these issues.

5. Ensuring the appropriateness of operations in the corporate group

(1) The Epson Group’s management structure shall help to ensure that operations in the Epson Group are conducted appropriately. Essentially, the Company shall be organized into product-based divisions. Each division shall be headed by a Chief Operating Officer who owns global consolidated responsibility for that business. Meanwhile, supervisory functions within the Head Office shall own global responsibility. Responsibility for providing the framework for business operations at subsidiaries shall be owned by the head of each business. Corporate functions that are shared by the Epson Group shall be the responsibility of the heads of Head Office supervisory departments.
(2) The Company shall have a controlled system for executing business across the Epson Group. This shall be accomplished by internal regulations that require subsidiaries to report or acquire pre-approval for certain business operations from the parent company, Epson, and by requiring issues that meet certain criteria to be submitted to Epson’s Board of Directors for resolution. Moreover, the Company shall seek to ensure the suitability and efficiency of business operations across the Epson Group by establishing a company that supervises subsidiaries.
(3) Based on internal audit regulations, internal audit departments shall serve as monitoring organizations that are independent from the management and supervisory functions of the operations divisions and the Head Office. The internal audit departments shall audit internal controls and the state of operations across the Epson Group. The findings of the internal

audit departments shall be presented to the head of the audited organization along with requests for corrective action. This information shall also be regularly reported to the President of the Company and to the Audit & Supervisory Committee. In this way, Epson shall strive to optimize operations across the Epson Group.

6. Safeguarding and management of information on performance of duties

(1) Information on the performance of duties shall be safeguarded and managed in accordance with regulations governing, among other things, document control, management approval, and contracts. All Directors shall be able to access the necessary information.

(2) The Company shall strive to prevent the leak and loss of Epson Group internal information by managing confidential information according to the level of sensitivity, in accordance with the Epson Group basic information security regulation.

7. Audit system

(1) The Audit & Supervisory Committee can interview Directors who are not Audit & Supervisory Committee Members, Executive Officers, and other personnel whenever they deem necessary in the performance of duties based on the Audit & Supervisory Committee audit regulation.

(2) Audit & Supervisory Committee Members can attend Corporate Management Council meetings and other important business meetings that shall enable them to conduct audits based on the same information as that available to Directors who are not Audit & Supervisory Committee Members. Audit & Supervisory Committee shall also routinely review important documents related to management decision-making.

(3) An Audit & Supervisory Committee Office shall be set up to assist the duties of the Audit & Supervisory Committee. The head of the Audit & Supervisory Committee Office shall serve as a Special Audit & Supervisory Officer and shall assign full-time personnel to the Audit & Supervisory Committee Office. The head and personnel of the Audit & Supervisory Committee Office shall discharge their duties to assist the Audit & Supervisory Committee, obeying the orders of the Audit & Supervisory Committee alone and not orders from Directors who are not Audit & Supervisory Committee Members. Matters relating to the personnel of the office must be approved in advance by the Audit & Supervisory Committee.

(4) To ensure that audits by the Audit & Supervisory Committee are systematic and effective, a framework shall be created to secure close cooperation between the internal audit department and others and the Audit & Supervisory Committee. Matters relating to the appointment and dismissal of the head of the internal audit administrative department, as well as performance evaluations of said person, must be approved in advance by the Audit & Supervisory Committee.

(5) The Audit & Supervisory Committee can ask the Representative Director or the Board of Directors to take corrective action if the Audit & Supervisory Committee recognizes that the structure of the Audit & Supervisory Committee Office and the system of cooperation between the Audit & Supervisory Committee and the internal audit departments and others interfere with the efficacy of audits.

(6) The Audit & Supervisory Committee shall receive audit reports from the internal audit departments and can issue specific instructions to the internal audit departments as needed. If the instructions issued to the internal audit departments by the Audit & Supervisory Committee and the President are in conflict, the instructions of the Audit & Supervisory Committee shall prevail.

(7) Based on the Audit & Supervisory Committee audit regulation, the Audit & Supervisory Committee can ask Directors who are not Audit & Supervisory Committee Members, the compliance control department, and the risk management control department, as well as others to report or explain the state of management within the Epson Group. It can also inspect supporting materials. The Audit & Supervisory Committee shall, where necessary, be able to ask subsidiary company Directors, Audit & Supervisory Board Members, internal audit departments, and others to report the state of management within their respective companies. A system shall be put in place to protect reporters from reprisal for having made a report, and the identity of the reporter shall be protected even if the President or a Board Member, for example, is asked to make corrections and so forth based on the report.

(8) The Audit & Supervisory Committee shall strive to enhance the effectiveness of audits by holding regular discussions with Financial Auditors.

(9) The Audit & Supervisory Committee and Representative Director shall regularly meet to enable the committee to directly assess business operations.

(10) The expenses required by the Audit & Supervisory Committee Members to perform its duties shall be properly budgeted for in advance. However, expenses required to perform the duties of the Audit & Supervisory Committee Members in emergency or extraordinary situations shall be promptly paid in advance or refunded on each occasion.

Enacted April 1st, 2006
Revised April 1st, 2025

2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development

(1) Basic approach to eliminating antisocial forces As stated in item (9) under "Compliance" in the basic internal control system policy, the Company's policy is to avoid any association whatsoever with organized crime and to take a firm stance in rejecting any and all contact with criminal organizations that threaten social order and security.

(2) Preparations for eliminating antisocial forces

The Company's views on eliminating antisocial forces are expressed as a unified commitment of the Epson Group in Principles of Corporate Behavior. Things that Epson personnel must endeavor to do and actions they are expected to take are stated in the Epson Global Code of Conduct. The code is shared and instilled in all officers and employees. The Company has built into its business systems a process for preventing transactions with antisocial forces (i.e., criminal and terrorist organizations) when credit investigations and periodic evaluations are conducted for customers and suppliers, and commercial contracts contain provisions regarding the elimination of relationships with antisocial forces. The Company's crisis management program names the general affairs department as the organization responsible for responding to improper or unjust claims by antisocial forces. This department gathers information from relevant government authorities and so forth and has established strategic actions such as verifying the initial response system and consulting with outside experts, including public institutions.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted

Supplementary Explanation for Applicable Items

Corporate Purpose is at the heart of all of the Company's corporate activities. This Corporate Purpose, "Our philosophy of efficient, compact and precise innovation enriches lives and helps create a better world," was established in September 2022 to define the kind of value that the Company provides to society and to demonstrate both inside and outside the Company its unique reason for being and aspirations. The Company will provide new value to society by realizing the Corporate Purpose through its vision, based on its management philosophy, which is the universal concept of the Epson Way that defines the Group's values and behavior. Through these efforts, we will strive to achieve sustainable growth and enhance corporate value over the medium to long term in the future.

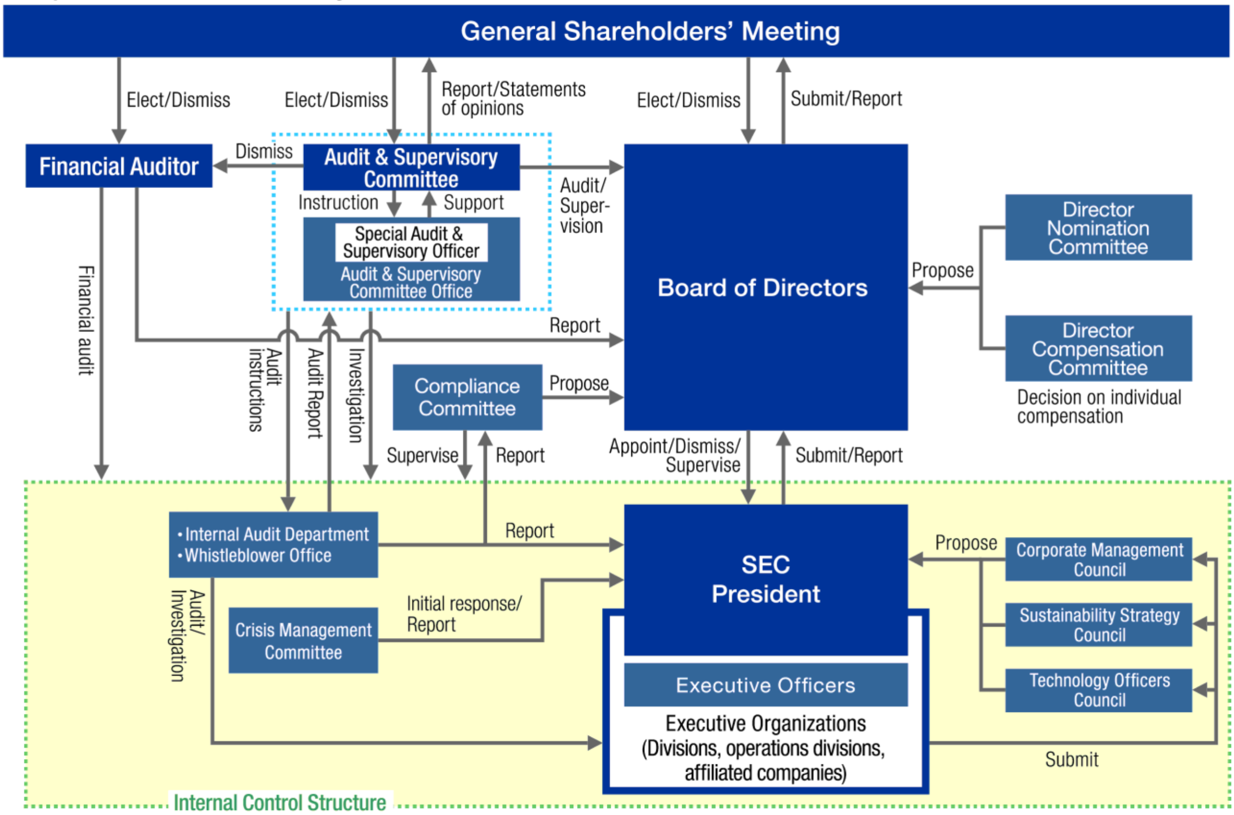
The Company believes that its shareholders should be decided through free trade in the market, and the determination to accept to an acquisition proposal to purchase a portion of shares that would make it possible to control decisions on the Company's financial and business policies (hereinafter "large-scale acquisition") should ultimately be referred to a decision by the shareholders.

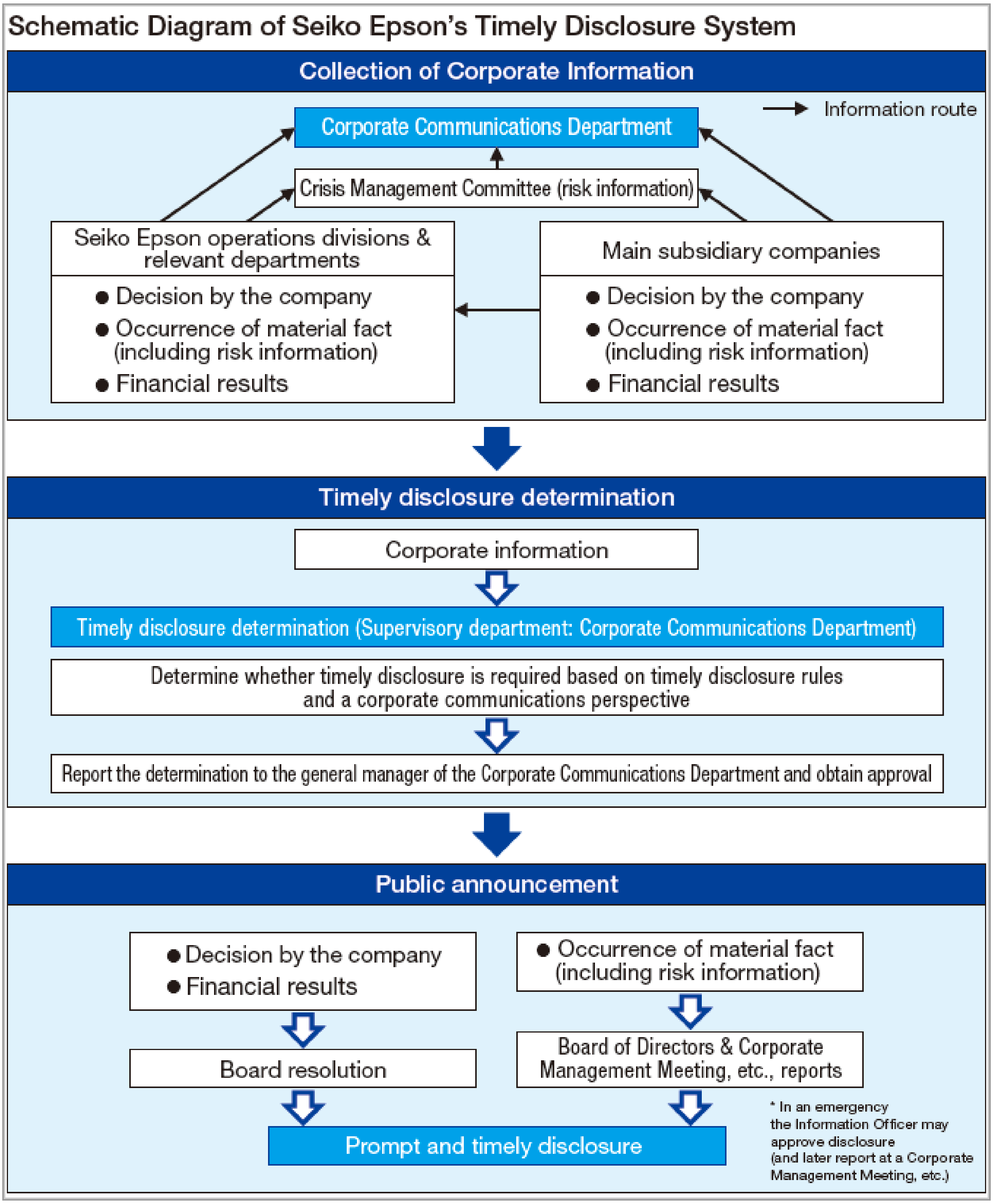
However, the Company believes that shareholders should determine whether or not to accept a proposal on a large-scale acquisition of the Company shares in an appropriate manner. To this end, it is vital that shareholders are provided necessary information and opinions from both the potential large-scale acquirer of the Company shares and the Company's Board of Directors, with sufficient time ensured for shareholders to consider them.

The Company believes that it is essential for an entity controlling decisions on the Company's financial and business policies be a party that fully understands the Company's business activity and source of corporate value as well as the importance of having executives and employees work together to create corporate value, continuing to create and take on challenges while embracing its established business culture and preserving and acquiring the customers' trust.

Corporate Governance System

Updated





Schematic Diagram of Seiko Epson's Timely Disclosure System
Collection of Corporate Information
Information route
Corporate Communications Department
Crisis Management Committee (risk information)
Seiko Epson operations divisions & relevant departments
● Decision by the company
● Occurrence of material fact (including risk information)
● Financial results
Main subsidiary companies
● Decision by the company
● Occurrence of material fact (including risk information)
● Financial results
Timely disclosure determination
Corporate information
Timely disclosure determination (Supervisory department: Corporate Communications Department)
Determine whether timely disclosure is required based on timely disclosure rules and a corporate communications perspective
Report the determination to the general manager of the Corporate Communications Department and obtain approval
Public announcement
● Decision by the company
● Financial results
Board resolution
● Occurrence of material fact (including risk information)
Board of Directors & Corporate Management Meeting, etc., reports
Prompt and timely disclosure
* In an emergency the Information Officer may approve disclosure (and later report at a Corporate Management Meeting, etc.)