

Stakeholder Engagement

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Stakeholder Engagement

Stakeholder Engagement

Striving to create sustainable competitiveness and resilience as a company and build relationships based on trust.

To guide its businesses toward solving societal issues, Epson believes it is important to understand and reflect the expectations of stakeholders in its strategies while also striving to create sustainable competitiveness and resilience as a company and build relationships based on trust.

Stakeholder engagement¹ is an important bridge that connects Epson with stakeholders. Epson provides the following three types of value to all stakeholders:

Social Value	Environmental Value	Economic Value
Societal issue resolution & mental and cultural enrichment	Coexistence of industry & the environment	Steady reallocation of economic added value

We contribute to society by focusing on the priority areas of the environment, education and culture, and life and community in line with the following three basic principles:

- Contributing to the SDGs
- Achieving sustainability and enriching communities
- Developing programs rooted in local communities around the world



¹ Companies-stakeholder discussions Engagement enables companies to understand the interests of stakeholders and influences the company operations and decisions.

Shareholders & investors



To proactively engage investors and individual shareholders in order to build strong communication that leads to sound business operations and investment decisions.

To further strengthen the disclosure of information and means of interaction in response to market demand.

Customers



To create products and services that surprise and delight our customers and, moreover, to create value by strengthening communication and working jointly with customers toward further improvement.

Suppliers



We seek to maintain mutually beneficial, trusting relationships with our suppliers, as they are essential partners in realizing our Management Philosophy. At our home base of Nagano and at our major overseas production sites, we hold annual supplier conferences to share our business and procurement policies. Members of Epson's executive management team endeavor to strengthen supplier cooperation by listening directly to supplier concerns and deepening mutual understanding.

We also evaluate suppliers every year and support their efforts to improve to help fulfill our responsibility to society.

Employees



Our employees underpin everything we do. Accordingly, we are effecting changes in the organizational culture to create a dynamic, vibrant environment in which to work.

- Hold discussions to encourage free and open communication
- Perform organizational climate assessments and mental health assessments
- Issue messages from the president and collect opinions and thoughts from employees

Business partners & consortia



Solving social issues and achieving sustainability require collaboration with partners who have their own fields of expertise. So, we are strengthening co-creation and building broad partnerships.

- Pararesin Consortium
- Smart City Aizuwakamatsu
- Kita-Kyushu innovation center
- Tokyo Shibuya Point 0 open platform
- Shinshu University (small-scale recycling living innovation), etc.

Local communities



In addition to traditional donations and support, we will continue programs that lead to sustainable coexistence in collaboration with communities and organizations around the world.

- Support for the Tobitate Japan Scholarship Program, Seiji Ozawa Matsumoto Festival, museums, and photo contest
- Sponsorship of Matsumoto Yamaga FC, community cleanups, festivals, Lake Suwa fireworks, Cikarang Japanese school
- Assistance for students and development of local human resources through the Epson International Scholarship Foundation and Epson Information Science Vocational School

NGO/NPO, international organizations



Engage in value creation activities with various groups to contribute to social sustainability (value sharing).

- Flower Festa, Wild Bird Society, tree planting, coral transplantation, environmental education for children, The Ocean Cleanup, ink cartridge collection
- Fantas Aquarium, blood drives, and support for sports for persons with disabilities (intellectual and physical) and local hospitals
- Typhoon No. 19 donation Nagano Prefecture & Red Cross Society, Chikuma River disaster volunteer expenses, support associated with COVID-19

Stakeholder Engagement

Shareholders & Investors

Discussions with Shareholders and Investors

- Encouraging sound investment decisions and improving the quality of management -

IR/SR Policies and Guidelines

At Epson we recognize that to sustain growth and increase corporate value long-term, we must increase the transparency of management and forge lasting partnerships and relationships of trust through honest dialogue with stakeholders. Accordingly, we have articulated a policy on the disclosure of information to shareholders, investors, and other stakeholders and, in line with this policy, are enhancing our investor relations and sustainability reporting (IR & SR) and engaging in constructive dialogue.

The president, the officer in charge of IR & SR, or managers in the IR & SR organizations or other relevant departments represent Epson in dialogue with shareholders and investors. Directors, including outside directors, may also participate within reason. Feedback gained from talks with shareholders and investors is shared with the executive management team and is used to improve management quality.

Although the number of shareholders and investors we can meet in person is limited, we are actively using tools such as bulletins and websites to convey our ideas to as many people as possible. We are focusing particularly on creating a website that can deliver information to a large audience simultaneously and are constantly updating sustainability and IR information.

Annual IR Cycle



Other IR-related Activities

- Examine improvements to IR & sustainability tools and information
- Release shareholders' meeting materials early and enhance the content
- Provide English language information to overseas investors
- Update and enhance the sustainability website
- Ensure compliance with the Corporate Governance Code and disclose actions taken

Analyst and investor meetings

FY2022 meetings

Total meetings 269
 ▶ Japan **142** ▶ Overseas **127**

	FY2019	FY2020	FY2021	FY2022
Japan	147	153	135	142
(SR interviews*)	11	13	6	18
Overseas	104	82	104	127
Total	251	235	239	269

* SR interviews included in Japan (domestic) meetings.

FY2022 Engagement Activities

ESG Meetings in Response to a Rising Tide of ESG Investment

We hold meetings and other events to communicate Epson's growth potential to as many shareholders and investors as possible. In the 2022 fiscal year, we held meetings to explain our strategy in the office printing business, which is positioned as a growth area in Epson 25 Renewed. We also held meetings about the microdevices business, which has been drawing increased interest of late. ESG meetings were held to explain Epson's purpose and sustainability management. In addition, with safeguards in place to prevent the spread of disease, we resumed hosting events that give visitors a firsthand feel for Epson's transformation. These events include things such as tours of our commercial and industrial printing facilities.

Dialog between Institutional Investors and Outside Directors

Institutional investors and our five outside directors engaged in an online discussion in March 2023. Similar sessions were held in the 2018 and 2021 fiscal years.

The outside directors answered a variety of primarily ESG-related questions from the institutional investors. Events like this build mutual understanding and help to improve the effectiveness of the Board of Directors. The contents of the discussions will be released mostly unedited because we believe doing so will build stakeholder trust. Details about the discussion can be found on pages 73-76 in the Integrated Report.

Discussions Aimed at Increasing Epson's Corporate Value Long-term

Epson improved its management of issues that became apparent through discussions in the previous fiscal year (FY2021) and from societal trends. Progress on issues such as those below is disclosed in Epson's Integrated Report 2022 and elsewhere.

- Establishment of a Corporate Purpose
- Human resources strategy and intellectual property strategy
- Setting of KPI for key sustainability topics and how KPI are tied to officer compensation
- Performance in FY2021 with respect to risks and opportunities reported in our TCFD

In the 2022 fiscal year, we discussed with shareholders and investors information disclosed in materials such as the Integrated Report. In addition to providing feedback about the actions we have taken to improve management, the discussions provided us with valuable suggestions for further improvement in areas such as those listed below.

- Instilling the Purpose in the minds of employees as the next step
- Visualizing the contribution of low environmental impact products to business
- Further advancing human capital management

The results of discussions are reported to the Sustainability Strategy Council and board of directors and are used to further improve management. The response of capital markets to our earnings announcements are reported at corporate management meetings. In addition, the feedback and requests that we receive directly from shareholders and investors at strategy briefings and after earnings announcements are shared through weekly reports and other internal channels. This helps us to better understand investors' concerns and areas of interest. We use these insights to develop actions that will improve our business activities and disclosures.

Stakeholder Engagement

Customers

Creating Value with Customers

- Creating products and services that delight customers and earn their trust -

Hankyu Hanshin Department Store / Revitalization of Sales Floors and Events with Textile Printing and Projection

Creating New, Digitally Enabled Customer Value

An Epson digital textile printer and projectors were used at Kimono Creation, an event held in collaboration with Hankyu Hanshin Department Store and Digena, a textile printer, kimono production, and sales company. Unique Yukata designed by creatives were selected and printed on-demand. The yukata were displayed virtually, allowing the store to limit the number of physical samples and save sales floor resources.

Epson's digital technology led to sales by enabling designers to physically reproduce their designs and shoppers to choose from a variety of designs.

Getting Shoppers to Stop

Hide Nobu Yamamoto

International Fashion Sales Manager,
Gofuku Sales Department
HANKYU HANSHIN DEPARTMENT STORES, INC.



In retail stores, it is important to get customers to stop. Visual presentation is a tried-and-true tactic for getting shoppers to stop, and this is where projection excels. In addition, projection not only captivates shoppers but also has environmental benefits because it reduces waste that accompanies store displays.

We also expect digital textile printing to create new product categories and bring new value to the kimono industry, which has been shrinking in recent years.

Reinventing Stores and Sales Floors

Projection was used in this sales floor event to minimize the resource waste that accompanies in-store displays.

Six yukata, each a unique prize-winning design printed using an Epson digital textile printer, were displayed. Projection mapping was used to display additional yukata designs recruited from the designer community, giving shoppers a selection of some 90 designs from which to choose. By discussing the customer's wishes and exploring the future of in-store displays with them, we suggested a new way to advertise on the sales floor so that the customer can eliminate waste from unsold items and produce effective displays in limited space.

Efforts like this will lead to the creation of new styles and value in store decoration, apparel design, commercialization, and sales.



Expanding Horizons



Hisakatsu Iuchi
Digina Corp.

We simply asked for submissions for the event and were surprised to quickly receive nearly 100 entries. It again showed that, if you connect digitally, word about creative events like this will spread far more widely than before. I also realized that they have even greater potential, so I want to try to gradually expand the scope of activities. Digital collaboration will enable us to protect our precious craftspersons and leave traditional techniques on a digital platform for future generations.

Dialogue and Creative Activities

Digital printing and projection applications for the office have rapidly expanded, and in unexpected directions. We at Epson will put even greater emphasis on dialogue with customers and business partners in order to discover these endless possibilities. This event with Hankyu Hanshin Department Store and Digina was the embodiment of collaboration and good communication.

In a digital world, it is not uncommon for new value to be created with a sudden idea or for a new business model or market to be created in a blink of an eye. The speed with which the world is changing makes it especially important to listen to our customers and partners, improve our products, and create new cultures.



Stakeholder Engagement

NGO/NPO, International Organizations

NGO/NPO, International Organizations

- Social support for sustainability (value sharing) -

Tonga / JICA: Using Banana Paper (turning waste into a valuable resource)

Program

Epson was impressed with a program to deliver original picture books that was planned by the Japan Overseas Cooperation Volunteers of the Japan International Cooperation Agency (JICA) and offered to use its Micro Piezo inkjet technology to print and bind the books free of charge. The books, which were distributed to schools in Tonga in early July through the JICA and the Embassy of Tonga, will be used to educate children about the SDGs. In addition, 1% of the paper purchase price will be donated to an environmental protection organization through the supplier of the banana paper used for the picture book.

Cooperating Partners

- JICA Komagane Training Center, Tonga volunteers
- Embassy of Tonga
- One Planet Café
- Epson Mizube Corporation
- Seiko Epson Corporation

Form of Involvement

- Produce original Tongan picture books from an SDG perspective
- Coordinates with the Japanese government & Tonga
- Provides banana paper printing media
- Prints books on inkjet printers
- Overall planning & coordination

Issues Addressed and Benefits

Activities and Approach

Discussions with JICA Tonga volunteers turned from hardware support in the form of printing to the idea of creating value from waste, and Epson is now helping to realize a circular economy in Tonga and Africa by using banana paper produced from the fibers in banana tree trunks (actually pseudo-stems), which are normally burned as waste, and using paper made from used office paper with Epson's PaperLab dry process office papermaking system.

Value Provided

- Gave tangible shape to the vision of JICA volunteers
- Provided SDG learning materials utilizing Epson's printing and papermaking technology
- Donated 1% of banana paper purchase price to environmental group



Mexico / Bee2Be: Endangered Animal Protection and Economic Activity

Program

Epson is supporting the efforts of Mexican NPO Bee2Be to protect endangered Melipona bees. Bee2Be uses sales of honey to help fund its protection efforts. Epson contributes additional funding by working with designer Anna Fusoni to produce and sell scarves designed with bee motifs. This initiative also provides employment to local women.

Epson supports the production of scarves and other products with digital printing technology, contributing to the generation of steady income for local citizens and this NPO.

Cooperating Partners

- Bee2Be (NPO)
- Designer Anna Fusoni
- Local women
- Epson de Mexico, S.A. de C.V.

Form of Involvement

- Secures funding for the protection of endangered bees and organizes programs to expand employment
- Designs scarves and other items of clothing with a bee motif
- Participates in local protection efforts & sales and acts as local guides
- Provides printers and technical support for digitally printed scarves, etc.

Issues Addressed and Benefits

Activities and Approach

We collaborated with others to provide new benefits to an initiative that lacks financial resources and people, thereby raising awareness and securing funding for an initiative that provides local jobs.

Value Provided

- Supported a sustainable conservation initiative that creates revenue
- Created a new business model by selling goods such as scarves designed with a bee motif
- Provided new jobs and employment



Stakeholder Engagement

Local Communities

Cooperation with Local Communities

Tanzania / Providing Quality Education in Africa is the Goal for Epson and World Mobile

Program

The world of education is struggling with numerous challenges. In developing countries, there are not enough places or opportunities for education because the infrastructure has not been built. In developed countries, there are not enough educators.

In November 2021, Epson Europe B.V. (EEB, Netherlands) and World Mobile Group (WM, UK) jointly launched a project to build quality educational environments in African schools. WM is providing network connectivity at schools and EEB is sending Epson inkjet printers and projectors. Through the partnership, we aim to realize an educational environment of high quality even for remote users and provide a fair, high-quality educational environment to all, so that no child is left behind.

The networks the project provides and the schools that serve as a public resource are at the heart of newly emerging communities and industries.

Partners

- Electricity generation / Network carrier: World Mobile Group
- Government: Tanzania Ministry of Education

Form of Involvement

- Supporting high-quality education using projectors and education from developed countries
- Building networks to create new economic foundations that bring people together



WORLD MOBILE

Message from partner

Micky Watkins

World Mobile Group, CEO

"We do not believe that the opportunities to learn, earn and grow as a human beings should be dictated by the place of birth. We believe in equal opportunities for all.

We believe that working together is very beneficial to people in Africa because our combined efforts will allow children to be part of the connected world and to enjoy an enhanced educational experience due to Epson's technologies."

Issues addressed and benefits

Activities and Approach

Certain parts of the world do not have sufficient educational environments because of a lack of facilities, equipment, and educators. By providing quality educational environments using the power of IT, we are helping to train human resources who will be a foundation for future local development. The networks the project provides and the schools that serve as a public resource are at the heart of newly emerging communities and industries.



South Africa / Establish Local Economy and Employment with Giving Digital Printing Skills.

Program

Epson South Africa has established a new venue with great potential to support the local community.

Retrain and Reimagine is a new initiative that will look to support individuals to learn new skills. Unemployment is >32% in South Africa and this initiative will offer valuable knowledge and experience to the individual and more broadly benefit society.

Epson South Africa will seek to work with local companies and education institutions to develop this initiative. Through a partnership with Print SA, the printing industries federation of South Africa, Epson South Africa will have the ability to contribute to and sponsor individuals to attend learning programmes which will prepare them to enter the printing industry.

Target

- Students
- Artists
- Entrepreneurs
- Business partners

Form of Involvement

- Sponsorship to attend learning programs
- Free use of the Epson Commercial and Industrial Facility
- Expert advice about specialized printing applications (signage, textile and photo printing, etc.)
- Technical support for production workflows

Issues addressed and benefits

Activities and Approach

In a region suffering heavy unemployment, we support new businesses and creativity by providing students, young entrepreneurs and artists with learning programs, expert advice and technical support about specialized printing applications and production workflows.



Japan / Hosting Triathlon in Partnership with Local Community and Tourism Facilities

Program

Local governments in Nagano Prefecture's Suwa area, along with local chambers of commerce and industry and the Nagano Prefecture Triathlon Association, put on the Suwako 8Peaks Middle Triathlon in June 2022. Epson assisted with triathlon operation by tapping its GPS and sensor technology. Epson providing sensors and GPS to ensure athlete safety by detecting falls and tracking location.

By ensuring a safer, more enjoyable event, the partners hope to promote repeat attendance, make the community more appealing, and further expand events to encourage local development.

Sports Tourism Unique to the Suwa Area

Kazumi Shirotori

Proprietress, RAKO Hananoi Hotel



In recent years, the needs and values of our guests have changed dramatically. Visitors are looking for new tourism content that makes the most of the resources unique to the Suwa area. With the triathlon this year, we are trying to create new tourism content through partnerships among the different fields of technology, sports, and sightseeing.

We use digital devices to protect the safety of our guests as well as to then use data to provide new services and an enjoyable experience. We are looking forward to providing hospitality that will attract even more visitors to Suwa.

A New Way to Promote Regional Development

Activities and Approach

Epson's GPS and sensor technology was used in running the inaugural Suwako 8Peaks Middle Triathlon, an event created to attract visitors to the region. The technology was also used to capture data and create a way for athletes to compete against their own times on the same course on a different day and against other athletes that they use as benchmarks. This and other new services based on GPS data have the potential to draw visitors to the area after the triathlon and to boost the local economy.



Stakeholder Engagement

Business Partners & Consortia

Collaboration with International Consortia

- Co-creation of sustainable social value that helps solve societal issues -

CSR Europe / Participation in sustainability activities in Europe

Leading Sustainability Events in Europe

CSR Europe is an organization that makes recommendations on guidelines and principles for the European Commission. As a leading European business network, it supports the CSR efforts of business, industry, government, and NGOs. Epson Europe B.V. joined CSR Europe in 2017. As a member of the executive board since 2019, Epson Europe has been a leader in the building of a global network and the creation of sustainability policies for a sustainable future and sustainable business growth.



Henning Ohlsson

Director Sustainability, Epson Europe B.V./
Managing Director, Epson Deutschland GmbH/
Member of the board of directors, CSR Europe
Top 100 CSR Influence Leader



My aim is to reinforce the sustainability benefits of our products, technologies, and solutions and ensure their regulatory compliance. I also lead local and regional initiatives that promote our company's commitment to sustainability values.

I am constantly working to make our ambitious sustainability targets and initiatives tangible for our customers and for all our stakeholders.