EPSON

Governance

To realize our Purpose, which expresses our aim or reason for being in society based on the Epson Way, which defines our values and behaviors based on the Management Philosophy, EXCEED YOUR VISION, promote sustainable growth, and increase corporate value over the medium and long term, Seiko Epson Corporation strives to continuously enhance and strengthen corporate governance so as to realize transparent, fair, fast, and decisive decision-making.

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To realize our Purpose, which expresses our aim or reason for being in society based on the Epson Way, which defines our values and behaviors based on the Management Philosophy, EXCEED YOUR VISION, promote sustainable growth, and increase corporate value over the medium and long term, Seiko Epson Corporation ("the Company") strives to continuously enhance and strengthen corporate governance so as to realize transparent, fair, fast, and decisive decision-making.

In order 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.

Corporate Governance Policy (190KB)

Basic Internal Control System Policy (145KB)

Corporate Governance Report (dated October 8, 2025) (720KB)

Basic Corporate Governance Principles

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

1. Respect the rights of shareholders, and secure equality.
2. Bear in mind the interests of, and cooperate with, stakeholders, including shareholders, customers, local communities, business partners, and Epson personnel.
3. Appropriately disclose company information and maintain transparency.
4. 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.
5. Engage in constructive dialogue with shareholders.

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.
The main bodies and their aims are described below.

Board of Directors

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 terms. 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 operates in accordance with the Articles of Incorporation and regulations that were approved by resolution of the Board of Directors. The Board of Directors is composed of 11 directors[1], including six Outside Directors. Meetings of the Board of Directors are, as a rule, held once per month and as needed. The Chairman and Director, who serves as a non-executive director, acts as the chairman 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. To speed up management decisions and increase business agility as a company with an Audit & Supervisory Committee, the Company has expanded the scope of affairs delegated to executive management from the Board of Directors, including capital investments below a certain threshold. Board meetings were held 13 times in the 2024 fiscal year and two times during the period from April 2025 to the June 2025 Ordinary General Meeting of Shareholders. The attendance rate for each director is 100%.
[1] As of June 30, 2025

Audit & Supervisory Committee

The Audit & Supervisory Committee, with a mandate from shareholders, is responsible for independently and objectively auditing and monitoring the execution of Director duties and for ensuring the sound and sustained growth of the Company. The Audit & Supervisory Committee verifies the effectiveness of the internal control system and conducts audits primarily in cooperation with internal audit departments and the financial auditor. The Audit & Supervisory Committee has established basic guidelines for selecting financial auditors and evaluates their independence, audit quality, etc. based on certain standards. Resolutions concerning financial auditors selected by the Committee per the guidelines are submitted for approval at a general meeting of shareholders. The Audit & Supervisory Committee also discusses the selection, dismissal, resignation, and compensation of Directors who are not Audit & Supervisory Committee members and decides on the opinions to be presented at a general meeting of shareholders.

The Audit & Supervisory Committee operates in accordance with the regulations that were approved by resolution of the Audit & Supervisory Committee. The Audit & Supervisory Committee is composed of four Audit & Supervisory Committee members[2], three of whom are Outside Directors. It is chaired by a full-time member of the Audit & Supervisory Committee. Meetings are generally held once per month and as needed.
[2] As of June 30, 2025

Compliance Committee

The Compliance Committee’s function is to discuss the content of reports that it receives concerning important compliance activities, and report its findings and communicate its opinions to the Board of Directors in order to see that compliance activities are appropriately executed by line management.

The Compliance Committee operates in accordance with the regulations that were approved by resolution of the Board of Directors. As an advisory body to the Board of Directors, the Compliance Committee is composed of Outside Directors and Directors who are Audit & Supervisory Committee members. The Compliance Committee is chaired by a full-time member of the Audit & Supervisory Committee. Meetings are held every half year and as needed. Financial auditors and the head of the internal audit control departments attend meetings of the Committee as observers.

A Chief Compliance Officer (CCO) is elected by the Board of Directors and supervises and monitors compliance-related affairs on the whole. The CCO periodically reports the state of compliance affairs to the Compliance Committee.

Director Nomination Committee & Director Compensation Committee

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. These Committees operate in accordance with the regulations that were approved by resolution of the Board of Directors.

The overview of each of these Committees is as follows:

Composition

Both the Director Nomination Committee and the Director Compensation Committee are composed of all Outside Directors, President and Representative Director, and the Outside Directors shall select the committee chairs from among themselves. Directors who are full-time members of the Audit & Supervisory Committee can attend meetings of either Committee as observers.
The current[3] 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

[3] As of June 30, 2025

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

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 13 times in the 2024 fiscal year and two times during the period from April 2025 to the June 2025 Ordinary General Meeting of Shareholders. The Committee deliberated on matters including succession plans for the President and Representative Director, policies for selecting Officers (Directors, Executive Officers and Special Audit & Supervisory Officers) . With respect to the change of the President and Representative Director dated April 1, 2025, the Director Nomination Committee confirmed the progress of the succession plan for the President and Representative Director, nominated the candidates and reported them to the Board of Directors.

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

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 seven times in the 2024 fiscal year and three times during the period from April 2025 to the June 2025 Ordinary General Meeting of Shareholders. The Committee deliberated on matters including the amount of base compensation for each Director, bonus payment coefficient and amount for each Director, coefficient allocated, number of shares to be allocated and amount of monetary compensation claims under the restricted stock compensation plan, renewal of directors and officers liability insurance, and conclusion of a company indemnity agreement and a liability limitation contract, procedures related to the settlement of the performance-linked stock compensation (officer compensation BIP trust) under the previous system, etc.

Committee attendance
The attendance rate of each member of the Director Nomination Committee and Director Compensation Committee during the 2024 fiscal year and during the period from April 2025 to the June 2025 Ordinary General Meeting of Shareholders was as follows.

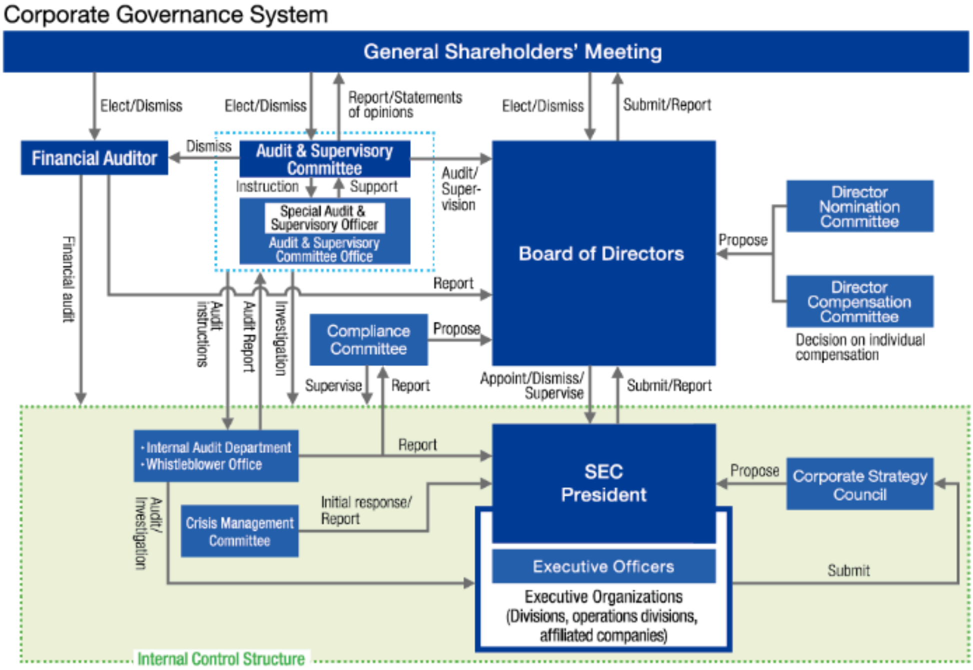
Director Nomination Committee: 100% for both the 2024 fiscal year and the period from April 2025 to the June 2025 Ordinary General Meeting of Shareholders

Director Compensation Committee: 75% (three out of four meetings) for the 2024 fiscal year for Mari Matsunaga, and 100% for the others; 100% for the period from April 2025 to the June 2025 Ordinary General Meeting of Shareholders

Corporate Strategy Council

The Corporate Strategy Council is an advisory body to the President whose purpose is to help ensure that the right decisions are made based on a range of opinions on the executive management side. Meetings of the Corporate Strategy Council are where Directors, each business and General Administrative Managers, etc. exhaustively examine important business topics that affect the Epson Group as a whole and matters on the agenda for meetings of the Board of Directors. The Corporate Strategy Council is basically held every two weeks. Outside Directors can attend this meeting, 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 and Special Audit & Supervisory Officer.

Corporate Governance System



Nomination of Officers

The policies and procedures for nominating Director candidates and for selecting and dismissing Executive Officers (including the President) and Special Audit & Supervisory Officers are as follows:

Policies

1. Considering the role that Officers of the Company are required to fulfill and the nomination criteria that Epson has established, Officers must meet the standard requirements of insight, accountability, and ethics. They must also satisfy the selection criteria in 2, depending on their respective roles, and must be able to contribute to an increase in corporate value.
2. In addition to the foregoing requirements, Officers of the Company shall satisfy the selection criteria below.
   a. Non-Executive Director candidates
   Oversight capability, management knowledge, professional knowledge
   b. Executive Director candidates
   Oversight capability, foresight/insight, the ability to conceive a vision, decisiveness/courage, the ability to execute and produce results, an inclination to drive change and innovation, the ability to be a unifying force
   A candidate for President and Representative Director in particular shall possess the following:
   - The ability to face societal issues, construct a vision based on deep insight, and the courage to carry out that vision
   - A strong sense of ethics and the ability to humbly accept diverse values, tap the initiative of employees, and be a unifying force that consolidates the power of the entire company
   c. Executive Officers
   Foresight/insight, the ability to conceive a vision, decisiveness/courage, the ability to execute and produce results, an inclination to drive change and innovation, the ability to be a unifying force
   d. Special Audit & Supervisory Officer
   The ability to influence and lead the Company, creativity, the ability to drive change, management ability, the ability to lead a group, management knowledge, professional knowledge
3. Outside Directors must satisfy criteria concerning the independence of Outside Directors in order to guarantee their independence. The Board of Directors established "Criteria for Independence of Outside Directors."

* As a general rule, Outside Directors shall not concurrently serve as either a Director or a Kansayaku of more than three publicly listed companies other than the Company per the bylaws established by resolution of the Board of Directors.

* Per the Company policy, Directors shall attend at least 75% of the meetings of the Board of Directors per year.

Procedures

Nomination, selection, and dismissal are decided by the Board of Directors after a fair, transparent, and rigorous screening by the Director Nomination Committee, which also presents its opinion. The consent of the Audit & Supervisory Committee is required for nominating Director candidates who are Audit & Supervisory Committee members and for appointing Special Audit & Supervisory Officers.

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:
   I. 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;
   II. 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.
   III. 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 remuneration 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;

IV. 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;

V. The person is an executive or Audit & Supervisory Board Member of an entity in which the Company is currently a major shareholder;

VI. 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;

VII. The person has been employed by an auditing firm that has conducted a legal accounting audit of the Company within the past five years;

VIII. The person has been employed by a leading managing underwriter of the Company within the past five years;

IX. 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;

X. The person came from an entity with a relationship of reciprocal employment of Outside Director[8]; or

XI. A spouse or relative within the second degree of kinship of a person having the interests listed in (Ⅰ) through (IX) above.

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 or 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.

Reason for Appointed as Outside Directors

Name	Reason for Appointment
Tadashi Shimamoto	Mr. Shimamoto has served as President, Member of the Board and Chairman, Member of the Board 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. The Company believes that he, as an Outside Director of the Company, 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.

Masaki Yamauchi	Mr. 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. The Company believes 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.
Kahori Miyake	Ms. Miyake promoted ESG strategies as Executive Officer of 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. The Company believes 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.
Susumu Murakoshi	Mr. 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. The Company believes that he will continuously contribute to monitoring management appropriately to achieve sustained growth and increase medium- to long-term corporate value, as well to ensure soundness of the management. He has never been involved in corporate management except as an outside officer. However, given the reasons above, the Company believes that he can appropriately perform his duties as an Outside Director who is an Audit & Supervisory Committee member.
Michiko Ohtsuka	Ms. Ohtsuka has a high level of expertise as a certified public accountant. She has a considerable insight and experience as an independent officer of a listed company. The Company believes that she will continuously contribute to monitoring management appropriately to achieve sustained growth and increase medium- to long-term corporate value, as well to ensure soundness of the management. She has never been involved in corporate management except as an outside officer. However, given the reasons above, the Company believes that she can appropriately perform her duties as an Outside Director who is an Audit & Supervisory Committee member.
Akira Marumoto	Mr. 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. The Company believes 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.

Approach to Selecting Directors

The Company believes that a diverse Board of Directors is useful for facilitating substantive board discussions that cover all angles. Therefore, our basic policy is to maintain a board that is well-balanced and composed of persons who combine a broad spectrum of knowledge, experience, and skill in their respective areas of expertise, without regard to gender, race, ethnicity, country of origin, nationality, cultural background, age, etc.

Matrix of Areas of Expertise Particularly Expected for Directors (Skill Matrix)

By clarifying the specific areas of expectation for our directors, Epson has established a management system toward achieving the Corporate Purpose and Corporate Vision based on the Management Philosophy.

Title	Name	Areas of expertise and skills particularly expected by the Company								
		Corporate Management	Development Design Business Development	Sales Marketing	IT Digital	Finance Accounting Investment	Compliance Governance	HR Development HR Management	Environment Sustainability	Global (Internationality)
Chairman and Director	Yasunori Ogawa		●				●		●	
President and Representative Director	Junkichi Yoshida	●		●	●					
Director Executive Officer	Yasunori Yoshino		●		●	●				
Director Executive Officer	Akihiro Fukaishi			●				●		●
Outside Director	Tadashi Shimamoto	●	●		●					
Outside Director	Masaki Yamauchi	●		●				●		
Outside Director	Kahori Miyake			●					●	●
Director Full-Time Audit & Supervisory Committee Member	Masayuki Kawana					●	●	●		
Outside Director Audit & Supervisory Committee Member	Susumu Murakoshi					●	●		●	
Outside Director Audit & Superviso	Michiko Ohtsuka					●	●	●		

ry Committe e Member										
Outside Director Audit & Superviso ry Committe e Member	Akira Marumoto	●	●							●

* Up to three areas of expertise particularly expected are stated.

* As of June 30, 2025.

Compensation of Officers

The policies and procedures related to officer compensation are as follows:

Policies

Compensation for executive officers

1. Compensation shall provide an incentive to improve business performance and reflect the commitment thereof in order to promote the Epson Group's sustainable growth and corporate value in the medium and long term.
2. Compensation shall be sufficient to attract and retain qualified persons both from within the Company and from outside.
3. Compensation shall be commensurate with period performance so that directors and executive officers can demonstrate their management capabilities to the fullest during their tenure.
4. Compensation shall clearly reflect the linkage between officer compensation and the value of the Company's shares and strengthen awareness of the need to share profits with shareholders.
5. A mechanism to suppress fraud shall be embedded.
6. The process for determining compensation shall be highly transparent, objective, and fair.

Compensation for non-executive officers

1. The composition of compensation shall guarantee independence so that these Officers can suitably exert their general management supervisory function, etc.
2. Compensation shall be sufficient to attract and retain qualified persons both from within the Company and from outside.

Procedures

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. 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.

Compensation Structure

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.

Base Compensation (Fixed)
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.

Performance-Linked Compensation (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. 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.

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.

Restricted Stock Compensation (Non-Monetary)
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 in each fiscal year.

The restricted stock allotment agreement will include the following:

I. 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.

II. 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 before the end of the 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.

III. 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 Ordinary General Meeting of Shareholders thereafter.

IV. Malus and clawback provisions
The Company will establish provisions to acquire without contribution some or all of the Allotted Stock granted 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.

V. Treatment in organizational restructuring, etc.
If, during the transfer restriction period, matters concerning organizational restructuring, etc., of the Company are approved at an Ordinary 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.

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

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.
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 Director.

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.

Compensation to Directors (FY2024)

Category	Total compensation (millions of yen)	Total compensation by type (millions of yen)				Number of individuals
		Base compensation	Performance-linked compensation	Restricted stock compensation	Bonuses for retiring executives	

		Fixed (monetary)	Bonus (monetary)	(non-monetary)		
Directors who are not Audit & Supervisory Committee members (amount accounted for by Outside Directors)	266 (44)	162 (44)	39 (-)	40 (-)	24 (-)	10 (4)
Directors who are Audit & Supervisory Committee members (amount accounted for by Outside Directors)	81 (48)	81 (48)	- (-)	- (-)	- (-)	5 (4)
Total	348	244	39	40	24	15

Notes

1. The Company has introduced an officers' shareholding association system 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. The Company 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 the management to all shareholders.
2. The amount above includes bonuses to be paid to Directors in the amount of 39 million yen (amount paid to four Directors excluding Outside Directors and Directors who are Audit & Supervisory Committee members), as resolved at the Ordinary General Meeting of Shareholders held on June 26, 2025.
3. The bonuses for retiring executives above were paid to one eligible Director who retired at the conclusion of the Ordinary General Meeting of Shareholders held on June 25, 2024 based on a resolution at the Ordinary General Meeting of Shareholders held on June 23, 2006 to abolish bonuses for retiring executives.
4. Stock options are not granted.

Actions to Ensure Board Effectiveness

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
- Summary of progress on actions taken to resolve issues: April to May of the following year.
- Disclosure of the results of actions taken to resolve issues in a Corporate Governance Report: June of the following year

Board of Directors Effectiveness Evaluation for the 2023 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 2023 fiscal year are provided below. The effectiveness of the Board of Directors in the 2023 fiscal year was evaluated by having all Board members complete a questionnaire. The questionnaire results showed that the Board of Directors is functioning effectively. (To incorporate a more objective perspective, the effectiveness evaluation 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.)

1. Discussion and oversight of response to Epson 25 Renewed financial targets and strategy implementation efforts
   The Board primarily discussed and oversaw businesses identified as growth areas. Every quarter, it also discussed and

supervised action items aimed at securing earnings from a short- to medium-term perspective.

2. Holding and acceleration of discussions on long-term corporate strategy
   Using an arrangement that allows for free discussion among Board members from the early stages of key management topic exploration, the Board members discussed analyses of the internal and external business environments, as well as preliminary strategic proposals developed by the executive team. In addition, opportunities were provided outside of Board meetings for the heads of the businesses to explain the fundamental structure and medium- to long-term direction of their businesses to the Outside Directors. This helped to build a shared understanding of strategies, challenges, and risks among the Board members, thereby laying the groundwork for future discussions on long-term strategy.

3. Human capital management initiatives linked to management strategy
   At Board meetings, Board members shared issues related to the vision for human capital management and talent strategy and discussed and monitored initiatives in human capital management.

The issues concerned medium- and long-term corporate strategies that are being executed or studied. The Board of Directors will continue to supervise and discuss these issues during the 2025 fiscal year.

Board of Directors effectiveness evaluation for the 2024 fiscal year

Board effectiveness in the 2024 fiscal year was evaluated by having all Board members complete a questionnaire that covered the topics below, and then analyzing and evaluating effectiveness based on the answers. For certain items, executive officers and others who attend Board meetings were asked to complete a questionnaire that was then analyzed to determine whether there were any significant gaps in understanding between the Board of Directors and the executives responsible for business execution.

1. Composition of the Board of Directors and how it is positioned
2. Operation of the Board of Directors
3. Board of Directors discussions and functions
4. Directors' activities
5. Training
6. Dialogue with shareholders (investors)
7. Functions and operations of advisory bodies to the Board (the Director Nomination Committee, Director Compensation Committee, and Compliance Committee)
8. Summary

The results of the evaluation showed that the Board of Directors as a whole is generally functioning effectively. However, after discussions at a meeting of the Board and after also taking into consideration the results of the 2023 fiscal year Board effectiveness evaluation, the Board identified the issues below in order to improve effectiveness in the future.

1. Support for deepening strategic discussions and strengthening execution capabilities of the executive management team
2. Oversight of the progress of deliberations on the next long-term strategy and progress on Epson 25 Renewed
3. Improvements to Board operations aimed at strengthening collaboration between the Board of Directors and the executive team

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

Responding to Large-Scale Acquisitions of Seiko Epson Shares

The Company's Corporate Governance Policy stipulates the following:

1. Whether to accept a bid to purchase a number of shares that would give the acquirer control over the Company's financial and business policies ("large-scale acquisition" hereafter) should ultimately be decided by the shareholders.
2. Epson shall ask persons who attempt to make large-scale acquisitions of Company shares to provide a sufficient amount of the information needed to determine the desirability of the large-scale acquisition from the perspective of ensuring and enhancing corporate value and the common interests of shareholders, after which Epson shall disclose the opinions of the Company's Board of Directors regarding the proposed large-scale acquisition, thereby doing its due diligence to provide shareholders with the time and information they need to consider the desirability of the large-scale acquisition. The Company shall also take appropriate actions based on the Financial Instruments and Exchange Act, the Companies Act, and other applicable laws and regulations.

Internal Control System

Group Governance
Compliance
Risk Management
Supply Chain Business Continuity Management
Internal Audits
Internal Controls over Financial Reporting

The entire Epson Group embraces “the Epson Way”, which was founded on Epson’s Management Philosophy. Epson also established “the Basic Internal Control System Policy” to help ensure that operations across the Group are conducted appropriately in line with the Epson Way, and Seiko Epson is committed to steadily improving the overall level of the Group.

Basic Internal Control System Policy (PDF, 145KB)

Group Governance

The Epson Group is managed based on the concept: global consolidated responsibility of product-based divisions; and global responsibility of the Head Office supervisory functions. The head of the business operations divisions take the responsibility for the business execution systems of subsidiaries. And the head of Head Office supervisory sections take the responsibility for Group-level corporate functions. With this system, Epson strives to streamline operations throughout the Epson Group, including subsidiaries.

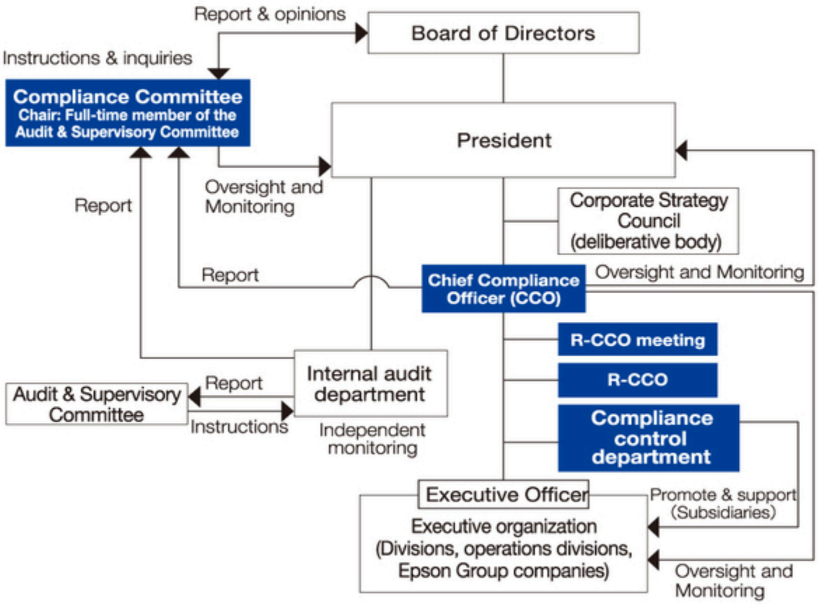
Compliance

Epson's goal is to continuously create value that exceeds customer expectations while building trust with all stakeholders based on the "Epson Way." To maintain and strengthen this trust, Epson seeks to increase management transparency and fairness and effectively manage compliance through faster decision-making.

Compliance Organization

As an advisory body to the Board of Directors, the Compliance Committee is made up of six outside directors and one director who is a full-time member of the Audit & Supervisory Committee. It is chaired by the full-time member of the Audit & Supervisory Committee, and oversees and monitors business affairs by discussing important compliance activities and making reports and suggestions to the Board of Directors. The Chief Compliance Officer (CCO) oversees and monitors the execution of all compliance operations and periodically reports the state of compliance affairs to the Compliance Committee.
Under the supervision of the president, the compliance control department globally promotes and enforces compliance in cooperation with businesses and subsidiaries. It monitors compliance in general and, if necessary, makes corrections and adjustments to enhance the completeness and effectiveness of compliance activities.

Compliance Organization Chart



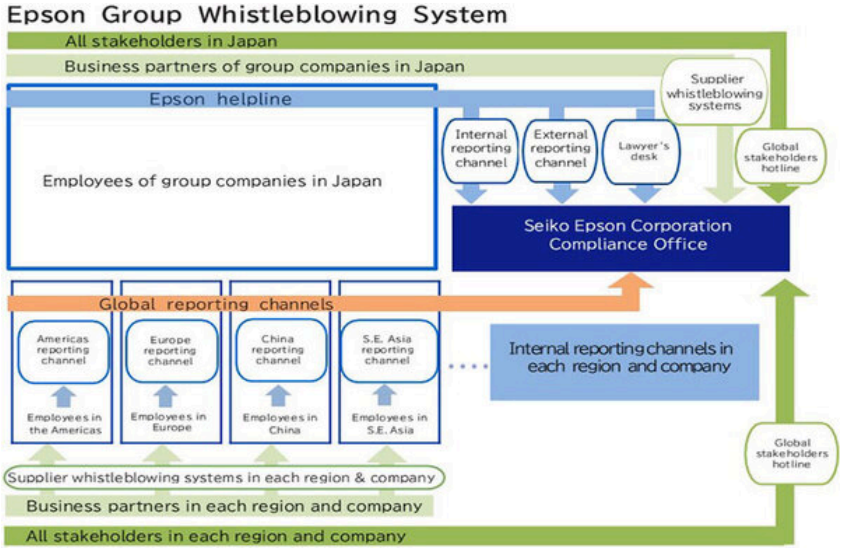
Whistleblowing Systems and Reporting Channels

Epson provides reporting channels to obtain information from officers, regular employees, contract employees, and temporary workers to quickly call our attention to potential compliance problems that might go undetected. We set up a process for escalating reports of concern. The basic rules for whistleblowing systems, such as the need to strictly manage information contained in reports, forbid reprisals against whistleblowers, and protect anonymity, are set forth in Principles of Corporate Behavior and the Epson Group Whistleblowing Systems Regulation. Seiko Epson and all the Group companies, including in the Americas, Europe, China, and Southeast Asia, provide reporting channels based on them. Whistleblowing systems comply with the laws and regulations of each country and region, including, in Japan, the Whistleblower Protection Act. They are available in Group companies in their local language.

Reporting channels are prescribed in the Epson Global Code of Conduct and accessible on the intranet. We inform officers, employees, and temporary workers about the channels and urge their use through Compliance Month activities every October and online courses.

In addition, Seiko Epson and all Epson Group companies around the world have set up supplier whistleblowing systems to receive reports from suppliers and other external business partners. In April 2025, Seiko Epson also opened a Global Stakeholders Hotline to accept reports from all stakeholders.
As with Epson's internal reporting channels, the information contained in reports is strictly protected, reprisals against whistleblowers are prohibited, and anonymity is ensured.
Suppliers and other external business partners are notified about supplier whistleblowing systems in written supplier guidelines and at supplier conferences and are encouraged to use them.
Whistleblowing system use and reports received in the Epson Group are reported regularly to the Board of Directors, Audit & Supervisory Committee, Compliance Committee, and Corporate Management Council. The identity of whistleblowers is kept confidential.

Supplier Whistleblowing System
Global Stakeholders Hotline



Human rights-related inquiries and reports are handled as described below.
Directors, employees, and dispatch workers can use the Epson Helpline or several other reporting channels and advisory services to report or consult regarding diversity issues and so forth.
Suppliers and other external business partners can use a supplier whistleblowing system to lodge reports.
All stakeholders can seek engagement and remedy by filing grievances via a grievance handling platform provided by the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER).

See here for more information about using the JaCER platform

Support System in Japan

Epson has set up three types of Epson Helpline reporting channels. One type is operated internally. The second is operated by a third-party provider. And the third is operated by an external lawyer. Officers, employees, and temporary workers in domestic Group companies can use any type of channel to report their concerns. Instructions for using Epson Helplines are provided in a user manual posted on the company intranet. Trainings and other opportunities also cover helpline use. Reports can be lodged by e-mail or phone 24 hours a day, 365 days a year. We investigate reports from whistleblowers and take corrective action as needed. We have been taking the initiative in developing the whistleblowing system, having established the first reporting channels for employees and temporary workers ahead of the enforcement of the Whistleblower Protection Act in 2006. In compliance with the amended Whistleblower Protection Act that came into force in June 2022, we have designated personnel to handle whistleblowing reports and have been addressing reports from employees and dispatch workers within one year after leaving the company. We actively develop, improve, and implement systems based on the latest social and regulatory trends that are identified from things such as evaluations by an external consultant.
In the 2024 fiscal year, our reporting channels in Japan received 144 reports, an increase of 1 over the previous fiscal year. Whistleblowers reported possible cases of internal rule violations, misconduct, and lawbreaking. Epson responded appropriately to each of these reports. Aside from Epson Helplines, we set up advisory services for specific concerns for officers, employees, and temporary workers. This helps us to maintain and operate an environment that makes it easier to seek advice.

Counseling and Support Services in Japan

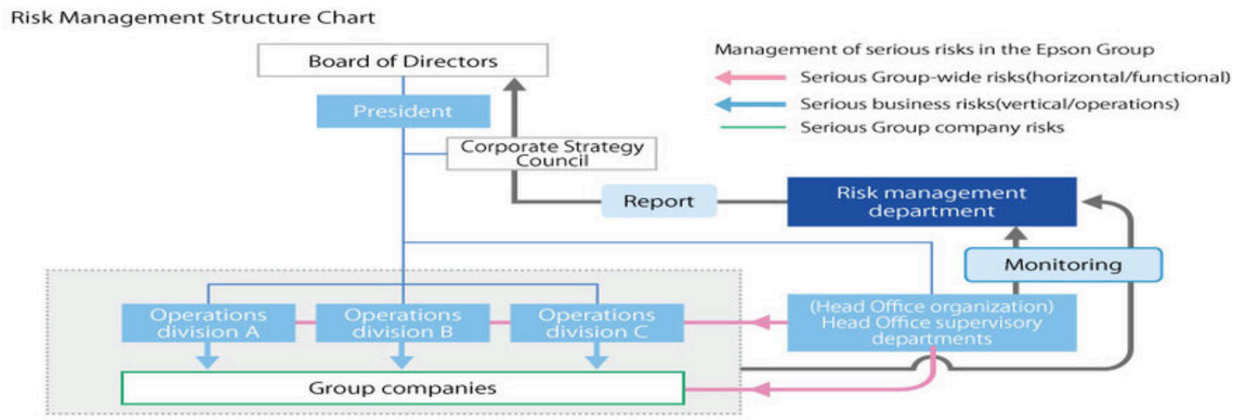
Harassment counseling	Management advisory service	Counseling related to overwork and long working hours
Career counseling	Diversity counseling	Women's health counseling
Employee counseling	Corruption (bribery) regulations & Competition laws advisory service	Insider trading advisory service

Support System Outside Japan

All overseas Group companies, including in the Americas, Europe, China, and Southeast Asia, have set up reporting channels that allow officers, employees and temporary workers to report. Each reporting channel complies with local laws and regulations. Information contained in reports is strictly protected and reprisals against whistleblowers are prohibited. Reports may be made anonymously.
We have also introduced an Epson Executive Compliance Hotline, a global reporting system that Epson uses to directly receive compliance-related reports involving executives in subsidiaries outside Japan. The system helps us to improve the completeness and effectiveness of the reporting system in the Epson Group.

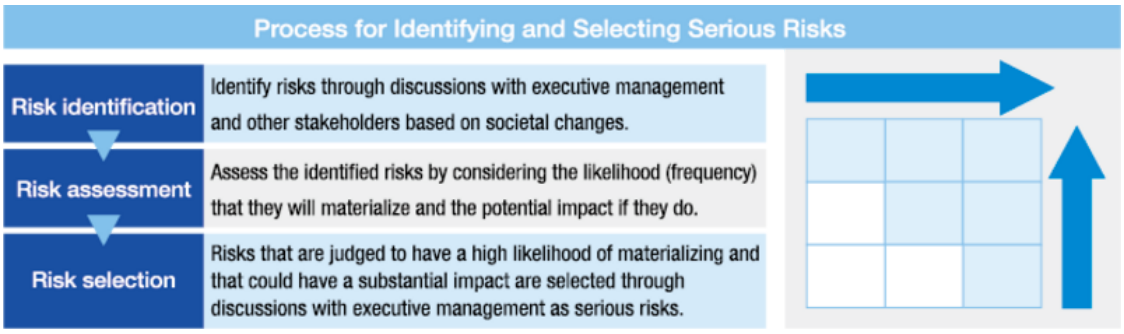
Risk Management

Based on the Basic Internal Control System Policy, overall responsibility for risk management in the Epson Group, including subsidiaries, belongs to the president of Seiko Epson. Group-wide risk management is carried out by Head Office supervisory departments with the cooperation of the operations divisions and subsidiaries. Risks unique to an individual business are managed by the Chief Operating Officer of that business, including at subsidiaries consolidated under them. The Company has also set up the risk management department, monitors overall risk management Group-wide, makes corrections and adjustments thereto, and ensures the effectiveness of risk management programs. The risk management organization is defined in the Epson Group Risk Management Basic Regulations.



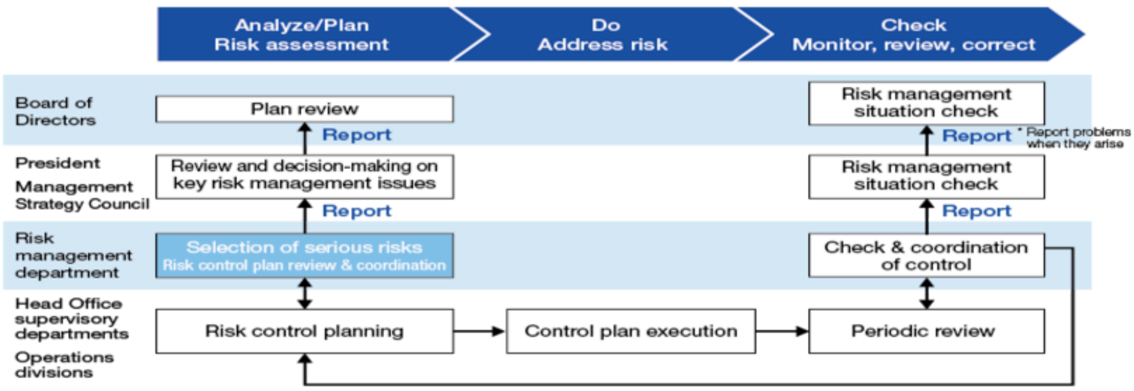
Epson identifies a wide range of ethical risks as important business challenges based on the Code of Conduct of the Responsible Business Alliance (RBA), such as information transparency, IP protection, fair competition, whistleblower protection, responsible mineral procurement, and privacy protection, in addition to misconduct such as bribery, corruption, and cartels. These risks are prioritized based on risk assessment in reference to the internal control framework “COSO[1]” and the international standard for risk management “ISO 31000.” Risks that could have serious adverse effects on Epson Group operations are considered “serious Group-wide risks.” Risks that could have serious adverse effects on business operations are considered “serious business risks.” And risks that could have serious adverse effects on subsidiaries’ operations are considered “serious subsidiary risks.”

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



Epson drafts and executes plans to control those serious risks identified and periodically monitors their progress. The company also strives to ensure control activities effectiveness by evaluating “serious Group-wide risks” every quarter and evaluating “serious business risks” and “serious subsidiary risks” every six months, as well as by striving to monitor the risk environment at all times and, if any change that may become serious is found, by analyzing and assessing the relevant risk and revising the control plans so that the risk is handled as a serious risk as necessary. The president of Seiko Epson reports important risk management affairs to the Board of Directors quarterly. Furthermore, the company fulfills its accountability to a wide range of stakeholders in and outside the Group, such as shareholders, customers, employees, business partners, communities, and the environment, while continuously working to improve the transparency and effectiveness of risk management.

Management Cycle for Controlling Serious Risks



Crisis Management

At Epson, we maintain a standing crisis management program to enable us to quickly address emergent risks that could have a significant impact on Group management. This program provides for a Crisis Management Committee chaired by the president and vice-chaired by the general manager in charge of risk management, and initial response procedures are in place to handle crises.

In the event of a crisis, the general manager of the relevant Head Office department in charge of the type of crisis will act as the person responsible for crisis management and will set up a system that enables a rapid response based on a quick decision made by the chairperson of the Crisis Management Committee through direct confirmation. The crisis management program includes response programs for each type of crisis, which specify initial procedures to be taken in response to anticipated risks. The relevant organizations promptly work together to grasp and analyze the situation and draft and implement measures to prevent further damage. If necessary, we also seek the cooperation of external organizations such as lawyers, consulting firms, and government authorities to ensure a thorough response.

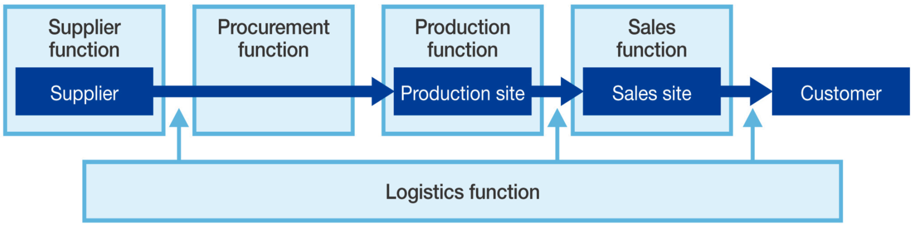
The crisis management system will be lifted when the situation stabilizes. However, the situation will continue to be monitored within the risk management cycle, and measures will be taken to ensure recovery, prevent recurrence, and share information within the Group. These will be regularly reported to executive management, including outside directors, through meetings of the Board of Directors and other bodies. The crisis management program will be reviewed, and measures in risk control activities will be reflected to improve the ability to respond to new crises.

Supply Chain Business Continuity Management

The Epson Group formulates a business continuity plans (BCPs) to ensure that we fulfill our responsibility to supply products and services and to minimize losses in the event of a disaster, accident, outbreak of emerging infectious disease, or other disruption in the supply chain. Epson also implements supply chain business continuity management (BCM) to properly maintain and improve the BCPs.

Supply Chain BCM

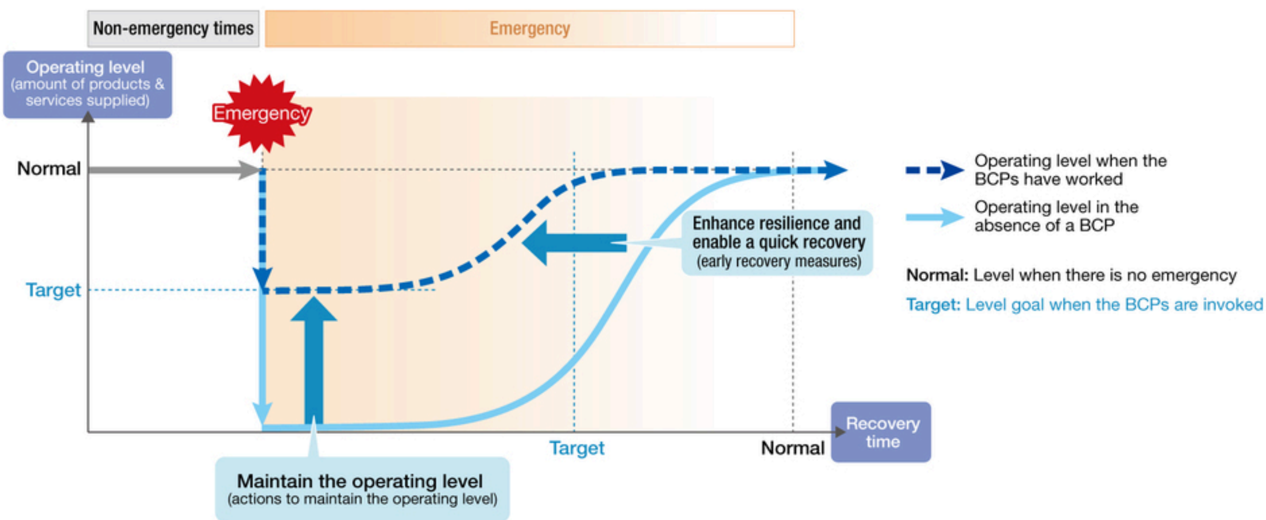
Supply chains are becoming increasingly sophisticated and complex. Epson's basic approach to establishing supply chains that are more resilient, sustainable, and resistant to the risks and contingencies that today’s supply chains face is to geographically distribute functions, secure alternative sources, and increase resilience. We have divided supply chain functions into five categories (suppliers, procurement, production, sales, and logistics) and are addressing the priorities that have been set for each.



Functions	Initiatives
Suppliers	Acting on suppliers to enhance their own supply continuity capabilities by establishing business continuity management (BCM) and a business continuity plan (BCP)
Procurement	Multi-sourcing, securing alternative sources for procured goods, executing long-term procurement contracts, strengthening partnerships, and maintaining inventory of parts and raw materials * Applies to direct materials and parts and to indirect materials
Production	Strengthening the distributed production organization, increasing the resilience of facilities, strengthening measures to prevent the spread of infectious diseases, and securing product inventories
Sales	Maintaining operations sites, human resources, and an IT backup system
Logistics	Securing space on ships by strengthening relationships with shipping companies, improving the accuracy of shipping plan management, and securing multiple logistics modes and methods (carriers, transportation routes, and warehousing functions)

Schematic Diagram of the BCP

The vertical axis on this graph shows the operating level while the horizontal axis is recovery time. In an emergency, the operating level declines and stays at that level for a period of time. However, implementing actions in the BCM enable a business to keep the operating level as high as possible even in an emergency or enable it to quickly restore operations in the event of a shutdown.



Responding to Supply Chain Risks

Since 2019, the risk of supply chain disruptions due to events like the spread of infectious disease, global chip shortages, and shipping container scarcity has been far greater than assumed. Moreover, risks in the business environment that threaten supply chains, including the outbreak and protraction of regional conflicts as well as geopolitical and disaster risks, have not been resolved. If anything, they have increased in magnitude and scope. Supply chains are becoming increasingly sophisticated and complex. Epson's basic approach to establishing supply chains that are more resilient, sustainable, and resistant to the risks and contingencies that today's supply chains face is to geographically distribute functions, secure alternative sources, and increase resilience. Epson is addressing these risks by taking the actions described below in the five supply chain functions.

1. Suppliers
   We need our suppliers to strengthen their own supply continuity capabilities, so we ask them to put business continuity management (BCM) arrangements in place and to formulate a multifaceted action plan (BCP) to respond to contingencies so that they can minimize damage and losses should there be a disruptive event in the supply chain.
2. Procurement
   We are gathering more in-depth supply chain information and enhancing our ability to detect risks. Furthermore, we will implement effective, practical procurement risk avoidance measures (preventive measures) to ensure stable material procurement.
   We will secure multiple sourcing options, expand the evaluation of alternative products, keep BCP inventory, and strengthen relationships with partners to achieve these objectives.
3. Production
   In preparation for future outbreaks of infectious disease, we have established preventive guidelines to protect our employees–our top priority–and to minimize the impact on production.
   To fulfill our product supply obligations, we are moving toward geographically distributed production. We are also increasing the resilience of all our production facilities, particularly the domestic Japanese factories responsible for manufacturing the core components of each of our businesses.
4. Sales
   We will establish sales and distribution guidelines and will specify the required level of prevention to shield the sales function from the impact of contingencies that arise. To meet our product supply obligations, we will operate in line with the sales and distribution guidelines.
5. Logistics
   In addition to further strengthening partner relationships, we will increase the visualization of logistics, improve the communication and coordination of information between production sites and sales sites, and deliver goods to meet the demands of our customers.
   We will diversify the means and modes of distribution, including transport routes, ocean and air freight, and warehouse facilities. Additionally, we will continue to improve product loading efficiency in all businesses, mitigate logistics risks, improve logistics efficiency, and minimize environmental impact.

Internal Audits

The internal audit department conducts audits in accordance with a code of conduct to check for compliance and corporate ethics violations and to facilitate self-directed internal control at all Group divisions as well as subsidiaries and related organizations in Japan and overseas. Audits are used to check compliance and the effectiveness and efficiency of these units' risk management, internal controls, and governance processes. If problems are found, the internal audit department helps minimize business risks by conducting a follow-up audit to check the status of improvements. To ensure effective Group governance, the internal audit department also centrally oversees internal audits throughout the Group in collaboration with auditing departments at regional headquarters in Europe, the Americas, China, and Southeast Asia.
Each year, the units to be audited are chosen by assessing the risk at each division and each subsidiary and related organization in Japan and overseas. Then an auditing cycle is set that is designed for effectiveness and efficiency. Audits are then performed systematically. In the 2024 fiscal year, the internal audit department audited 17 business units and provided them with concrete advice on correcting 37 observed nonconformities. In the 2025 fiscal year, business units were grouped into 82 organizations. The internal audit department conducted risk assessments on the groups, selected the units to be audited, and is performing the audits.

Internal Controls over Financial Reporting

Every year, we audit internal controls to ensure the reliability of financial reporting (J-SOX). The Epson Group uses an autonomous distributed implementation system in which operations divisions and subsidiaries subject to external audits conduct a self-assessment on the design and operation of their internal controls, while the J-SOX Compliance Department ensures the validity of the assessment results. Operations divisions, subsidiaries, and affiliates not subject to external audits are required to independently assess their internal controls and make such improvements as are necessary.

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EPSON

Internal Control Initiatives

Compliance Activities
Anti-Corruption/Anti-Bribery
International Trade Control Initiatives
Tax Compliance Policy

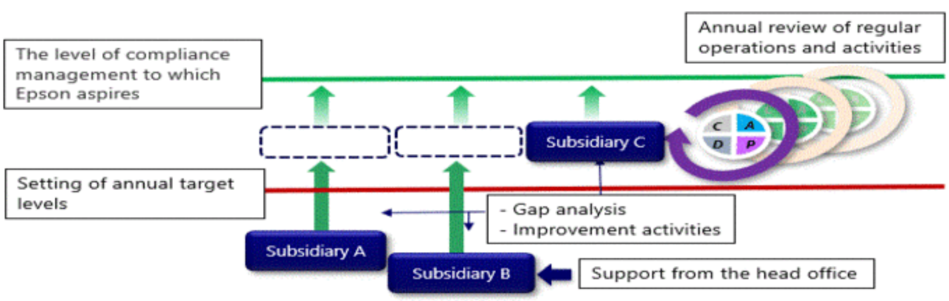
Compliance Activities

Epson engages in a variety of compliance activities to ensure that we observe all applicable laws, regulations, company rules, and business ethics and meet the expectations of society. The Epson Way (comprising the Management Philosophy, Principles of Corporate Behavior, and the Epson Global Code of Conduct) represents the shared values and expectations of conduct within the Epson Group, forming the foundation for our compliance efforts. To deeply root compliance awareness and ensure effectiveness, we have translated the Epson Global Code of Conduct into 17 languages. In addition, we provide a wide range of compliance training to officers and employees. This training includes online courses and rank-specific training given by internal and external instructors. October is Compliance Month at Epson. One of the things we do across the global Epson Group during the month is to remind officers and employees of the Epson Way, the foundation on which our business activities rest, and urge them to maintain high ethical standards. We raise compliance awareness by having the chief compliance officer and the heads of our business units and subsidiaries issue compliance messages, familiarizing employees with the Epson Global Code of Conduct, giving compliance training, and conducting a Compliance Awareness Survey. The results of the Compliance Awareness Survey, which is conducted globally, are analyzed by department and company to identify issues that we then correct.

Global Compliance Activities

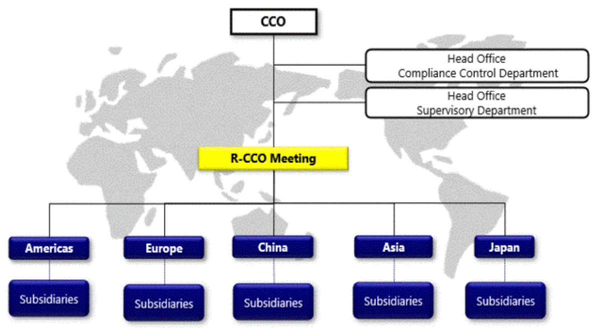
The Epson Group shares a common goal of managing compliance to create a safe environment where every officer and employee can shine and pursue higher goals. To achieve this, we have introduced global compliance activities throughout the Group. We set targets for each fiscal year, evaluate the compliance systems and operations of each organization and subsidiary, and make improvements. We raise the level of compliance across the entire Group and minimize risks by implementing the PDCA cycle.

Global Compliance PDCA



A regional chief compliance officer (R-CCO) system has been established to promote the global compliance activities. Group companies are divided into five regional blocs, each headed by an R-CCO who leads the compliance activities in that bloc. The blocs are determined based on geographical proximity and similarities in linguistic, regulatory, cultural, and other factors, facilitating collaboration among compliance personnel in the bloc when they address common issues. An R-CCO meeting is held once every six months with the participation of the CCO and all R-CCOs to increase the coordination across the entire Group. In addition, area meetings are held to develop compliance activities unique to the region. Each bloc works to achieve its goals by implementing Group-wide compliance policies, issues, and measures.

R-CCO Organization



Anti-Corruption/Anti-Bribery

Basic Principles

Principle 5, "Ensuring effective governance and compliance," in Principles of Corporate Behavior, states that we will not tolerate bribery, corruption, dishonest marketing, cartels, insider trading, or conflict of interest and that we will conduct all transactions in accordance with these principles, promoting fair and open competition in the marketplace.
To put this principle into practice, Epson created the Epson Global Code of Conduct, which explains actions that officers and employees are expected to take based on the understanding of the Principles of Corporate Behavior. The code impresses upon employees the need to seek profits by proper means and to immediately report conduct that is or could lead to a violation.

Principle 7, "Working with business partners for mutual benefit," in Principles of Corporate Behavior strictly forbids acts of bribery and collusion with business partners and demands that our business partners adhere to a zero-tolerance policy regarding illegal and unethical business practices. Moreover, in Anti-Bribery, Anti-Corruption, and Competition Law (Antimonopoly Act) Guidelines for Business Partners, we strongly urge our business partners to understand Epson's values and to eliminate any corruption, including but not limited to involvement in bribery, cartels, insider trading, and conflict of interest. We insist that they conduct all transactions in accordance with these principles, promoting fair and open competition in the marketplace.

Epson Group Supplier Guidelines stipulates that Epson conducts business in a way that does not depend on entertainment or the like from suppliers. We also ask our suppliers to promptly report to us or consult us regarding violations or potential violations by Epson officers and employees.

Principles of Corporate Behavior
Epson Group Global Code of Conduct (PDF, 980KB)
Anti-Bribery, Anti-Corruption, and Competition Law (Antimonopoly Act) Guidelines for Business Partners
Epson Group Supplier Guidelines

Anti-Corruption Efforts

Epson regards all forms of corruption to be a serious risk that could undermine organizational integrity and public trust. We therefore are committed to preventing corruption of any kind. Working with corporate supervisory departments, the compliance control department oversees entertainment and gift-giving, invitations, donations, sponsorships, agency management, hiring, and other operations.

Topic	Description
Response to risks	Corruption risks are evaluated based on the likelihood of corruption [per the Corruption Perceptions Index (CPI)] in countries and territories around the world and at Epson's overseas subsidiaries, as well as on the impact that an incident of corruption would have. Control plans are formulated and executed every year for high-risk organizations. The department that supervises compliance evaluates the effectiveness of the plans and reports its findings to the chief compliance officer (CCO).
Business partners	We inform our business partners of the Anti-Bribery, Anti-Corruption, and Competition Law (Antimonopoly Act) Guidelines for Business Partners and the Epson Group Supplier Guidelines, and we strongly urge our business partners to eliminate any corruption, including but not limited to involvement in bribery, cartels, insider trading, and conflict of interest. We also insist that they conduct all transactions in accordance with these principles, promoting fair and open competition in the marketplace. - Customers In addition to informing our dealers, distributors, and service partners of the guidelines, we ask them to include compliance clauses in their business agreements whenever possible. Moreover, we are moving to check the state of compliance at our business partners. - Suppliers We require all our suppliers to comply with the Epson Group Supplier Guidelines, which includes the RBA Code of Conduct, and we ask them to sign contracts or agreements to do so. In addition, we evaluate new suppliers at the start of transactions to confirm that their management systems are in compliance with bribery and competition laws. For major suppliers, we conduct an annual detailed CSR evaluation to assess compliance with the Epson Supplier Code of Conduct (RBA Code of Conduct). We check what they are doing to prevent misconduct[1], including bribery, and anti-competitive behavior[2]. These checks, which are based on the RBA Code of Conduct and audit standards, evaluate, among other things, whether suppliers have established policies and rules, whether there are any violations, and whether they are addressing violations as needed. If a supplier is found to be non-compliant with requirements, it is asked to prepare a corrective action plan. Epson verifies closure of all action items. 1 RBA Code of Conduct D1: Business Integrity (The highest standards of integrity shall be upheld in all business interactions. Participants shall have a zero-tolerance policy to prohibit any and all forms of bribery, corruption, extortion and embezzlement) and D2: No Improper Advantage (Bribes or other means of obtaining undue or improper advantage shall not to be promised, offered, authorized, given, or accepted. This prohibition covers promising, offering, authorizing, giving or accepting anything of value, either directly or indirectly through a third party, in order to obtain or retain business, direct business to any person, or otherwise gain an improper advantage. Monitoring, record keeping, and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws.) 2 RBA Code of Conduct D5: Fair Business, Advertising and Competition
Entertainment and gift-giving	Illegal and unethical gifts and entertainment are prohibited. All gift-giving and entertainment is subject to advance reporting, review, and approval.
Training	We formulate annual compliance training plans. Every October, which is designated as Compliance Month, we provide officers and employees with an online course to share information about cases of bribery and corruption. We also periodically provide anti-bribery and anti-corruption training to procurement, sales, development, and design personnel as they are at higher risk of bribery and corruption.
Response to incidents	If a violation that has a material impact on Group management should occur, the Crisis Management Committee will be called upon to invoke the crisis management program.

International Trade Control Initiatives

Epson is a multinational corporation with production centers, sales centers, customers, and business partners around the world. Smooth international trade operations are essential for delivering Epson products and services to customers in a timely manner. Meanwhile, we must observe own regulations of each country to respond the changes in international situation as well as numerous conventions and frameworks governing international trade that have been put in place to maintain international peace and security. To maintain compliance with these and to ensure smooth trade, Epson has established comprehensive systems for reliable trade management for entire EPSON Group. As a result, EPSON Group companies have many certifications around the world as companies that complies with the systems and programs established by the authorities of each county in Japan, North America, Latin America, Europe, China, Asia, etc., especially in areas of security trade control and security management that strict operations are required.
These contribute to an efficient and speedy supply chain for the entire group, such as simplification of import/export procedures and cost reduction.

Tax Compliance Policy

Epson seeks to fulfill its corporate social responsibility by paying appropriate taxes in compliance with the spirit as well as the letter of the tax laws and regulations in the countries and regions where it operates. In accordance with this basic policy on taxes, we are taking the actions below to maintain and improve tax compliance.

1．Tax governance

- The Board of Directors is responsible for overseeing tax risk, and Epson's Chief Financial Officer is the responsible official of Group tax affairs. The group that is in charge of tax affairs reports and manages taxes is under the supervision of the Chief Financial Officer.
- Epson considers tax risk to be an important risk, and regularly reports such risks to the board of directors and the Corporate Strategy Council, which is composed of directors of the company.
- Employees are trained in the tax-related regulations and business process standards that Epson has established to ensure that it properly fulfills its tax obligations. We conduct periodic internal tax audits and report the findings to top management and to the Audit & Supervisory Committee.

2．Monitoring tax affairs

- We appropriately respond in a timely manner to changes in local tax systems and taxation trends through regular reporting among the group that is in charge of tax affairs and Epson's local subsidiaries.
- We enlist the support of tax accounting firms and other external experts for advice on taxes and for tax support in each country and region.

3．Tax planning and Tax avoidance

- Around the globe, we strive to effectively use preferential taxation systems where possible in our normal business activities to ensure a suitable tax burden.
- We do not transfer value created to low tax jurisdictions, and do not use tax structures intended for tax avoidance without the spirit of the law.

4．Dealing with uncertainty

- Tax risk uncertainty is expected to increase as countries and regions around the globe strengthen their tax reporting obligations, tax audits, and tax enforcement. Epson controls tax risks by identifying situations that could potentially pose serious tax risks.

5．Transfer pricing taxation

- Epson complies with local tax laws and OECD guidelines to control transfer pricing tax risks. We have established transfer pricing guidelines for the Epson Group to help ensure appropriate transfer pricing transactions. In line with these transfer pricing guidelines, we control the profitability range of our global subsidiaries to ensure that transactions are made at arm's length.
- We use an advance pricing arrangement (APA) for transactions with subsidiaries in high-risk countries.

6. Anti-tax haven rules (also known as Japanese Controlled Foreign Company rules, or "CFC")

- Epson sets up foreign subsidiaries to carry out its ordinary business activities, but does not do so in "tax haven" jurisdictions to avoid taxes. When anti-tax haven rules apply, Epson properly files and pays taxes.

7. Relationships with tax authorities

- Epson strives to work in good faith with tax authorities and to maintain and improve good tax corporate governance.

EPSON

Security

Epson, in a code of conduct called "Principles of Corporate Behavior," states "We protect the security of people and company assets, and we exercise strict care in the management of all information." The company has put in place a system for ensuring the security of employees and visitors. Employees recognize the importance of security and follow good security practices. The company's assets (financial, tangible, intellectual, brand, information, and other assets) are properly managed, and the assets of other parties are respected. We strictly control personal data and confidential information to prevent leaks.

Information Security
Personal Data Protection
Intellectual Property Protection

Information Security

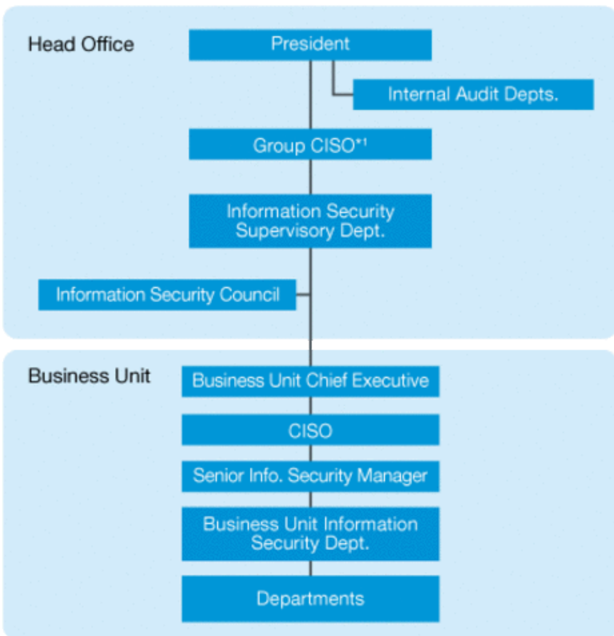
Epson has set forth essential information security principles and rules in the Epson Group Basic Information Security Policy. The company is building an information security governance framework and fostering a corporate culture that reflect the importance and principles of good information security practices.

Epson Group Basic Information Security Policy

Information Security Framework

Epson has a system in which each business unit is responsible for establishing and maintaining its information security framework based on standard Group-wide regulations under the governance of Chief Information Security Officer (Group CISO). Under this system, the systems and controls of each business unit are internally assessed to check whether information security risks are being managed effectively.

Information Security Organization



*1 Chief Information Security Officer

Program

Epson conducts the following programs in line with the Epson Group Basic Information Security Policy:
・Programs to maintain compliance by revising internal systems and understanding the trends in laws, regulations, and guidelines of nations and regions
・Programs to raise awareness and educate employees
・Risk assessments

Cyber Security

To deal with increasingly sophisticated cyber security threats and attacks, we have established a medium-term plan that defines our cybersecurity strategy on a global level and are strengthening our countermeasures. For reference, we have used the Cyber Security Management Guidelines of the Ministry of Economy of Japan, Trade and Industry and the Cybersecurity Framework developed by the U.S. National Institute of Standards and Technology.
As part of this effort, we have established a 24/7 security monitoring system, enabling a rapid response to alerts related to malware, including ransomware. We also use case studies of past incidents as training material and revise our response procedures accordingly.
We continue to improve and reinforce our cyber security. To detect cyberattacks as early as possible and to minimize potential damage, we have introduced managed detection and response (MDR), a service that monitors IT equipment and networks and detects and responds to suspicious behavior.

Training

The following training programs are implemented to increase employees' information security awareness and ability to respond to various external threats:
・An information security course that all officers and employees are required to complete
・A training on responding to targeted e-mail attacks
・Risk assessment education for managers
・Inspection programs that check whether the company's information security is improving

Personal Data Protection

Laws and regulations related to personal data protection and privacy protection are being enacted and revised in various countries and regions, including the EU General Data Protection Regulation (GDPR). Epson accurately collects and understands the requirements for personal data protection and reviews its internal rules.
To fulfill our social responsibility and meet the trust of our customers, business partners, and employees, Epson is engaged in personal data protection activities company-wide.

Basic Approach to Personal Data Protection

Internal regulations at Epson require us to establish controls based on the 11 principles outlined in ISO/IEC 29100. Group companies furthermore establish their own Privacy Statements and Privacy Policies based on laws and regulations in their own countries and publish them on their national websites.

Personal Data Management Framework

At Epson, personal data is part of our information security and we work to protect it with our information security organization and systems.

Training

Epson trains its employees on data handling rules and the importance of personal data protection in accordance with the type and level of personal data.

・A course for employees who handle personal data
・Online courses regarding Europe's General Data Protection Regulation

List of Certifications

Information Security Management System (ISMS) Certification (As of December 2024)

Name of organization	Seiko Epson Corporation
Certification standard	ISO/IEC 27001:2022 / JIS Q 27001:2023
Scope of certification and registration	The following business in DX Division - Operation management of cloud service to accounts business - Operation management of common platform - Operation management of health guidance service The following business in Printing Solutions Division - Operation management of cloud print and scan service - Operation management of remote monitoring system
Certification body	BSI Group Japan Co., Ltd.
Certification registration No.	IS 507352

Name of organization	Epson Avasys Corporation
Certification standard	ISO/IEC 27001:2022 / JIS Q 27001:2023
Scope of certification and registration	- The embedded software development and application development for IT devices - The related technical documentation and translation - The quality evaluation for IT devices and application software - The system development, quality evaluation, operation, and maintenance for business application - The technical development and support for core network, servers, and information systems - The technical development and support for cloud services - The system engineering services
Certification body	BSI Group Japan Co., Ltd.
Certification registration No.	IS 85200

ISMS Cloud Security Certification (As of December 2024)

Name of organization	Epson Avasys Corporation

Certification standard	JIP-ISMS517-1.0 (ISO/IEC 27017:2015)
Scope of certification and registration	ISO/IEC27001 (JIS Q 27001) Certificate Number: IS 85200 ISMS Cloud Security Management System for the development, operation, and maintenance as a cloud service provider of "commutas", and for the use as a cloud service customer of Amazon Web Services for "commutas".
Certification body	BSI Group Japan Co., Ltd.
Certification registration No.	CLOUD 806539

Privacy Mark (As of December 2024)

Name of organization	Epson Sales Japan Corporation
Certification standard	JIS Q15001
Assessment body	Software Association of Japan (SAJ)
Registration No.	10520010

Name of organization	Epson Direct Corporation
Certification standard	JIS Q15001
Assessment body	Japan Institute for Promotion of Digital Economy and Community (JIPDEC)
Registration No.	10580040

Intellectual Property Protection

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. We also respect the rights of third parties, and are committed to the protection of their intellectual property rights. We also respect the rights of others and implement measures to prevent infringement of those rights.

Intellectual Property