

Notice Regarding the Free Acquisition and Cancellation of Treasury Shares Accompanying the Termination of the Performance-Linked Stock Compensation Plan

- TOKYO, Japan, September 27, 2024 -

The Board of Directors of Seiko Epson Corporation (TSE: 6724, "Epson") resolved at today's board meeting to cancel treasury shares acquired without consideration in accordance with Article 155, Item 13 of the Companies Act and Article 27, Item 1 of the Ordinance for Enforcement of the Companies Act, following the termination of the performance-linked stock compensation plan (hereinafter referred to as 'the Plan') for certain officers* of Epson. The cancellation of treasury shares will be carried out pursuant to Article 178 of the Companies Act, as detailed below.

(*) Officers eligible for this plan are the directors of Epson and executive officers who have entered into a delegation agreement with Epson. However, outside directors, directors who are members of the Audit & Supervisory Committee, and other persons in positions independent from business execution, as well as persons residing outside Japan, are excluded.

1. Termination of the Plan

(1) Termination of the Plan

Epson introduced the Plan as announced in "Notice of Introduction of a Performance-Linked Stock Compensation Plan" dated March 16, 2016, and in "Notice of Introduction of Performance-Linked Stock Compensation Plan (Plan Details)" dated April 28, 2016. However, as announced in "Notice of Introduction of a Restricted Stock Compensation Plan" dated May 19, 2022, a motion concerning a new plan was approved as proposed at the 80th Ordinary General Meeting of Shareholders held on June 28, 2022.

With the introduction of the new plan, no additional contributions were made to the Plan. However, Epson decided to terminate the Plan because the delivery of Epson's common shares corresponding to the points already granted, as well as the monetary payments equivalent to the proceeds from the sale of those common shares, was completed on August 20, 2024.

(2) Handling of Residual Assets upon Termination of the Plan

Upon the termination of the Plan, the trust that had been established to administer the Plan (the "Trust") was terminated as of September 2, 2024, the expiration date of the Trust period. Since 76,926 shares of Epson's common stock remain in the Trust at the time of termination of the Trust, Epson will acquire these shares for no consideration as described in 2 below and cancel them as described in 3 below in accordance with the provisions of the Trust agreement pertaining to the Trust.

At the time of termination of the Trust, money in excess of the reserve for Trust

expenses remains in the Trust, but since there are no beneficiaries, Epson plans to donate the money to a third-party organization.

2. The Acquisition of Treasury Shares

- (1) Class of shares acquired: Common shares of Epson
- (2) Total number of shares acquired: 76,926 shares
(0.02% of the total outstanding shares)
- (3) Total amount paid for the acquisition of shares: Zero
- (4) Date of share acquisition: September 20, 2024

3. The Cancellation of Treasury Shares

- (1) Class of shares to be canceled: Common shares of Epson
- (2) Total number of shares to be canceled: 76,926 shares
(0.02% of the total outstanding shares)
- (3) Scheduled cancellation date: October 2, 2024

About Epson

Epson is a global technology leader whose philosophy of efficient, compact and precise innovation enriches lives and helps create a better world. The company is focused on solving societal issues through innovations in home and office printing, commercial and industrial printing, manufacturing, visual and lifestyle. Epson's goal is to become carbon negative and eliminate use of exhaustible underground resources such as oil and metal by 2050.

Led by the Japan-based Seiko Epson Corporation, the worldwide Epson Group generates annual sales of more than JPY 1 trillion.

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