

March 13, 2026  
Seiko Epson Corporation

### **Epson to Emphasize ROIC and Seek Sustained Growth by Redesigning Its Business Portfolio and Focusing Resources on Growth Domains** **— Epson introduces the ENGINEERED FUTURE 2035 Long-Term Corporate Vision and Mid-Term Business Plan, Phase 1 —**

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Seiko Epson Corporation (TSE: 6724, "Epson") has unveiled ENGINEERED FUTURE 2035, a Long-Term Corporate Vision that maps out the company's strategy to 2035, along with a new Mid-Term Business Plan (2026–2028) that represents the first phase of work under the vision. In line with this plan, Epson will use ROIC as a management metric to optimize capital allocation, redesign its business portfolio, and focus resources on strategic growth domains. By transforming the earnings base and leveraging our precision technologies to expand in growth domains, the company aims to sustain the growth of corporate value.

#### **Highlights**

- Epson's unveiled its Long-Term Corporate Vision, ENGINEERED FUTURE 2035.
- Capital allocation is to be optimized using ROIC as a management metric, with an FY2028 ROIC target of 8% or more.
- Define growth domains and invest approximately ¥280 billion in growth over three years.
- Pay out a minimum dividend on equity (DOE) of 3% and complement it with flexible share buybacks to deliver higher shareholder returns.

#### **Long-Term Corporate Vision ENGINEERED FUTURE 2035**

##### **Refining our technologies, engineering the future and delivering real-world value**

Epson sees the next decade as one in which volatility is the norm. Environmental and geopolitical risks will rapidly change, resources and energy will be increasingly constrained, and demographic changes will result in labor shortages worldwide. In developed economies, the labor pool continues to shrink. Meanwhile, emerging economies face critical challenges in developing such as skills, education, infrastructure and other foundational capabilities.

Under these conditions, the sustainability of society and industry will increasingly depend on how effectively we can use limited resources, energy, and human potential. It is not enough to evolve technology itself. Driving advances in the technology itself will not be enough. The ability to design and optimize technology so that it genuinely functions within society is becoming increasingly critical. It is precisely because of the many constraints that we believe the future should not be left to chance but must be methodically engineered, starting with technology that is conceived in the field and continuously refined and implemented in the real world.

That is why Epson seeks to leverage the efficient, compact, and precise technologies and philosophy it has developed over more than eight decades, building on the foundation of "Sho-Sho-Sei," to create value that supports the transformation of society and industry through real-world implementation. The essence of

Epson lies not in advancing technology for its own sake, but in translating advanced technology into things that are genuinely useful in the real world. Engineering is the force that connects the philosophy of efficient, compact and precise innovation to meaningful social implementation.

We will deliver new value to the world by combining our efficient, compact, and precise technologies with designs optimized for real-world uses. From industry and across learning, working, and living, we will enhance productivity and reliability and expand the world's possibilities. So that people and the planet can continue to advance together, we will simultaneously raise both social value and corporate value. That is the future that Epson envisions in ENGINEERED FUTURE 2035.

### **Mid-Range Business Plan, Phase 1 (2026-2028)**

#### **Achieving both growth and capital efficiency by optimizing capital allocation based on disciplined ROIC management**

Epson's Mid-Range Management Plan, Phase 1 (2026–2028), is the first stage of the company's journey toward realizing the ENGINEERED FUTURE 2035 long-term vision.

Until now, Epson's business structure has been highly dependent on mature markets, presenting challenges in terms of resource allocation to growth areas, execution speed, and capital efficiency. In Phase 1, Epson will confront these challenges head-on, transforming the earnings base and focusing resource allocation on growth domains. Management will emphasize capital efficiency, using ROIC as the primary management metric. By exercising disciplined ROIC-based management, Epson will aim to achieve a ROIC of 8% by fiscal 2028 and to build a solid foundation for sustainable growth.

Specifically, Epson will review its fixed cost structure and asset efficiency, redesign global operations and the supply chain, and strengthen sales in emerging markets. It will simultaneously expand and enhance recurring business and solutions. These efforts will enable Epson to reduce invested capital while enhancing the earning power of its businesses. At the same time, the company will prioritize the allocation of the cash generated to future growth domains, accelerating the transformation of its business portfolio. Capital will be optimally allocated, with investment and business decisions made based on disciplined ROIC.

Cash created through this transformation of the earnings base will be actively deployed, under disciplined capital allocation, to projects that maximize long-term value creation. In addition to strategic investments in things such as mergers and acquisitions, Epson will invest a total of ¥280 billion over the three-year period in growth domains, including in the Precision Innovation segment as the primary growth engine and the Industrial & Robotics segment, which will be a key growth driver for the next phase.

Throughout the period of the mid-term business plan, Epson will reinforce its management discipline and execution capabilities to sustain growth and increase corporate value, while driving structural transformation toward 2035.

	FY25 outlook	FY28 target
Revenue	¥1,390 <sub>bln</sub>	¥1,500 <sub>bln</sub>
ROIC	5.1%	8.0%
ROE	5.0%	10.0%
ROS	5.4%	8.0%
Device & Industrial domains* as % of profit	45%	60%
Assumed exchange rates (JPY)	USD: 150 EUR: 174	USD: 150 EUR: 170

\* Share of these domains as a percentage of the total profit of the four business segments

## REFERENCE: New Business Segments

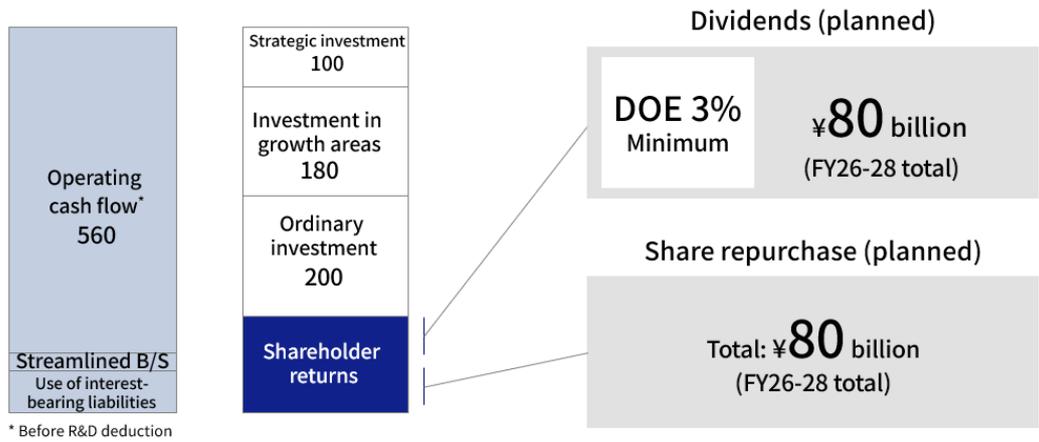
Epson has redefined its business segments based on its policy of focusing resources on growth domains. The Precision Innovation segment will play the role of growth engine. The role of Industrial & Robotics will be to generate robust growth in Phase 2. The role of the Office & Home Printing segment and Visual & Lifestyles segment is to generate steady cash.

- Precision Innovation
  - Inkjet solutions business, microdevices business, Epson Atmix
- Industrial & Robotics
  - Commercial & industrial printing business, robotics business
- Office & Home Printing
  - Office and home IJP business
- Visual & Lifestyles
  - Visual products business, wearable products business, PC business

## Shareholder Returns

### Proactively delivering shareholder returns while also investing in growth

Under the Phase 1 plan, Epson will actively invest capital in growth domains, which will also include strategic investments. At the same time, we will boost shareholder returns by setting a minimum dividend level at a 3% DOE and, together with flexible share buybacks, more proactively deliver shareholder returns.



\* For details about the ENGINEERED FUTURE 2035 Long-Term Corporate Vision and Mid-Term Business Plan, Phase 1, please see the investor information on Epson's website.

<https://corporate.epson/en/investors/publications/presentations.html>

# Long-Term Corporate Vision ENGINEERED FUTURE 2035

## Mid-Term Business Plan Phase 1 (2026 – 2028)

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March 13, 2026

Seiko Epson Corporation

The background of the slide features a composite image. On the left, there is a green-tinted aerial view of a modern building complex with a central courtyard. On the right, there is a blue-tinted aerial view of a park or sports field with a network of white lines and dots overlaid, suggesting a digital or engineering theme.

# Transforming management and achieving sustainable growth

In the years leading to 2035, Epson will address global geopolitical risks, environmental issues, labor shortages and other societal challenges. Building on our unique efficient, compact, and precise technologies and philosophy, we will drive technological innovation and engineering excellence to contribute to the realization of a sustainable society and also enhance corporate value.

In the first three-year period (Mid-Term Business Plan, Phase 1) of our Long-Term Corporate Vision, we will redesign our business portfolio with a focus on growth domains and resolutely advance our transformation toward capital-efficient management.

**Junkichi Yoshida**

President and Representative Director,  
Chief Executive Officer

March 13, 2026

- Long-Term Corporate Vision (2026 – 3035)
- Review (2021 – 2025)
- New Mid-Term Business Plan Phase 1 (2026 – 2028)
  - Policies
  - Business strategy
  - Shareholder returns



**Our philosophy of efficient, compact and precise innovation enriches lives and helps create a better world.**

## Since our founding in 1942, we have transformed technologies into value and solved societal issues

### History and values

Founded in 1942

Commitment to generating value for society

Integrity & effort

### Monozukuri

(the art & science of manufacturing)

Technology platform and philosophy based on efficient, compact & precise innovation

Transferring/training in technical skills

Creativity & challenge

### Unique technologies

Precision & micro-fabrication/MEMS

Materials/processing technologies

Optical & sensing-control technologies

### Solving societal issues

Supporting industry and lifestyles

Delivering value worldwide

Saving resources × Achieving decarbonization



# Long-Term Corporate Vision

## ENGINEERED FUTURE 2035



We are now at a turning point where energy, resources, human capital and geopolitical risks are undergoing fundamental change.

In a world where volatility in the global environment and geopolitics have become the norm, all forms of growth are shifting toward an age in which sustainability must be built in from the start.

While emerging economies will continue to advance, the sustained growth of these regions will depend more than ever on education and the development of social infrastructure. In developed economies, automation and technological advancement will be essential to fully harness human potential.

The background of the slide is a blue-tinted image of a large crowd of people. Overlaid on this image is a white network of lines connecting various points, symbolizing a global or interconnected network. The text is overlaid on this background.

Solutions optimized to each market and region are required to fully leverage energy, resources and human potential. Such solutions have meaning because they must be meticulously designed and must function in the real world.

To support the transformation of society and industry, we will create value based on our efficient, compact and precise technologies and philosophy, and deliver that value to the real world.

Looking toward 2035  
We will change from Epson a printer company to

# Epson the Technology Innovation X Engineering Company

This is ENGINEERED FUTURE 2035



A dot that generates surprise and becomes a cherished memory.



that enhance efficiency and productivity.



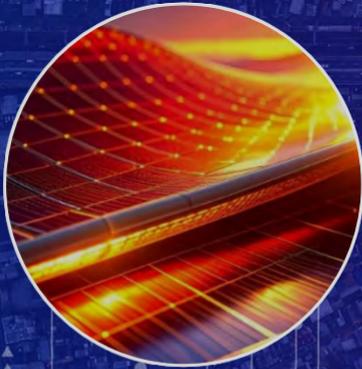
that we devote ourselves to meticulous thinking



ENGINEERED FUTURE 2035

# Creating value through technology, engineering and real-world knowledge

Supporting energy and resource efficiency



Supporting advances with precision technology

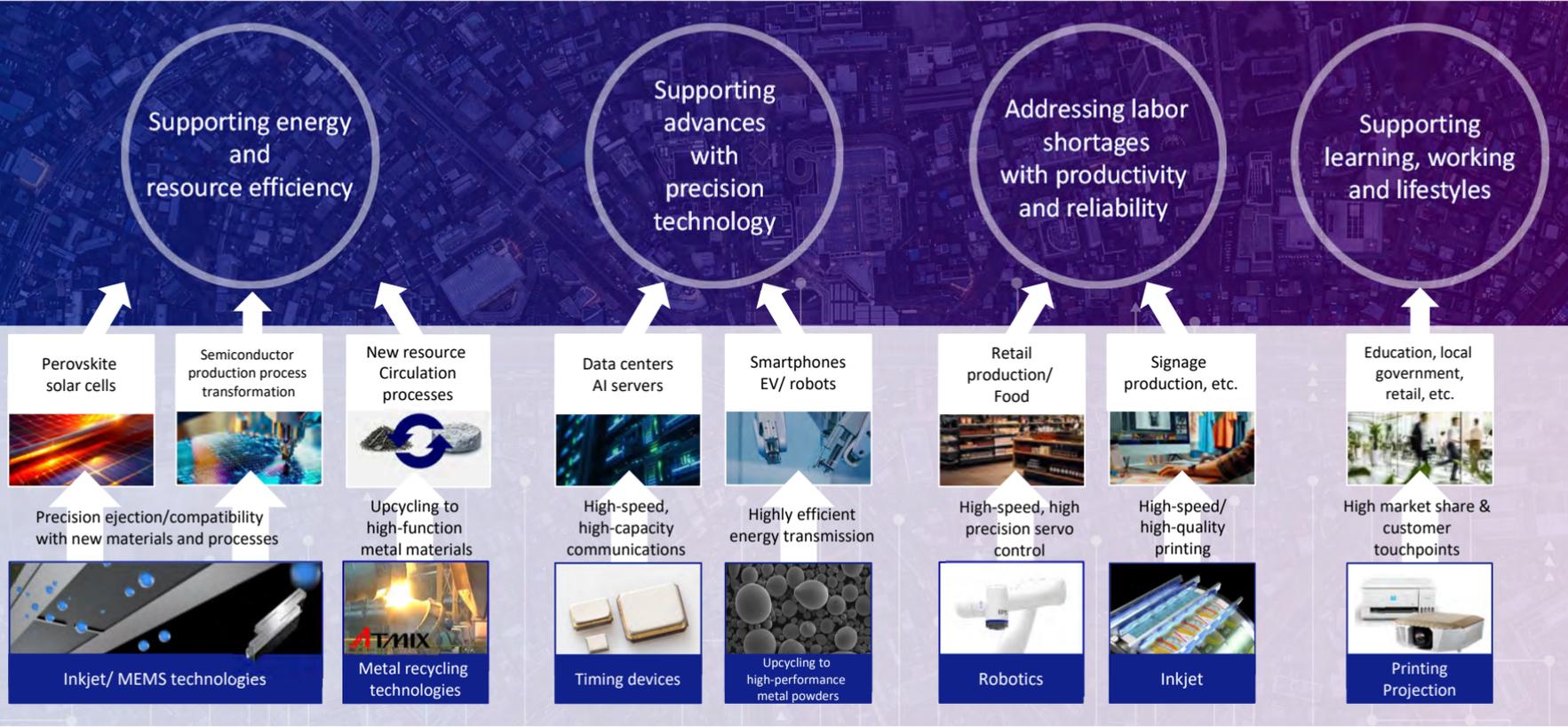


Addressing labor shortages with productivity and reliability



Supporting learning, working and lifestyles





## Growth in the industrial domain

## Revenue &amp; profit ratios

(Outside ring: Revenue composition, Inside ring: Profit composition,  
Based on assumption of same foreign exchange rates (JPY): USD 150/EUR 170)



FY25



FY35

## Industrial domain\*

CAGR **7%**

Revenue ratio

**33% ▶ 50%**

Profit ratio

**45% ▶ 70%**

## \*Industrial domain

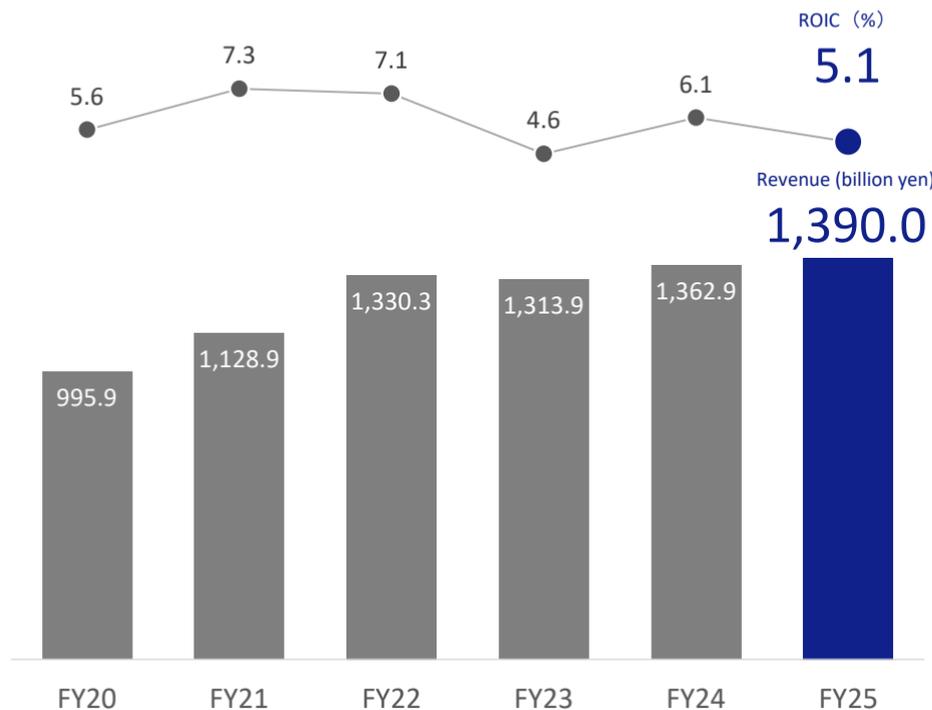
- Inkjet solutions
- Microdevices
- Epson Atmix
- Robotics
- Commercial & industrial printing

# Review

Epson 25 Renewed (2021-2025)



# Achieving sustainable growth and improving capital efficiency remain critical management challenges



	FY25 target*	FY25 outlook
ROIC	<b>7.0</b> %+	<b>5.1</b> %
ROE	<b>8.0</b> %+	<b>5.0</b> %
ROS	<b>7.0</b> %+	<b>5.4</b> %

\* Announced April 2024

## Achievements

- **Growth driven by inkjet technology**
  - Significant growth in inkjet printhead sales, including expansion in the Chinese market.
- **Progress in emerging markets**
  - Revenue of high-capacity ink tank models achieved 7% CAGR.
  - Established manufacturing site in India.
- **Advancement of structural reforms**
  - Improved profitability in projectors and wearables.
- **Building foundations for future growth**
  - Acquired Fiery as part of our growth strategy.
  - Established a new sales company in Dubai to further strengthen the Middle East and Africa region.
- **Promotion of advanced sustainability initiatives**
  - Achieved 100% renewable electricity use across the Group.
  - Received strong external recognition for our sustainability initiatives.

## Issues/countermeasures

- **Further improvement of capital efficiency**
  - Declining capital efficiency due to delays in operational response to market changes and prioritization of supply.
  - Continued cost-increase pressures, driven by factors such as rising prices.



Transforming the earnings base

- **Accelerating the launch of growth domains**
  - Underperformance in expected growth domains, including those influenced by changes in the external environment.
  - Insufficient prioritization of resources for growth domains.



Focus resource allocation  
on growth domains

# Mid-Term Business Plan Phase 1 (2026-2028)



Transform from the ground up to achieve growth  
2026-2028

Transform

Phase1

Drive transformation of our earnings base and strengthen competitiveness, while steadily allocating resources aimed at future growth.

Transition to a growth model  
2029-2031

Phase2

Enhance execution capability and efficiency based on foundations we have built, and establish a business model in which growth and profitability coexist.

Create a business structure to generate continuous growth  
2032-2035

Phase3

Develop technologies and value proposition, and build a structure that continuously generates business expansion and the next stages of growth.

# Transformation to disciplined ROIC-based management

FY2028 target

ROIC **8**%

## Transform the earnings base

Efficiency

- Disciplined ROIC-based prioritization
- Streamline fixed-costs

Sales

- Strengthen the competitiveness of existing businesses and shift the earnings model

## Focus resource allocation on growth domains

Resource allocation

- Accelerate investment in strategic domains
- Enhance the competitive advantage of core technologies

## Reduce fixed costs by transforming global operations

Amounts are 3-year totals

Streamline fixed costs

¥**26.0** billion (vs FY25)

3-year total

Optimize inventories

**+0.5** times\* (vs. FY25)

\*Invested capital turnover

Head Office & operations divisions	Investment discipline through segment reorganization ¥ <b>10.0</b> billion reduction	Standardization of global IT infrastructure ¥ <b>2.0</b> billion reduction
Manufacturing	Consolidation & optimization of manufacturing sites (completed in prior years) <b>17→14</b> sites (2020→2025)	Indirect costs at main overseas plants ¥ <b>4.0</b> billion reduction
Sales	Workforce optimization (completed in prior years) ¥ <b>7.0</b> billion reduction	Back-office function consolidation Europe → Latvia US → Mexico, etc. <b>¥3.0</b> billion reduction
Supply chain management	Build a resilient supply system	Improve demand forecasting and supply planning
		Improve manufacturing operations efficiency

## Execute a regional strategy & transform the earnings model

### Regional strategy



Strengthen sales in emerging economies

Business expansion in high-potential markets across South America, Southeast Asia, the Middle East and Africa

- Strengthen ties with local partners
- Increase awareness
- Personnel placement in regional sites

India, Indonesia, China, etc.

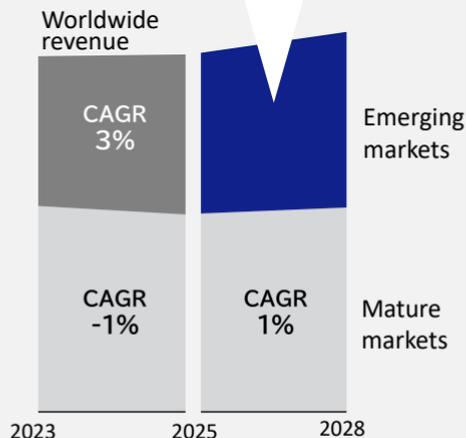
- Strengthen product design, RDC\* function
- Expand & optimize local production



\* Regional design centers

Revenue ratio for emerging economies

CAGR **5% or more**



### Earnings model

Applications

Strengthen solutions for vertical markets



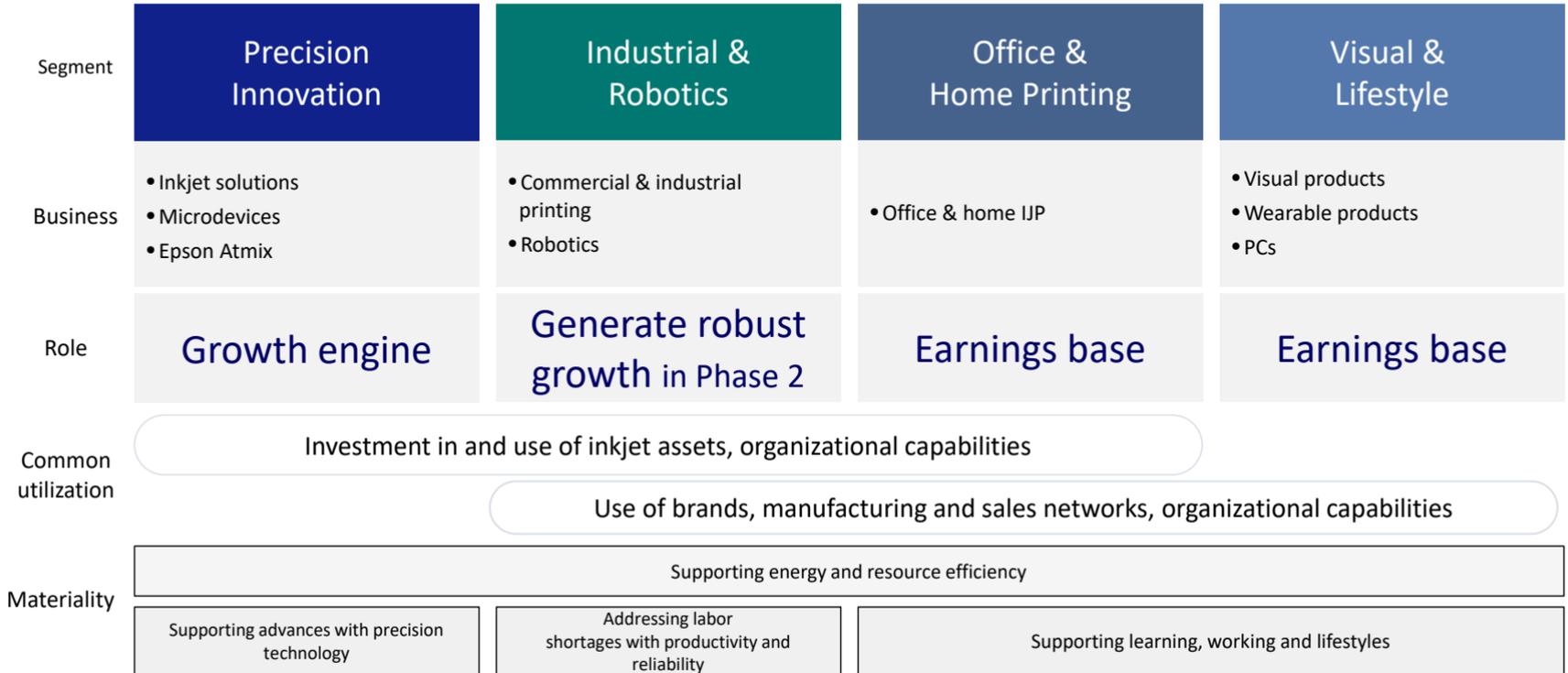
Usage models



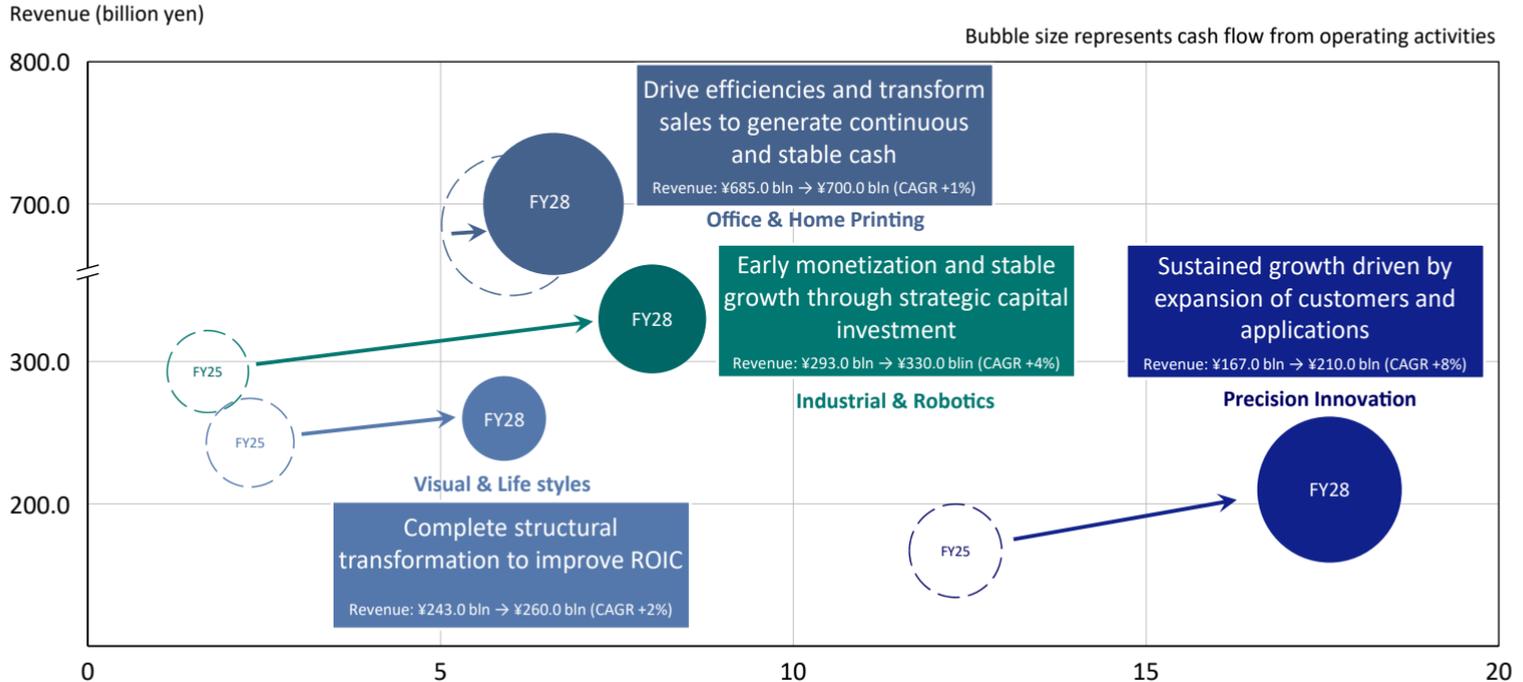
Expand recurring business



# Redefine growth domains and reorganize business segments

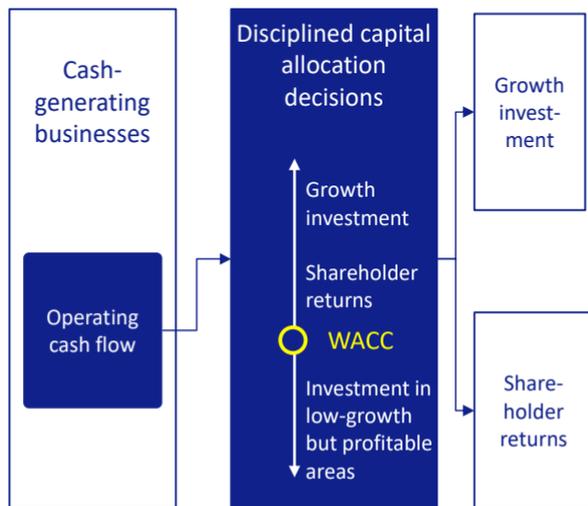


## Execute growth investments guided by disciplined capital efficiency



## Make disciplined capital allocation decisions to invest in growth areas

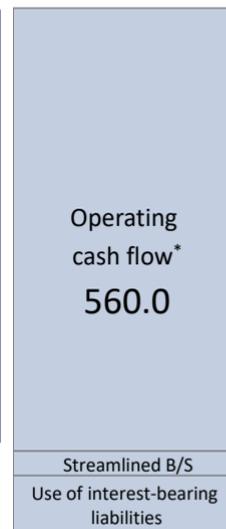
### Capital allocation policy



### Cash allocation

#### Profitability improvement

- Transform the fixed cost structure
- Shift resources to growth regions & increase efficiency in mature regions
- Manage business level ROIC



\* Before R&D adjustment



billion yen

#### Growth investment

- Strategic investment
- M&A allocation, etc.
- Investment in growth areas
- Precision Innovation
- Industrial & Robotics

	FY25 outlook	FY28 target
Revenue	¥1,390.0 billion	¥1,500.0 billion
ROIC	5.1%	8.0%
ROE	5.0%	10.0%
ROS	5.4%	8.0%
Industrial domain* as % of profit	45%	60%
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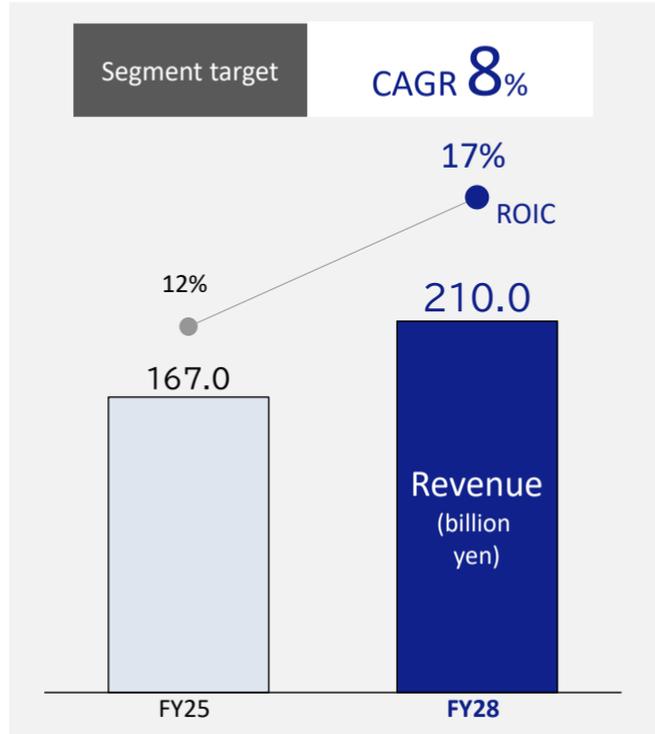
\* Share of industrial domain as a percentage of the total profit of the four business segments

# Business Strategy

## Phase 1 (2026-2028)



# Drive Epson's growth by advancing our technology and capturing growth opportunities



Key actions	
<b>Inkjet solutions</b>	<ul style="list-style-type: none"> <li>Leverage competitive printheads to drive technological advancement and engineering strength</li> <li>Drive manufacturing transformation by expanding applications and markets through co-creation and strategic investments.</li> </ul>
<b>Micro-devices</b>	<ul style="list-style-type: none"> <li>Expand market share by increasing production capability and efficiency</li> <li>Meet needs in growth markets such as AI, data centers and automotive through technological innovation and an expanded lineup of differentiated products</li> </ul>
<b>Atmix (superfine alloy powder)</b>	<ul style="list-style-type: none"> <li>Maintain world-class market share* and expand profits</li> <li>Capture maximum demand by increasing production capacity</li> <li>Enhance functionality and added value through in-house metal refining</li> </ul>

Growth investment (FY26-28 total)

**¥130.0 billion**



New building (Building 6) Tohoku Epson

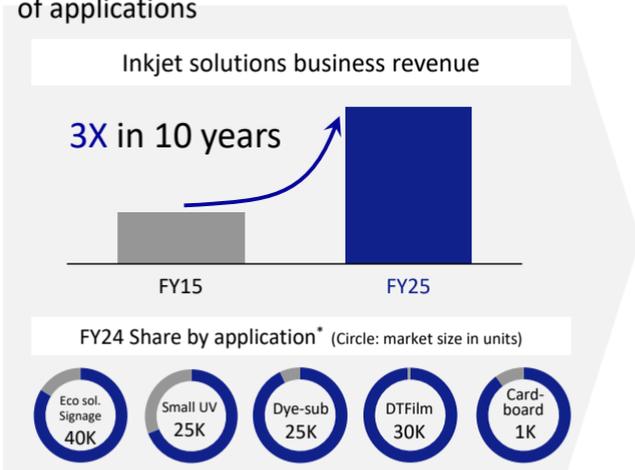


Plant 2 at Epson Atmix's Kita-Inter Plant

\* In terms of sales of amorphous alloy powder manufactured in an atomizing process

# Leverage our unique inkjet technology to accelerate market growth

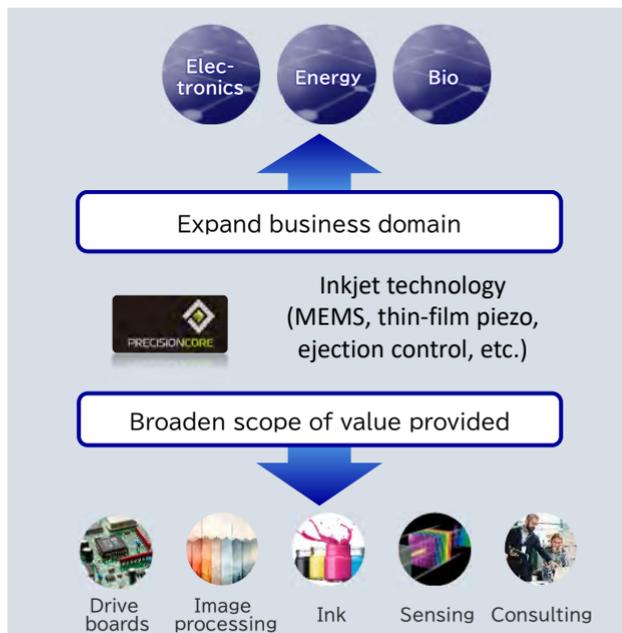
Continue to expand revenue while supplying inkjet printheads for a wide range of applications



Investment total (2015-25)  
approx. **¥100.0 billion**

Invested ¥5.1 billion in a new building at Tohoku Epson

Broaden the scope of value provided to customers and expand the business domain

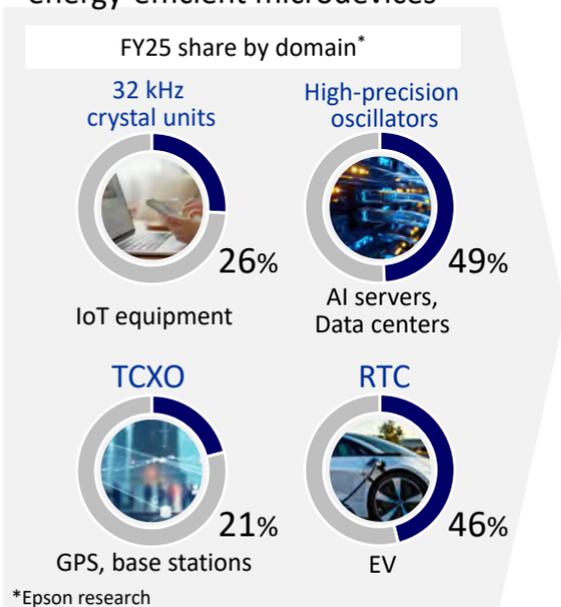


Investment, joint development, etc.

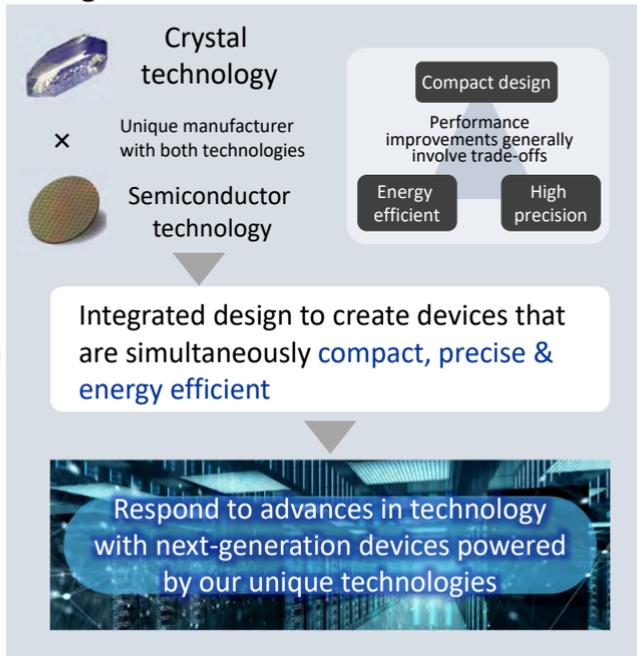
**5.0 billion yen**

# Respond to advances in innovation by integrating crystal and semiconductor technologies

Expand share with high-precision, energy-efficient microdevices

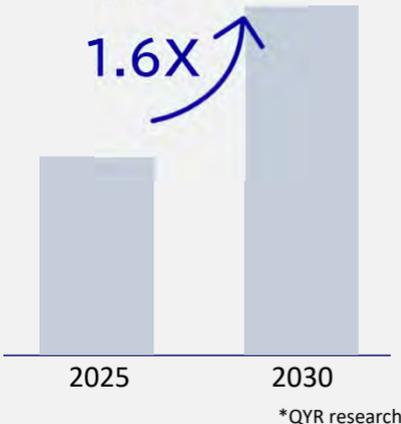


Transform industry by developing next-generation microdevices

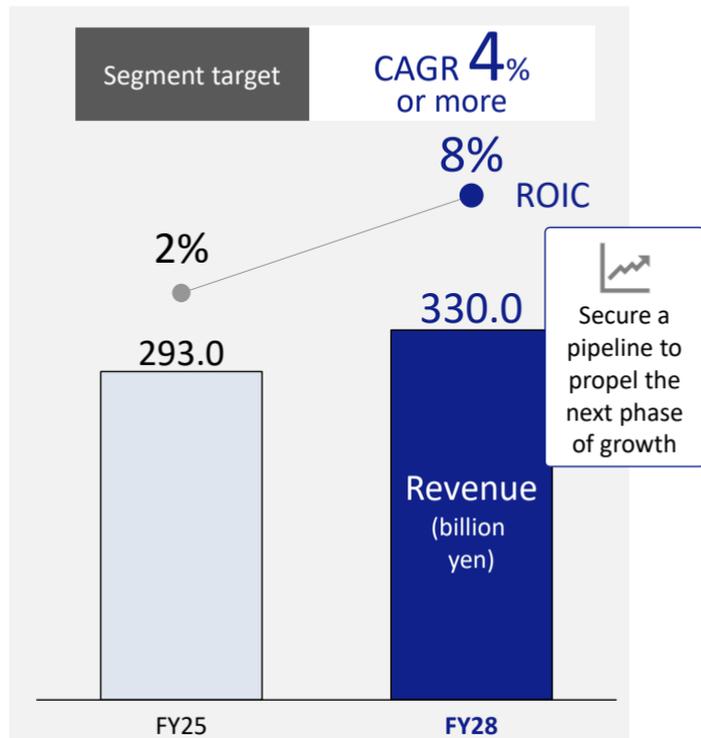


Timing device market value\*

Rising AI demand and faster communications are driving demand growth in high-precision timing devices



# Create new growth markets with inkjet and robotics technologies



Unit: billion yen

**Key actions**

Commercial & Industrial IJP

- Rapidly broaden our high-productivity product lineup
- Increase development efficiency by consolidating platforms
- Expand our one-stop digital print workflow solutions through the integration of Fiery

Robotics

- Enhance cost competitiveness to expand share
- Expand the lineup with high-payload and collaborative robots
- Accelerate entry into service applications through enhanced sensing control and AI integration
- Implement recurring business

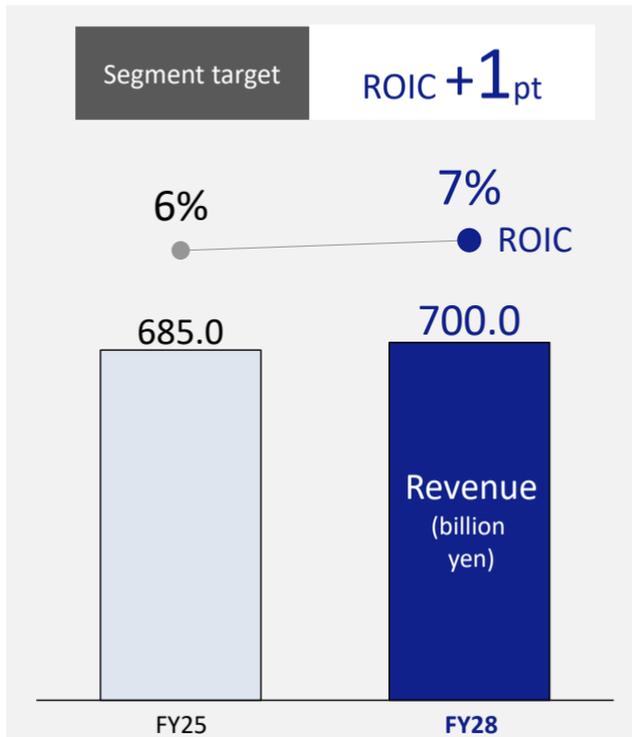
Growth investment (FY26-28 total)

**¥50.0 billion**

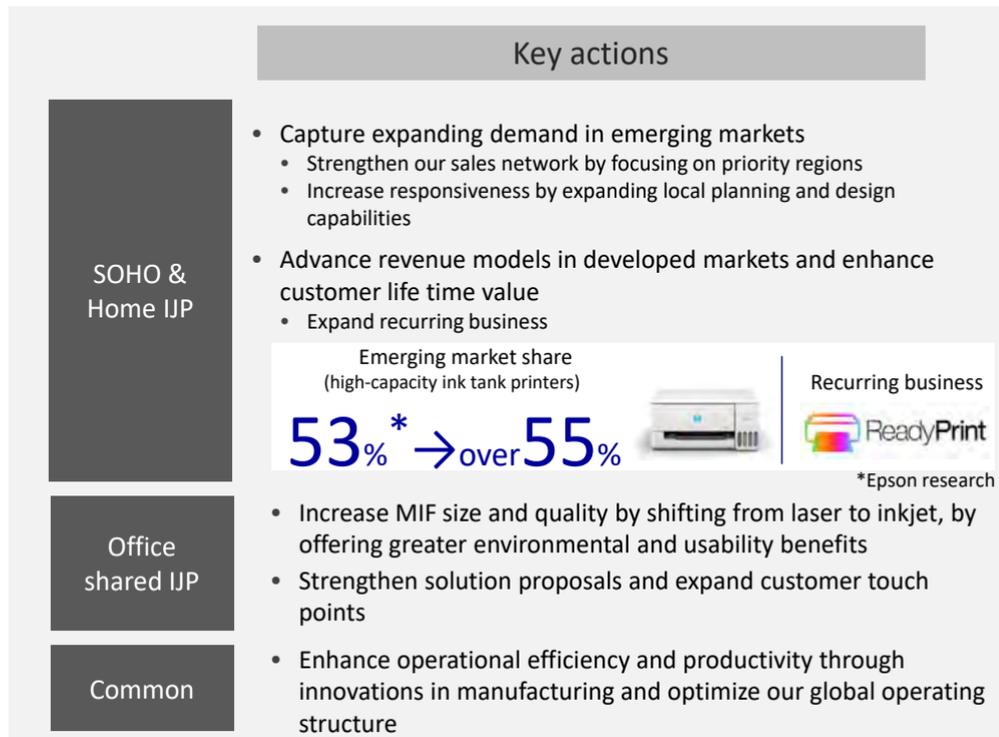




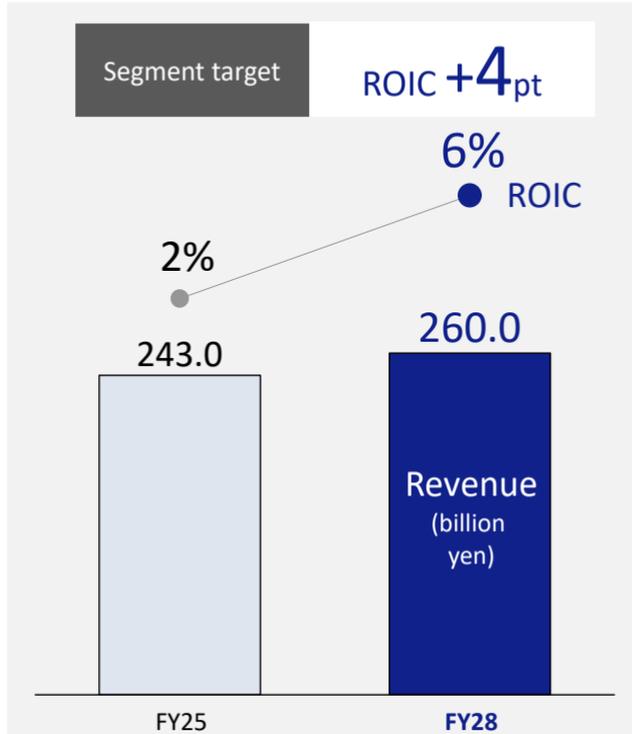
# Drive growth in emerging economies and transform the earnings model



Unit: billion yen



# Accelerate the transformation of the earnings model by expanding the value provided and establish a robust earnings base



Unit: billion yen

Key actions

Visual products

- Maintain and expand our No. 1 global market share and industry presence
- Strengthen our vertical-market approach
- Expand service models in line with user needs, including remote maintenance
- Complete structural transformation

Wearable products

- Enhance product competitiveness and manufacturing to improve Orient business profitability
- Enhance profitability through operational efficiency

Global Share

**52%\* → over 60%**

\* FY2024 projector market share for models of 500 lumens or higher, excluding screenless TV products. (Source: FutureSource Consulting Ltd.)

## Strengthen human capital and redesign human capital to support continuous growth

Epson Group employees\*

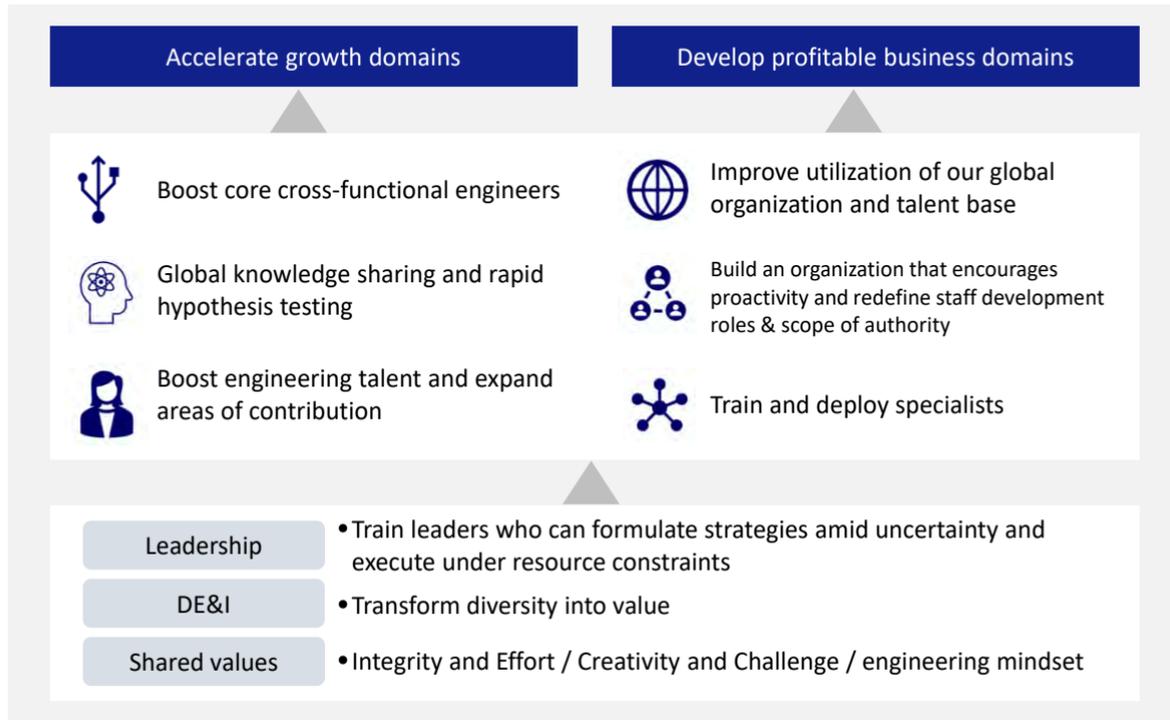
Approx.

**75,000** people

Outside Japan: 55,000

Japan domestic: 20,000

\*As of December 2025



# Shareholder Returns

Phase 1 (2026-2028)

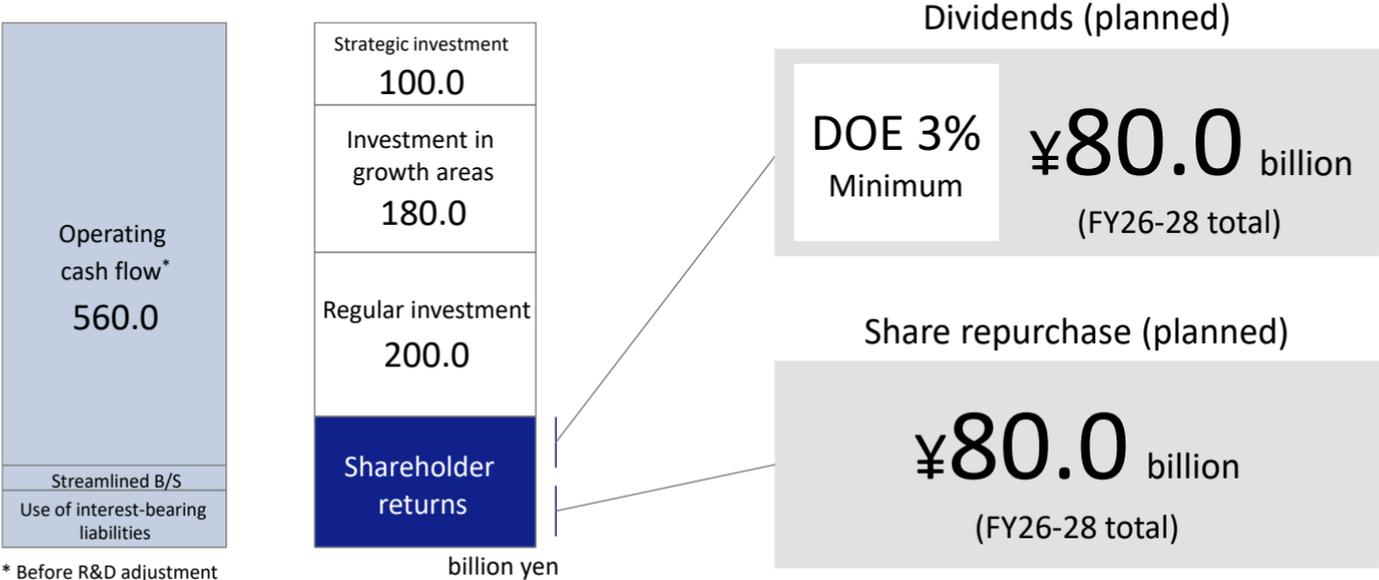


# Shareholder Returns

## Enhance shareholder returns through expanded cash-generation capability

- Set a minimum DOE\* of 3% and complement it with agile share repurchases to enhance shareholder returns

\* Total dividends / Equity attributable to owners of the parent company



# Summary



# Simultaneously solve societal issues and enhance corporate value to realize our long-term vision

<p>Value creation</p>	<p>Supporting energy and resource efficiency</p> 	<p>Supporting advances with precision technology</p> 	<p>Addressing labor shortages with productivity and reliability</p> 	<p>Supporting learning, working and lifestyles</p> 
<p>Business functions supporting value creation</p>	 <p>Human capital transformation to support innovation</p>		 <p>Generating intellectual capital for innovation</p>	
 <p>Responsible management and implementation that enable long-term value creation</p>				

# Achieve growth and improved capital efficiency through ROIC-driven optimal capital allocation

## - Drive a structural transformation of the earnings base

- Comprehensive reform of fixed-cost and asset efficiency
- Disciplined ROIC-based prioritization

## - Boldly focus resources in growth areas

- Accelerate investment in strategic areas
- Enhance competitiveness of our core technologies

## - Enhance shareholder returns

### Business transformation and reinforcement

#### Fixed cost structure

Revenue improvement effect

**26.0** billion yen | FY26-28

#### Growth investment

Investment in growth domains  
+ Strategic investment

**280.0** billion yen | FY26-28

### Shareholder returns

#### Dividends

**DOE 3%** minimum

#### Share repurchase

Total **80.0** billion yen | FY26-28

# ENGINEERED FUTURE 2035

## Refining our technologies, engineering the future and delivering real-world value

In age of constraints, Epson will engineer the sustainability of industry and society through a process of meticulous thinking and continuous experimentation. Because energy, resources and the environment surrounding us are increasingly constrained, we believe the future should not be left to chance. Instead, it must be steadily built through engineering that is rooted in technology, refined and then implemented in the real world.

Grounded in our technologies and philosophy of efficient, compact and precise innovation, and fueled by the knowledge and data accumulated on the frontlines, we will enhance productivity and reliability, delivering value across industry as well as in people's learning, work and lifestyles.

We will create societal and corporate value simultaneously so that people and the planet can continue to advance together. This is Epson's vision for **ENGINEERED FUTURE 2035**.

**EPSON**

Segments

Precision Innovation

Inkjet Solutions



Printheads

Microdevices

Crystal Devices



Timing Device



Sensing Device

Semiconductors



Epson Atmix



Fine metal powders

Business/  
Major  
products

Industrial & Robotics

Commercial & Industrial Printing

Finished Products



Photo



Corporate



Signage



Label printers



Textiles



Label presses

Fiery



Small printers

Commercial & Industrial,  
Others



SIDM



PaperLab

Robotics



SCARA



6-axis



Software/Options

Office & Home Printing

Office/Home IJP

SOHO/Home



High-capacity  
ink tank models



Ink cartridge  
models

Office shared



High-speed linehead  
multifunctions (LIJ)



High-capacity ink pack  
models (RIPS)



Ink cartridge  
office models

Office & Home, Others



Scanners



Compact label printers

Visual & Lifestyle

Visual Products



High brightness



Ultra short throw



Standard



Home/Smart

Wearable Products

Orient Star,  
Orient



Movements



Seiko Business



PC



Epson Direct PCs

I/C	Ink cartridges
IJP	Inkjet printers
LIJ	Line inkjet multifunction printers
LP	Laser printers, including multifunction printers
RIPS	Replaceable ink pack system, high-yield cartridge-free ink pack printers
High-Capacity Ink Tank Printers	Inkjet printers with high-capacity ink tank (includes EcoTank)
High-Capacity Ink Models	General term for high-capacity ink tank printers, RIPS, and LIJ
SOHO	Small office, home office
Office Shared	Printer category for high print volume office users. This includes LIJ, RIPS, and I/C printers
Epson Connect	Epson's mobile cloud service for Epson products and services
Color Control Technology	Color management technology that enhances color reproducibility
Distributed printing	Printing method that prints out same images/ documents using several printers
SIDM	Serial impact dot matrix printers
3LCD	Technology that projects images by utilizing 3LCD-chips
High-Brightness Laser Projectors	High-lumen projectors mainly used in venues such as conference rooms and halls
Smart Projectors	Projectors over 500 lm, with standalone network connectivity and video streaming service usability
FPD	Flat panel displays
MEMS	Micro-electromechanical system technology that integrates mechanical structures and electronic circuits on a single substrate using semiconductor fabrication processes
TCXO	TCXO is a temperature compensated crystal oscillator with a built-in temperature compensation circuit to improve frequency stability.
RTC	An RTC (Real Time Clock) is a dedicated IC that generates and outputs time, date, and other digital data from a clock source.
Industrial Domain	Business domain including inkjet solutions, microdevices, high-performance metal powder, robotics, and commercial & industrial printing

## ■ Disclaimer regarding forward-looking statements

The foregoing statements regarding future results reflect the Company's expectations based on information available at the time of announcement. The information contains certain forward-looking statements that are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Such risks and uncertainties include, but are not limited to, the competitive environment, market trends, general economic conditions, technological changes, exchange rate fluctuations and our ability to continue to timely introduce new products and services.

## ■ Note regarding business profit

Business profit is calculated by deducting cost of sales and SGA expenses from revenue. Although not defined in the statement of consolidated comprehensive income, this indicator is very similar to the concept of operating income under J-GAAP. Epson will present this information as a reference, as the Company believes users of financial statements will find it useful when evaluating Epson's financial performance.

## ■ Numerical values presented herein

Numbers are rounded off to the unit indicated. Percentages are rounded off to one decimal place. Years mentioned in these materials are fiscal years unless otherwise indicated.

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