

Notice of Absorption-Type Merger of a Wholly Owned Subsidiary (Simplified Merger and Short-Form Merger)

- TOKYO, Japan, November 5, 2025-

At a board of directors meeting held today, Seiko Epson Corporation ("Seiko Epson") resolved to merge wholly owned subsidiary Orient Watch Co., Ltd. ("Orient Watch") into Seiko Epson effective February 1, 2026.

Since this is a simplified absorption-type merger involving a wholly owned subsidiary, disclosure of certain items and details has been omitted.

1. Purpose of the Merger

Orient Watch transferred its business to Seiko Epson and Seiko Epson's wholly owned subsidiary Epson Sales Japan Corporation through a corporate split in 2017. As a result, Orient Watch is no longer conducting business and is effectively dormant. The decision was thus made to absorb Orient Watch through a merger to streamline and optimize the use of management resources within the Epson Group.

The manufacture and sale of Orient brand watches will continue unchanged within the Epson Group after the merger, with an ongoing commitment to delivering products of even finer quality and greater brand appeal.

2. Summary of the Merger

(1) Schedule

Date merger agreement was approved:	November 5, 2025
Date merger agreement was signed:	November 5, 2025
Planned effective date of merger:	February 1, 2026

Notes

1. For Seiko Epson, this merger qualifies as a simplified absorption-type merger under Article 796, Paragraph 2 of the Companies Act, and for Orient Watch, it qualifies as a short-form absorption-type merger under Article 784, Paragraph 1 of the Companies Act. Accordingly, Seiko Epson plans to proceed with the merger without receiving approval at the general shareholders' meetings of either company.
2. The decision to approve the simplified absorption-type merger agreement was made by resolution of the Seiko Epson Board of Directors on November 5, 2025.

(2) Merger Method

This is an absorption-type merger in which Orient Watch will be the dissolved company and Seiko Epson will be the surviving company.

(3) Allocation of Merger Consideration

As Seiko Epson owns all issued shares of Orient Watch, no consideration will be delivered in connection with this merger.

(4) Handling of Subscription Rights to Shares and Bonds with Subscription Rights to Shares in Connection with this Merger

Not applicable

3. Profile of Companies in Merger (As of March 31, 2025)

	Surviving Company	Dissolved Company
(1) Company name	Seiko Epson Corporation	Orient Watch Co., Ltd.
(2) Head office	4-1-6, Shinjuku, Shinjuku, Tokyo	4-1-6, Shinjuku, Shinjuku, Tokyo
(3) Representative	Junkichi Yoshida, President and Representative Director	Hiroshi Kanazawa, President and Representative Director
(4) Main business operations	Development, manufacture, sales and servicing of information-related equipment, electronic devices, and precision instruments	Holding company
(5) Share capital	53,204 million yen	100 million yen
(6) Date of establishment	May 18, 1942	July 13, 1950
(7) Outstanding shares	373,573,152 shares	31,780,000 shares
(8) Fiscal year end	March 31	March 31
(9) Number of employees	75,352 (consolidated)	0 (nonconsolidated)
(10) Major shareholders and percentage of shares held	The Master Trust Bank of Japan, Ltd. (Trust Account) 22.19% Custody Bank of Japan, Ltd. (Trust Account) 8.57% Seiko Group Corporation 3.43% Mizuho Trust & Banking Co., Ltd., Retirement Benefit Trust (Mizuho Bank Account), Re-trustee: Custody Bank of Japan, Ltd. 2.54%	Seiko Epson Corporation 100.00%

	Epson Group Employees' Shareholding Association 2.18%	
(11) Financial position and results of operations for the year ended March 2025		
Accounting standards	IFRS (consolidated)	J-GAPP (non-consolidated)
Net assets attributable to owners of the parent company	804,752 million yen	849,698 thousand yen
Total assets	1,456,461 million yen	887,631 thousand yen
Net assets attributable to owners of the parent company per share	2,512.15 yen	26.74 yen
Revenue (IFRS) / Sales	1,362,944 million yen	—
Business profit (IFRS) / Profit from operating activities	89,589 million yen	- 298 thousand yen
Profit before tax	78,395 million yen	-291 thousand yen
Profit for the year attributable to owners of the parent company (IFRS) / Profit for the period	55,177 million yen	-1 thousand yen
Basic earnings per share / Net income per share	168.75 yen	-0.00 yen

Notes: Seiko Epson applies IFRS (International Financial Reporting Standards), which does not have a line item for ordinary income as defined by J-GAPP. Seiko Epson uses business profit as an indicator. It is conceptually and numerically similar to operating profit under J-GAAP.

4. Post-Merger Details

There will be no changes to the company name, head office location, representatives, business operations, share capital, or fiscal year-end as a result of this merger.

5. Impact on Outlook

Since Seiko Epson will merge with its wholly owned subsidiary, there will be no impact on consolidated financial results.

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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