

Notice about Partial Revision of Criteria for Independence of Outside Directors

- TOKYO, Japan, April 28, 2017 -

Seiko Epson Corporation (TSE: 6724, “Epson”) announced that its Board of Directors, at a meeting held on April 28, 2017, approved a partial revision of the company’s Criteria for Independence of Outside Directors (formerly called the “Standard of Outside Officers’ Independence”).

Epson established the standard in 2013 as part of its efforts to continuously enhance and strengthen corporate governance that realizes transparent, fair, timely and decisive decision-making to promote sustainable growth and increase corporate value over the mid- to long-term.

With the recent transition to a company with an Audit & Supervisory Committee, Epson decided to partially revise the standard after careful consideration by its Board of Directors and Director Nomination Committee. The revisions were made with a view toward ensuring the independence of outside directors and selecting suitable persons who can be expected to materially contribute to Epson as outside directors.

For further details, please refer to the following Attachment 1: “Criteria for Independence of Outside Directors.”

http://global.epson.com/SR/organizational_governance/pdf/corporate_governance_policy.pdf

The revisions to the standard are as follows:

(Amendments are underlined)	
Before the revision	After the revision
<u>Standard of Outside Officers’ Independence</u>	<u>Criteria for Independence of Outside Directors</u>
The Company <u>shall not nominate a person as an Outside Officer candidate who falls under any of the below.</u>	The Company <u>establishes the standards as follows for objective judgment on the independence of its Outside Directors.</u>

<Newly established> (1)<Omitted> (2) <Omitted> (3)<Omitted> (4)<Omitted> (5)<Omitted>	<u>1.A person is not independent if:</u> (1)<Unchanged> (2) <Unchanged> (3)<Unchanged> (4) <Unchanged> (5) <Unchanged>
<Newly established> (6)The person has been employed by an auditing firm that has conducted a legal accounting audit of the Company within the past <u>ten</u> years; (7)The person has been employed by a leading managing underwriter of the Company within the past <u>ten</u> years; (8)The person has received a large donation⁶ from the Company or, 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;	<u>(6)The person is a major lender⁶ to the Company or has been an executive of a major lender to the Company within the past five years;</u> (7)The person has been employed by an auditing firm that has conducted a legal accounting audit of the Company within the past <u>five</u> years; (8)The person has been employed by a leading managing underwriter of the Company within the past <u>five</u> years; (9)The person has received a large donation⁷ from the Company or, <u>within the past three years,</u> 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;

(9)The person came from an entity that employs someone from the Company as an Outside Director; or

(10) A spouse or relative within the second degree of kinship of a person having the interests listed above.

<Newly established>

(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 has come from the Company in any fiscal year within the past three years.

2:<Omitted>

(10)The person came from an entity that employs someone from the Company as an Outside Director; or

(11)A spouse or relative within the second degree of kinship of a person having the interests listed in (1) through (9) 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:<Unchanged>

3. A person (usually a buyer) is a major business partner if 2% or more of the Company's consolidated <u>net sales</u> has come from that partner in any fiscal year within the past three years. 4:<Omitted> 5:<Omitted> <Newly established> <u>6</u>:<Omitted>	3. A person (usually a buyer) is a major business partner if 2% or more of the Company's consolidated <u>revenue</u> has come from that partner in any fiscal year within the past three years. 4: <Unchanged> 5: <Unchanged> <u>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.</u> <u>7</u>:<Omitted>
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End