

**EIZO INTEGRATED REPORT**

# 2023

*Visualizing a better tomorrow for all*



# Visualizing a better tomorrow for all



## Corporate Philosophy

Through the pursuit of imaging solutions with advanced technologies, we enrich people in their professional and personal lives.

## EIZO Group Principles of Conduct – Seven Promises

1. We provide solutions including high-quality products, systems and services loved by customers through creating and offering new values by unique technologies and ideas.
2. We implement our advanced environmental commitment to both our products and business activities.
3. We value a broadminded corporate culture and work with a global outlook and mindset.
4. We conduct open and fair business.
5. We seek to build and maintain strong bonds of trust with our stakeholders (i.e. business partners, employees, shareholders, and the local community).
6. We respect human rights, diversity and ensure a healthy work environment for all.
7. We comply with the letter and spirit of the law and act ethically.

 EIZO Group Principles of Conduct – Seven Promises  
<https://www.eizoglobal.com/company/information/conduct/>



## Contents

### Our Story

At a Glance	03
History of EIZO / Value Creation	05
Evolving Our Business Model and Bolstering the Business Structure	09

### Our Strategy

Financial and Non-Financial Highlights	11
CEO Message	13



EIZO Value Creation	17
The 7th Mid-Term Business Plan	19
Business Overview by Market	23

### Our Value

Foundation for Sustainable Growth	33
Enriching Society through Visuals	37
Broadminded Corporate Culture for Employees to Demonstrate Creative Abilities and Respect for Human Rights and Diversity	47
Strong Bonds of Trust with Our Stakeholders	55
Products and Business Operations that Address Environmental Issues	61

### Governance

Corporate Governance	71
----------------------	----

### Corporate Overview

Corporate Information	82
Corporate Profile and Stock Information	82
Group Companies	83
Financial Information	84
Performance Data	87

### Editorial Policy

The EIZO Integrated Report provides shareholders, investors, and other stakeholders insights on EIZO's mid- to long-term initiatives for enhancing its corporate value, by integrating financial information, including business performance and non-financial information, such as on business strategies and environment, society, and governance (ESG) issues, and is intended to encourage constructive dialogues with stakeholders.

#### Reference Guidelines

Integrated Reporting Framework by the IFRS Foundation  
Ministry of Economy, Trade and Industry (Japan) "Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation"  
GRI Sustainability Reporting Standards 2016/2018/2020/2021  
Final Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)  
Ministry of the Environment (Japan) "Environmental Reporting Guidelines 2018"

#### Date of Publication

October 2023 (Previous: October 2022 / Next: September 2024)

#### Scope of the Report

**Organizations covered**  
EIZO Group: EIZO Corporation and 6 domestic and 10 overseas companies  
Exceptions to the scope of coverage are explained in the relevant sections.  
**Reporting period**  
April 1, 2022 to March 31, 2023  
(Time periods are provided for events and activities that fall outside the reporting period.)


#### Disclaimer on Forward-Looking Statements

Any statement in this report, other than those of historical fact, are forward-looking statements about the future performance of EIZO Corporation and its group companies, which are based on management's assumptions and beliefs in light of information currently available. These statements include apparent or potential risks and uncertainties including forex impact and risks related to supply and demand. Actual results may differ materially from these forecasts

#### Market Categories

Business & Plus (B&P), Vertical & Specific (V&S), Healthcare (HC), Creative Work (CW), and Amusement (AMU)

#### Third-Party Assurance

Environmental performance indicators that have received third-party assurance are indicated by 

#### GRI Content Index

<https://www.eizoglobal.com/ir/integratedreport/>

#### Website

<https://www.eizoglobal.com/>

 **Scope of the Report, Third-Party Assurance** ▶ P. 90

#### EIZO Corporation

153 Shimokashiwano, Hakusan, Ishikawa, 924-8566, Japan  
Contact: Investor Relations  
Phone: +81-76-275-4121

At a Glance

Business Activities and Performance (FY2022)

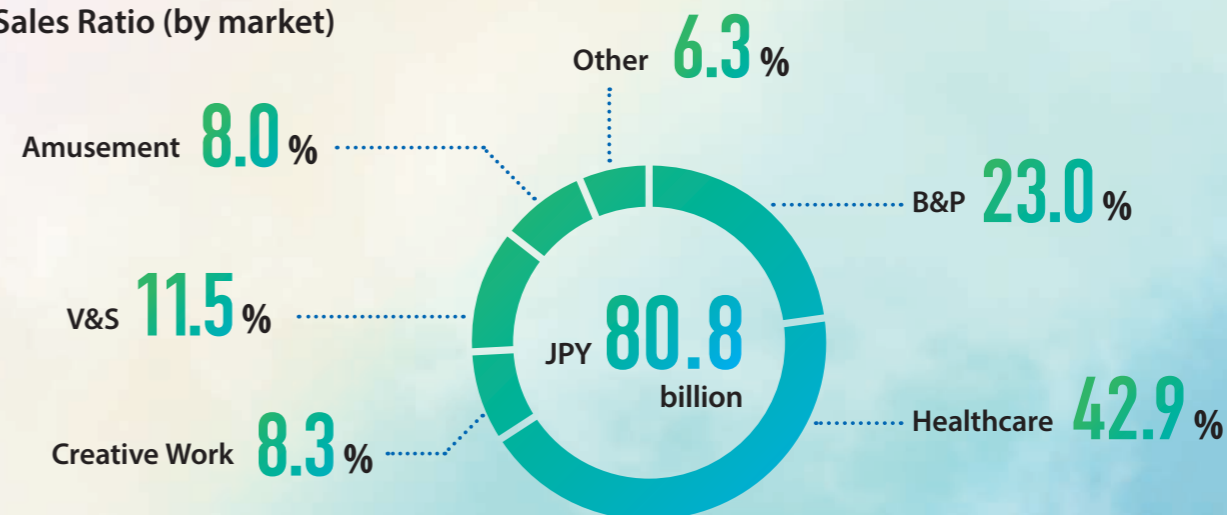
# Visual Imaging

Since our founding, we have consistently focused on visual imaging and contributed to customers through creating and offering new values by unique technologies and ideas.

# Aiming to Be the Number One in Key Vertical Markets

We intend to be the number one in each market, with solutions that support professional work.

## Net Sales Ratio (by market)



### In-House Development and Production

**100%**

Reference > PP. 37-40

### Overseas Net Sales Ratio

**68.2%**

(excluding amusement market)

### Ratio of R&D Expenses to Net Sales

**7.6%**

### Operating Income

**JPY 5,002 million**

### Equity Ratio

**77.3%**

### Consecutive Dividend Increase

**10**th fiscal year

Diversity, Work Environment, and Governance (As of March 31, 2023)

### Number of Employees (consolidated)

**2,530**



Male **54.9%** Female **45.1%**

Japan **77.8%** Overseas **22.2%**

### Ratio of Female Managers (consolidated)

**11.8%**



### Ratio of Women in Leadership Positions\* (Group companies in Japan)

\* Includes managers

**5.5%**



### Acquisition Rate of Childcare Leave (domestic group)

Female: **100%**



Male: **63.9%**

### Ratio of Independent External Directors

(As of June 23, 2023)

**44.4%**

### Employee Nationalities (consolidated)

FY2022

**38** countries and regions



Environment (FY2022)

### Responding to Climate Change

Reference > PP. 65-70



**A-** score on the climate change questionnaire



**Certified as a Supplier Engagement Leader**

### GHG Emission Reduction (Scope 1 + 2) Compared to FY2019

Down **35.2%**

### Goal of Achieving Net Zero GHG Emissions

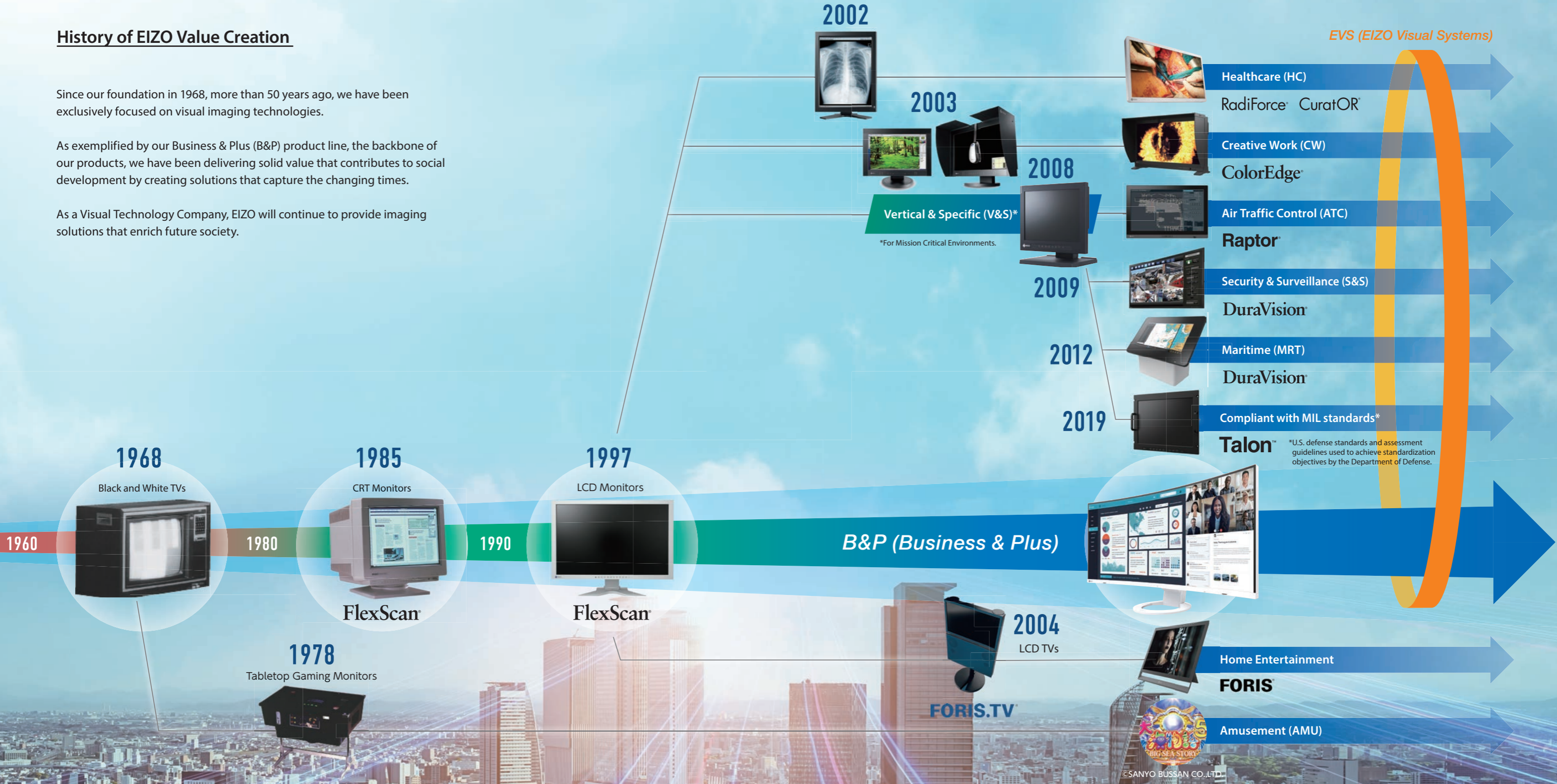
By **2040**

## History of EIZO Value Creation

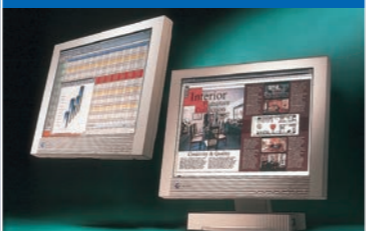
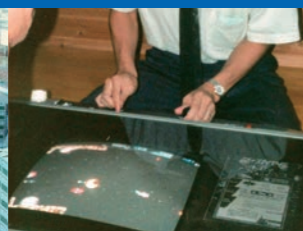
Since our foundation in 1968, more than 50 years ago, we have been exclusively focused on visual imaging technologies.

As exemplified by our Business & Plus (B&P) product line, the backbone of our products, we have been delivering solid value that contributes to social development by creating solutions that capture the changing times.

As a Visual Technology Company, EIZO will continue to provide imaging solutions that enrich future society.



### EIZO's Origins | Creating the Brand | From CRT to LCD | Business Expansion (Key Vertical Markets / Sales Structure) | Toward Further Growth



In 1968, Nanao Electric Co., Ltd. (currently EIZO MS Corporation) in Nanao City, Japan began as an original equipment manufacturer (OEM) of black and white televisions.

In 1973, Nanao Corporation (formerly Hakui Electric Corporation) started, a predecessor of EIZO Corporation.

Amid the transition from black and white to color TVs, EIZO began OEM production of other products related to visual imaging, including tabletop gaming monitors and VTRs.

EIZO decided to withdraw from OEM production and began selling CRT monitors under the EIZO brand name in Europe. This was followed by sales of its NANAO brand CRT monitors in North America and Japan.

In 1996, EIZO discontinued using the NANAO brand, adopted "EIZO" as its global brand name and introduced a new EIZO logo.

In 1997, EIZO developed and manufactured LCD monitors, bringing one of the first ever LCD products to market.

EIZO was listed on the Second Section of the Tokyo Stock Exchange in 2002 and then on the First Section in 2003. (Listed as the Prime Market from April 2022.)

EIZO entered the Healthcare and Creative Work markets.

EIZO accelerated business by acquiring organizations overseas (including manufacturers), which demonstrated a high affinity with key vertical markets.

EIZO strengthened worldwide production and sales structures by establishing a manufacturing facility in China and commencing direct sales in Europe.

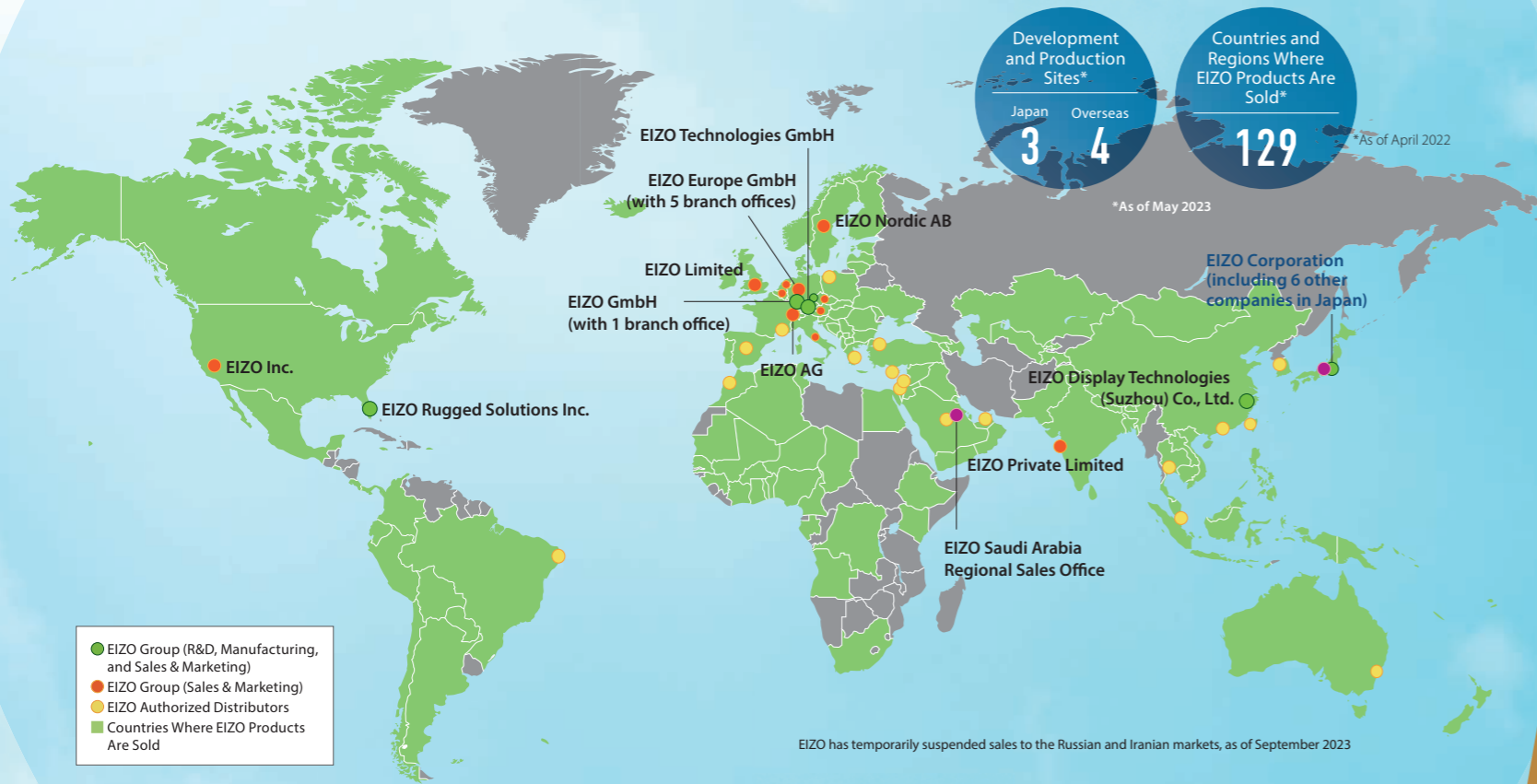
[Reference](#) EIZO's Expansion ▶ PP. 7-8

In 2013, the company name was changed from EIZO Nanao Corporation to EIZO Corporation. The new name embodies our continued commitment to "EIZO" (Japanese for "Image")—Visual Imaging Technologies. EIZO is further strengthening all products and systems businesses, not only monitors, to amplify our imaging value.

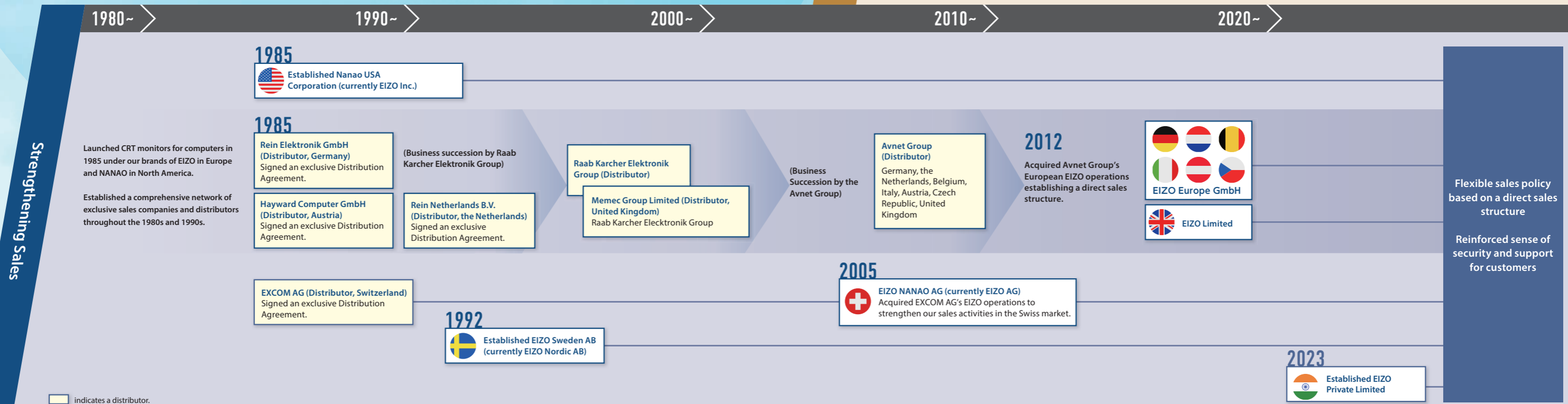
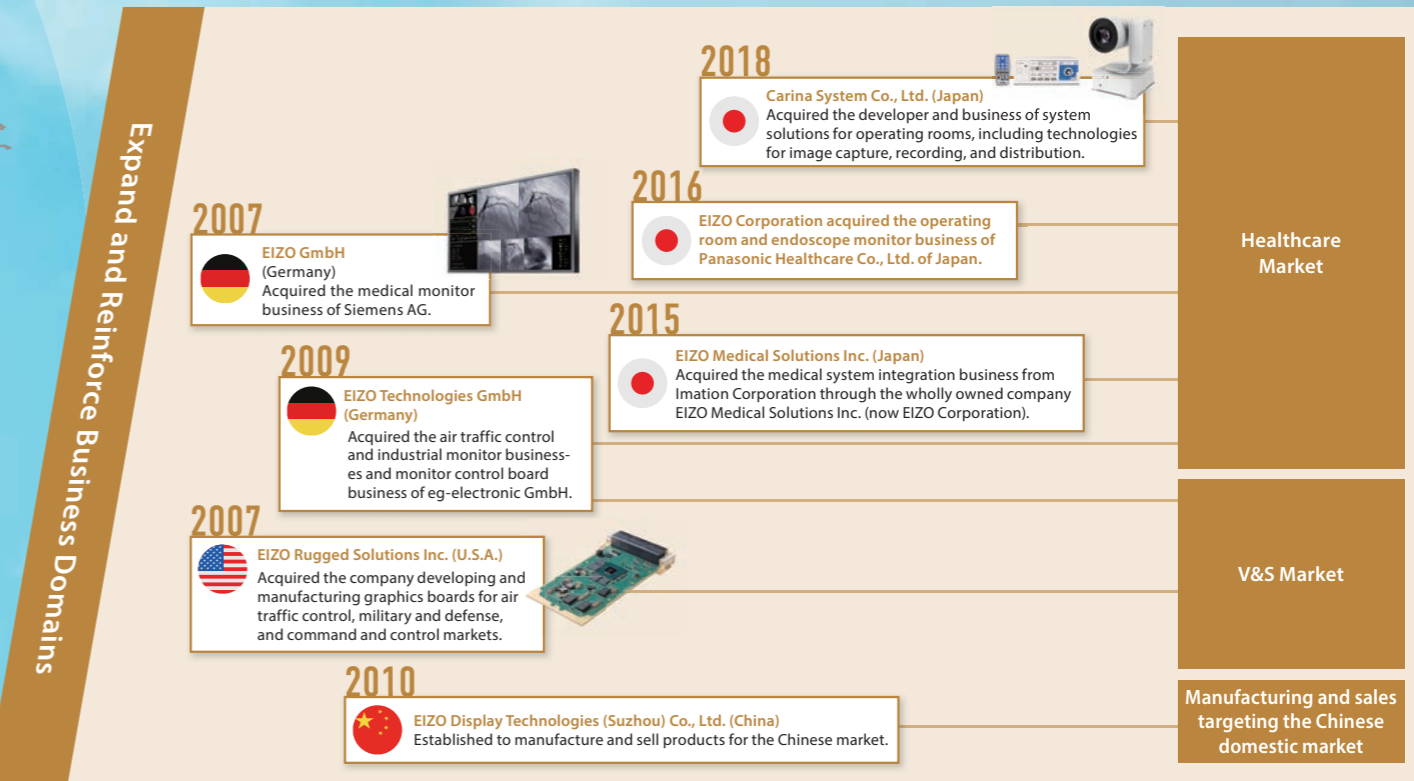
## History of EIZO's Value Creation

### EIZO's Expansion—A Stronger Group

EIZO have been steadily expanding its business domains and establishing development and production sites and a sales network that responds to user demands and needs by aggressively embracing M&A and other expansion strategies. All EIZO Group companies are collaborating to develop business globally.



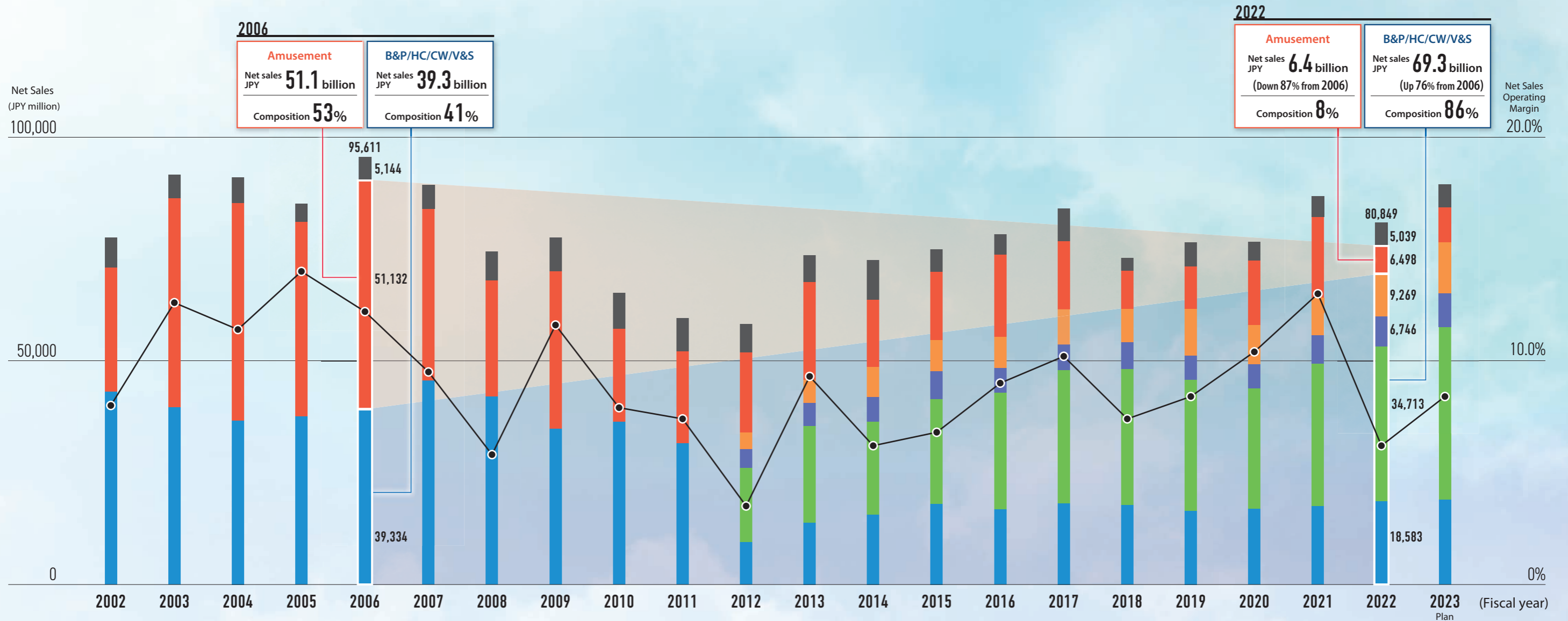
Established EIZO Private Limited in India and started operations in April 2023



## Evolving Our Business Model and Bolstering the Business Structure

With the gradual shrinking of the amusement market, EIZO has strategically evolved its business model by primarily growing its business in the B&P market as well as the expanding vertical market, such as HC, CW, and V&S, to strengthen its earnings base.

■ B&P 
 ■ HC 
 ■ CW 
 ■ V&S 
 ■ AMU 
 ■ Other 
 ● Operating Margin  
 Prior to FY2012, B&P, HC, CW, and V&S are collectively disclosed for computer monitors.



<b>Entry to Key Vertical Markets</b> <ul style="list-style-type: none"> <li>Diagnostic monitors for the HC market</li> <li>Color management monitors for the CW market</li> </ul>	<b>Strengthened Business for Key Vertical Markets through M&amp;A</b> <ul style="list-style-type: none"> <li>Enhanced monitors for the HC and Industrial markets</li> <li>Entered into the Air Traffic Control market</li> </ul>	<b>Progressed Globalization</b> <ul style="list-style-type: none"> <li>Transitioned to direct sales/distribution model in Europe</li> <li>Commenced operation of manufacturing and sales in China</li> </ul>	<b>Strengthened Business for the Healthcare Market</b> <ul style="list-style-type: none"> <li>Entered into visual solutions for operating rooms</li> <li>Enhanced monitors for surgery and endoscopy</li> <li>Acquired technology for capturing, recording, and distributing</li> </ul>	<b>Start of EVS (EIZO Visual Systems) Deployment</b> <ul style="list-style-type: none"> <li>Expanded business areas with total solutions by capturing, recording, distribution, and displaying</li> </ul>	<b>Expanded Direct Sales Structure</b> <ul style="list-style-type: none"> <li>Direct sales in India</li> </ul>
---	--	--	---	---	--

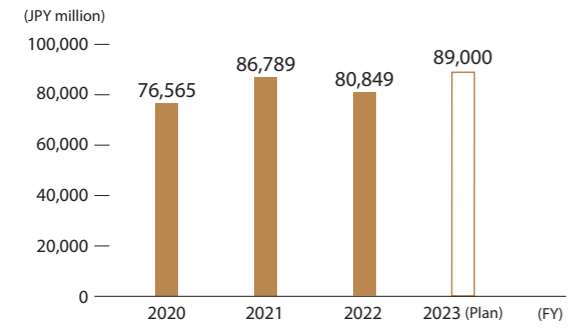
<b>Products and Services</b>	Increased products line-up and services and expanded business domain <a href="#">Reference</a> History of EIZO / Value Creation ▶ PP. 05-08
<b>Sales Structure</b>	Expanded direct sales/distribution model to meet customer needs and provide solutions <a href="#">Reference</a> EIZO's Expansion ▶ PP. 07-08
<b>Business Environment</b>	Digitalized image → Increased demand for networking and visual technology <span style="float: right;">Digital Transformation (DX)</span>

## Financial and Non-Financial Highlights

### Financial Information (Consolidated)

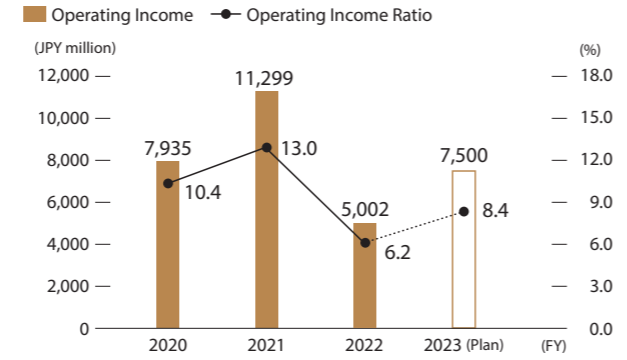
#### Net Sales

JPY **80,849** million



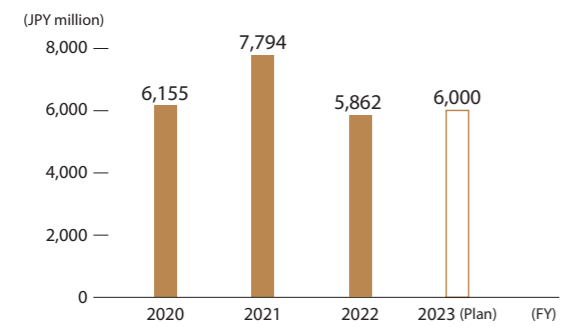
#### Operating Income and Operating Margin

Operating Income: JPY **5,002** million  
Operating Margin: **6.2** %



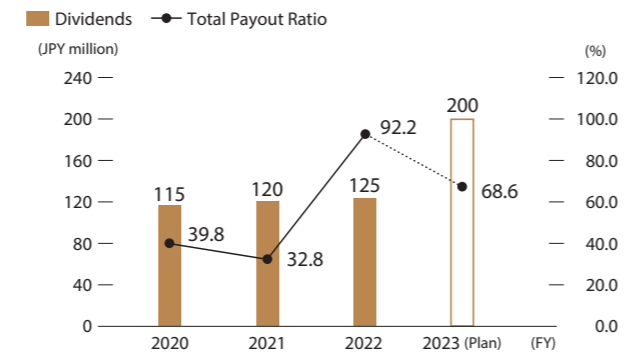
#### Net Income Attributable to Owners of the Parent

JPY **5,862** million



#### Dividends and Total Payout Ratio

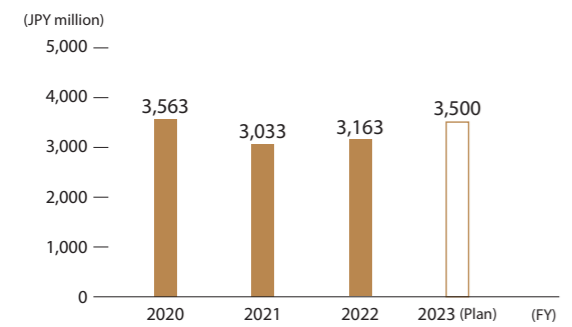
Dividends: JPY **125** million  
Total Payout Ratio: **92.2** %



Total payout ratio for FY2022 includes JPY 2,821 million in share buyback.

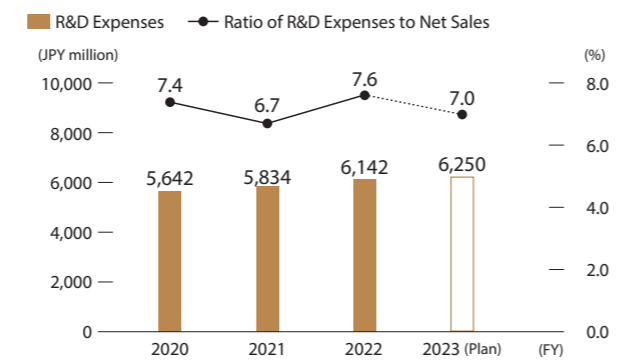
#### CAPEX

JPY **3,163** million



#### R&D Expenses and Ratio of R&D Expenses to Net Sales

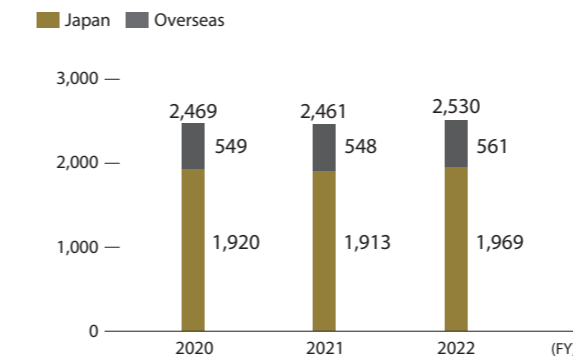
R&D Expenses: JPY **6,142** million  
Ratio of R&D Expenses to Net Sales: **7.6** %



### Non-Financial Information

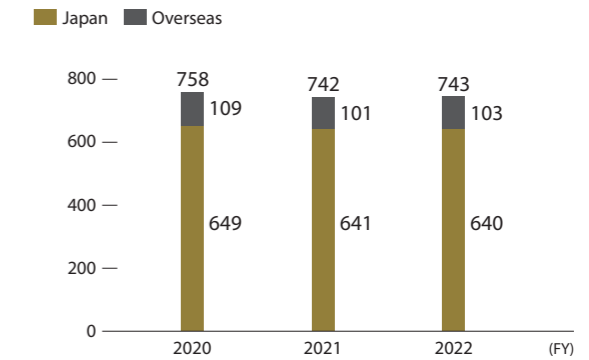
#### Number of Employees (Including the average number of temporary staff, as of March 31, each year)

On a Consolidated Basis: **2,530**  
Japan: **1,969**  
Overseas: **561**



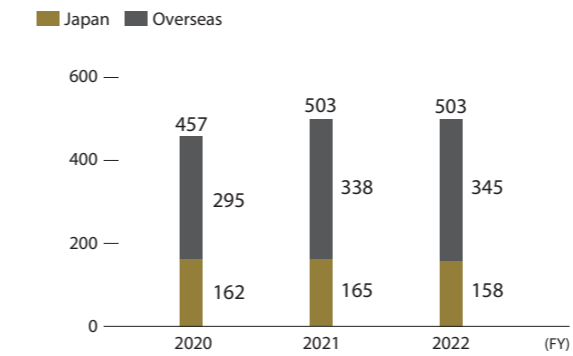
#### Number of R&D Personnel (Including the average number of temporary staff, as of March 31, each year)

On a Consolidated Basis: **743**  
Japan: **640**  
Overseas: **103**



#### Number of Patents Owned (As of March 31, each year)

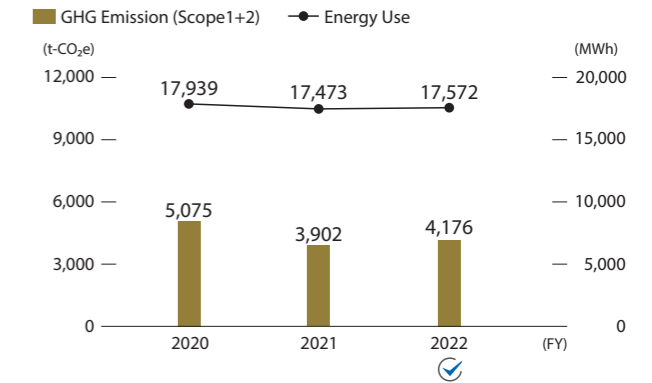
On a Consolidated Basis: **503**  
Japan: **158**  
Overseas: **345**



Patent terms are extended after reviewing the necessity, taking into consideration the size of the market of the respective products, intellectual risks, and regional status of patents.

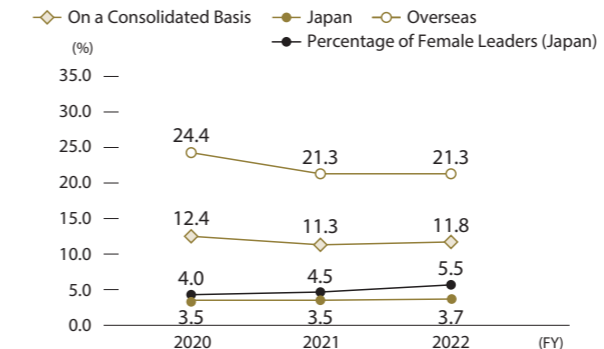
#### GHG Emissions (Scope 1 + 2)/Energy Use

GHG Emissions: **4,176** t-CO<sub>2</sub>e  
Energy Use: **17,572** MWh



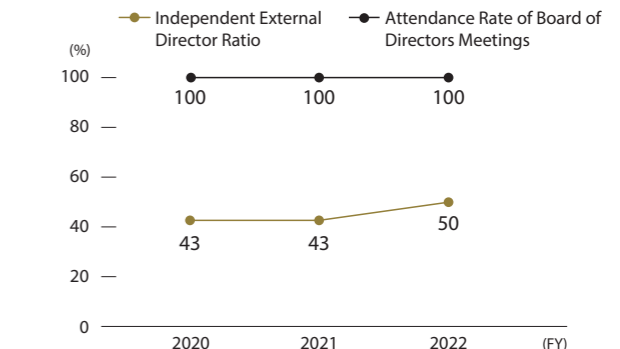
#### Percentage of Female Managers / Percentage of Females in Leadership Positions (As of March 31, each fiscal year)

Percentage of Female Managers: On a Consolidated Basis: **11.8** %  
Japan: **3.7** %  
Overseas: **21.3** %  
Percentage of Female Leaders: On a Consolidated Basis: **5.5** %  
Japan: **3.5** %  
Overseas: **21.3** %



#### Independent External Director Ratio and Attendance Rate of Board of Directors Meetings (As of March 31, each year for attendance rate)

Independent External Director Ratio: **50** %  
Attendance Rate of Board of Directors Meetings: **100** %



**CEO Message**



September 2023  
President & CEO, EIZO Corporation

**Yoshitaka Jitsumori**

## EIZO's Initiatives for an Enriched and Sustainable Society

### Review of FY2022 Financial Results

#### What are the key points of your business performance in FY2022?

While the previous fiscal year we achieved record-high profits, FY2022 saw a decrease in sales and profits for the first time in three years. We did anticipate this results in advance, and it was primarily due to the negative impact of reduced sales attributed to the reactionary decline in replacement demand in the Amusement. However, we have consistently achieved steady growth in markets we strategically prioritize, such as the Healthcare and Creative Work, where we achieved the highest sales figures ever. We attribute this success to the strength of our business model and the result of our continued strategic evolution.

### Towards Further Evolution & Growth

#### To evolve EIZO's business model even further, EIZO is also strengthening our systems business model.

Under the basic principles outlined in the 7th Mid-Term Business Plan, we set the goal of "Enhancing the value of "Imaging" " through both Products & Systems, as well as expanding our addressable business field.

At the core of this strategy is "EVS (EIZO Visual Systems)". Leveraging the strengths of EIZO Group, which cover the entire "Imaging Chain": Capturing, Recording, Distributing and Displaying, we have been working to enhance our imaging chain capabilities.

In FY2022, EIZO's Security & Surveillance solutions addressed the increasing demands of the surveillance market, such as for Transportation, Financial Institutions, River, and Underwater surveillance, successfully solving customer

challenges.

Additionally, in the Healthcare, we developed the first-ever EIZO branded 4K-compatible medical recorder, enabling us to support capturing, recording, distributing, and displaying high-definition 4K imagery.

In this way, business growth thanks to our EVS technologies has been steadily realized. In FY2023, we will accelerate the expansion of our business fields, including international expansion based on successful cases in Japan.

We ask for your continued anticipation of our future growth.

#### What is the aim of establishing a Group company in India?

We are active globally, and as our business model evolves with a growing adoption in more challenging applications such as Healthcare, Creative Work, and Air Traffic Control, we have found that it is increasingly important to engage with customers patiently from the initiation of discussions to the closing of deals. Because our products are being used in critical applications, there is a greater need for stable supply and prompt support. This has led to an increase in scenarios where we need to provide direct assistance. As a result, we have been gradually establishing local subsidiary companies, starting with those in Europe and the U.S., to establish a direct sales presence and support system, believing that we can meet customers' expectations by directly conducting local marketing and sales and to be agile in our responses.

The same is true for India and the Middle East. These regions are expected to experience growth in the medium to long-term. We have already achieved No. 1 market share in the Creative Work in India and the Healthcare in Saudi Arabia. In the future, we not only aim to further expand our presence in these strong markets but also intend to use this as a stepping-stone to explore new markets such as Industrial and Air Traffic Control. To achieve these goals, we have been strengthening our local sales and support infrastructure.



**CEO Message**

**Accelerating Sustainability Initiatives**

**Sustainability initiatives are also progressing from a long-term perspective.**

In 1992, we established a Group company in Sweden, a country with a high level of environmental awareness. Through this subsidiary, we have been able to access information on environmental issues and trends and keep abreast of regulatory developments promptly so we can visualize our environmental compliance. Since then, we have always strived to be at the forefront of environmental responsiveness and sustainability, including environmental friendliness considerations for our products and the well-being of people, an integral part of our company's DNA.

In FY2022, based on the analysis of risks and opportunities related to sustainability initiatives, we identified material aspects, established KPIs and set goals. This has allowed us to clearly define our policies and direction, both internally and externally, and we believe it has further accelerated our efforts in sustainability.

Regarding our response to climate change, we endorsed

the TCFD in May 2021 and promoted analysis and disclosure in accordance with the TCFD framework. Furthermore, in FY2022, we formulated an action plan to achieve our GHG emission reduction goals as a Low Carbon Transition Plan - "Transition to Net Zero." In FY2022, we also responded to the CDP questionnaire for the first time and received an "A-" rating. We are now working to strengthen our system and deepen our initiatives to achieve an even higher rating in the future.

**What are your thoughts on initiatives related to human capital and the advancement of women?**

We believe that human capital is the foundation for business growth. We are committed to creating a work environment in which each employee can fully demonstrate his or her abilities, and to maintain an open and inclusive corporate culture that encourages personal growth while providing a sense of fulfillment. To this end, we are working on a variety of initiatives, including employee training, cultivating the right mindset, providing various growth opportunities, and introducing employee-friendly policies that make it easier to work. Of course, I believe that it's one of the responsibilities of any CEO to "boost employee motivation" and not to overlook

the daily act of walking through the company, engaging with employees, and offering words of encouragement.

While it might seem that there are relatively few female employees in management positions, we believe we are evolving nicely. From the beginning, we have not made any distinction based on gender in terms of recruitment, evaluation, or promotion. Currently, we have a solid number of female employees who are actively contributing as leaders, and we anticipate that the number of female employees taking on management positions will continue to grow in the future.

**How do you feel about diversifying the Board of Directors?**

Following the appointment of a female external Director in June 2022, a foreign Director joined the Board in June 2023, further diversifying the Board. I have noticed that discussions within the Board have become more vibrant, with input and perspectives that differ from the traditional ones. I believe that receiving opinions and feedback from the nine Directors with various backgrounds and experiences has contributed to strengthening our governance practices.

**Approach to Shareholder Returns**

**What are your thoughts on the change in shareholder return policy starting in FY2023?**

To improve capital efficiency, we have set an ROE target of 8%. I believe that a quick reduction in equity would be counterproductive from the perspective of increasing corporate value over the medium to long term. Our basic approach is to increase ROE by increasing the level of profits.

We operate in markets such as Healthcare and Industrial sectors, which can be considered essential social infrastructure. We have a responsibility to develop and provide a stable supply of "good products" in these markets over the long term. To prepare on the procurement front and make proactive investments for future growth, sufficient equity is essential.

Maintaining financial soundness while returning value to shareholders is a critical management priority, which is why we have formulated a new shareholder return policy to provide clear guidance in this regard. We aim to secure the necessary funds for business expansion while considering our financial situation and future performance. As a result, we have set a target level for the total shareholder return (total return ratio) at 70% of consolidated net income for the fiscal year. Depending on our performance, business environment, and short-term capital requirements, we will determine the payout ratio on an annual basis. In FY2023, we are planning to increase dividends, marking the 11th consecutive year of dividend growth.

Moving forward, we will continue to strive to exceed the expectations of our stakeholders, push the boundaries of technology, which is our corporate philosophy, and realize a prosperous future society where imaging technologies play a key role. We are also committed to report on the details of our efforts in our Integrated Report. This marks the 4th year of publishing our Integrated Report, and we have been continuously improving it based on feedback, opinions, and advice from various stakeholders. Through our Integrated Report, we aim to provide a broader and deeper understanding of our company and believe it helps all stakeholders get to know us better.

Your feedback and insights are invaluable to us in this ongoing journey.



## EIZO Value Creation

We aspire to enrich future society and enhance corporate value by investing the resources we have accumulated for over 50 years since our founding to deliver imaging-related products and solutions.

FY2022 (consolidated)

### Management Resources

#### Intellectual Capital and Manufacturing Capital

**100%** In-House Development and Production  
 R&D: **7** worldwide  
 Production Sites: **7** worldwide  
 R&D Expenses: JPY **6.1** billion  
 CAPEX: JPY **3.1** billion

- In-house production of all products in Japan, Germany, China, and the United States
- Stringent quality control in collaboration with the R&D, quality control, and manufacturing departments
- Advantage in procurement of components and stable supply of products to customers

#### Human Capital

Number of Employees: **2,530** (as of March 31, 2023)  
 Number of Employee Nationalities: **38** countries/regions

- Open and respectful corporate culture
- Active engagement by diverse personnel

#### Natural Capital

Usage Rate of Renewable Energy: **39%**

- Aggressive efforts to combat climate change
- Ongoing efforts to reduce environmental impact of products

#### Social and Relationship Capital

Countries and Regions with Sales Activities: **129** (as of May 2023)  
 Number of Suppliers (Primary): **193**

- Global sales network, supply chain
- Sustainability with suppliers

#### Financial Capital

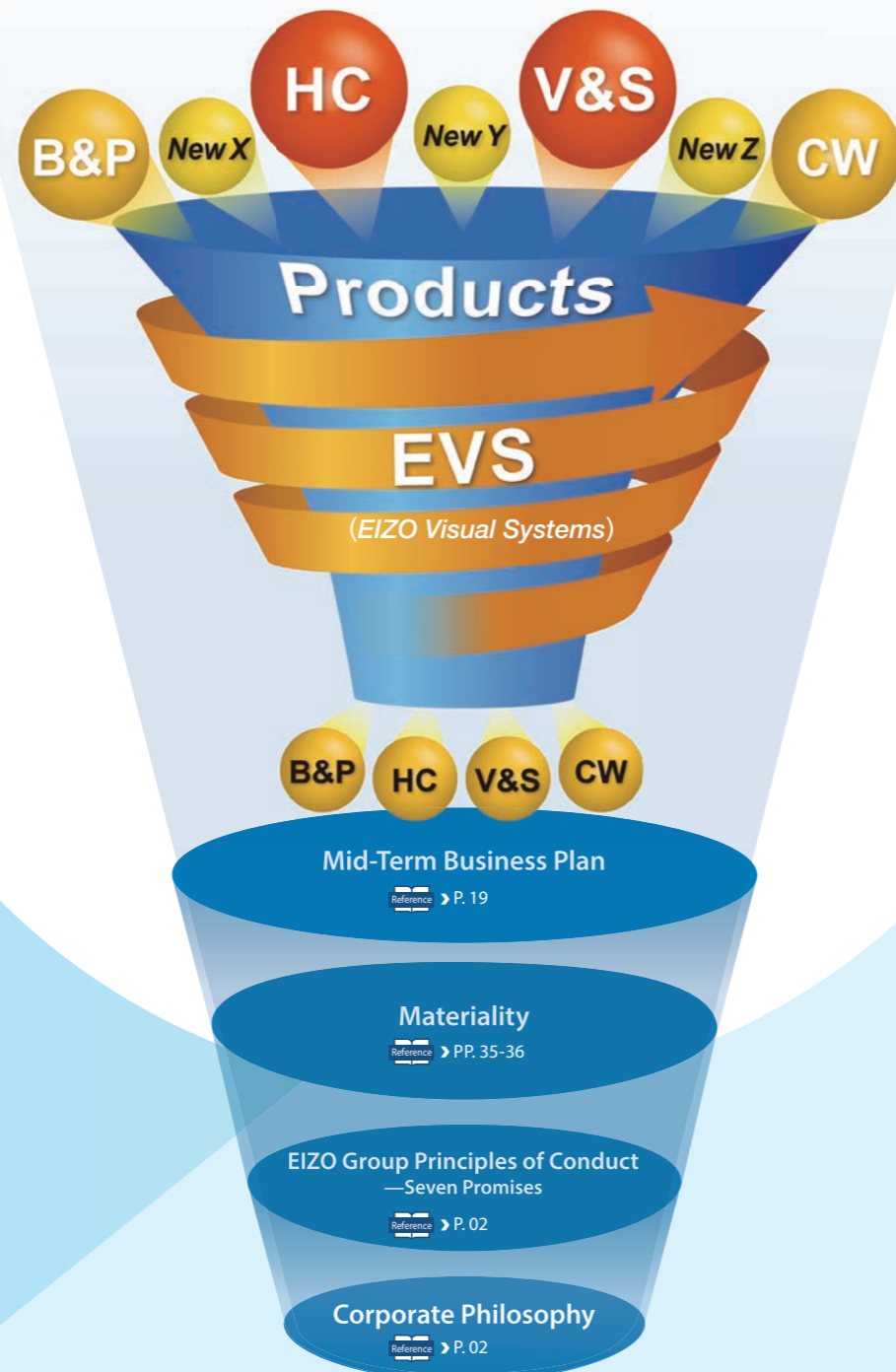
Equity Ratio: **77.3%**  
 Operating Margin: **6.2%**

- Financial Stability
- Investing for future growth with a long-term perspective

### Business Activities (Business Model)

#### Strengthen Products through Systems and Enhance Systems by Strengthening Products

By leveraging our technologies from capturing to recording, distributing, and displaying, we provide imaging solutions centered around high-quality, high-performance monitors.



### Value for Society

#### Financial Institutions

Superior image quality and reliability supporting financial trading operations

#### Offices

Functions and ergonomics for operational efficiency

#### Home

High-definition monitors for greater satisfaction

#### Hospitals

Visual environments for sustaining accurate diagnosis and cutting-edge surgery

#### Creative Work

Precision color reproduction to improve operational efficiency and accuracy

#### Railways

High visibility to support platform safety checks

#### Factories

Extensive lineup for diverse needs

#### Marine Vessels

Video systems to ensure safe navigation and onboard security

### E Environment

- Promoting response to climate change
  - CDP "A—" rating
  - Transition to Net Zero, a low carbon transition plan, was established in May 2023
- Promoting environmental consideration in products



### S Social

- Strengthening efforts to respect human rights: established EIZO Group Human Rights Policy
- 2023 Certified Health and Productivity Management Organization (large enterprises category)
- Promoting sustainable procurement



### G Governance

- Board diversity [Reference](#) Composition of the Board of Directors and Operating Officers (Skills Matrix) > P. 74
- Sustainability management centered on the Sustainability Committee
- Enhancing information security (obtained ISO/IEC 27001 certification)
- Selected as a DX-Certified Operator



Enriching future society with visual imaging



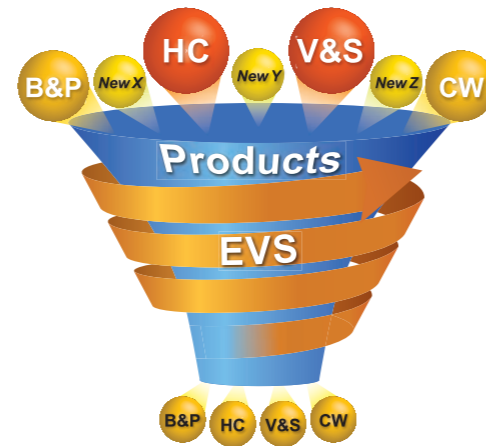
## The 7th Mid-Term Business Plan

### Overview of the 7th Mid-Term Business Plan (FY2021–2023)

#### Basic Policy

The 7th Mid-Term Business Plan is intended to visualize the value of “Imaging” through products and systems and show our expanding business fields.

In terms of products, we intend to strengthen, expand, and enhance each product portfolio, from monitors and cameras to video encoders. We will achieve this by applying our own in-house algorithms and AI as key elements. In addition, to amplify the value of “Imaging,” we will further develop our systems business throughout our “Imaging Chain,” which consists of our various business units. We call this systems business “EIZO Visual Systems” (EVS) and will evolve the business model by strengthening products through systems and enhancing them with even stronger product bases.



#### Key Measures

##### Business Strategy by Market

- B&P**  
 Consistently provide high-performance, safe, and reliable products
- Healthcare (HC)**  
 Expand EVS from operating rooms (OR) to intra- and inter-hospital. Further expand the entire Healthcare business through synergies with EVS in PACS\*1, HIS\*2, Modality\*3, IVR\*4, etc.
- Creative Work (CW)**  
 Realize differentiation through original technology with an industry-leading reputation
- V&S**  
**Security & Surveillance**  
 Drive EVS with image optimization technology and ultra-high sensitivity cameras
- Air Traffic Control (ATC)**  
 Expanded the facility in Germany dedicated to ATC product development and increased production capacity ready for anticipated market growth post-COVID
- Amusement (AMU)**  
 Contribute to the development of the industry together with our partners by leveraging the EIZO Group’s comprehensive strengths

##### Investment in Growth Opportunities

Draw on our solid financial base to aggressively invest in growth areas ensuring the realization of our 7th Mid-Term Business Plan

\*1 Picture archiving and communications system \*2 Hospital information system \*3 CTs and MRIs \*4 Interventional radiology

#### Numerical Targets

	FY2021 Results	FY2022 Results	FY2023 Forecast	FY2023 Targets in Mid-Term Business Plan
Consolidated net sales	JPY 86.7 billion	JPY 80.8 billion	JPY 89.0 billion	JPY 88.0 billion
Operating income	JPY 11.2 billion	JPY 5.0 billion	JPY 7.5 billion	JPY 13.2 billion
Operating margin	13.0%	6.2%	8.4%	15.0%
CAPEX	JPY 3.0 billion	JPY 3.1 billion	JPY 3.5 billion	JPY 3.0–4.0 billion
R&D Expenses	JPY 5.8 billion	JPY 6.1 billion	JPY 6.2 billion	JPY 6.0–7.0 billion

Strengthen the EIZO business model further to raise value and profitability to an even higher level  
 Strive to achieve record profit levels in FY2023, the final year of the 7th Mid-Term Business Plan

**CAPEX**  
 Continue to invest for business growth from a long-term perspective

**R&D**  
 Continue to invest in key areas for business growth (ratio of R&D expenses to net sales: 7–8% or more)

### FY2022 Achievements & FY2023 Initiatives

#### Expanding Business Areas Through EVS

##### FY2022 Achievements

Achieved Steady Business Growth by Offering Strengthened Products and Solutions that Comprise the Imaging Chain

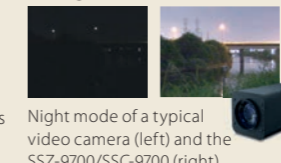
##### Developed a new recording and distribution system for operating rooms to create an imaging chain that links high-quality images in hospitals

- Developed the EIZO brand’s first medical recorder, which supports robust, 4K high-definition video recording and outstanding connectivity.
- We released a 12G-SDI switcher that works with ADMENIC, an in-hospital video distribution system. The unit supports a variety of inputs and outputs and is capable of downscaling from 4K to Full HD.



##### Offered surveillance solutions to resolve the issues a diverse number of customers are facing

- Monitored rivers in real time using EIZO’s ultra-sensitive camera.
- Detected problems at an early stage using EIZO’s visibility improvement system that sharpens images captured by underwater drones.



Night mode of a typical video camera (left) and the SSZ-9700/SSC-9700 (right)

##### FY2023 Initiatives

Further Expansion of Business Areas through EVS

##### Expand products and provide total visual environment solutions for diverse needs and markets

- Telemedicine products and services that respond to changes in hospital workflows.
- Accelerated development of solutions for overseas markets.



Medical monitors optimized for remote image interpretation are scheduled for launch in October 2023

- Accelerate the development of the surveillance business in anticipation of increasing new requirements arising from market expansion and advanced initiatives.



Predictive infrastructure maintenance, Road condition monitoring, Offshore wind-power monitoring

Reference V&S (Vertical & Specific) > PP. 29-30

Case Study <https://www.eizoglobal.com/solutions/casestudies/>

#### Execution of Investment in Growth Opportunities

##### FY2022 Achievements

- Completed new logistics building to increase the stable supply of products**  
 We streamlined logistics through in-house consolidation of materials and products that had previously been dispersed in external warehouses. We also achieved net-zero GHG emissions from new logistics building by promoting measures to reduce environmental impact.
- Established sales subsidiary in India**  
 Built a direct sales system in the Indian market, considering expected economic growth.  
 Promoted the development of new markets such as the Industrial market in addition to the Creative Work market (including film production) and Healthcare, where our sales have been increasing annually.

##### FY2023 Initiatives

Investments for business growth

- Construct a new technology building for future business growth**  
 We will strengthen our core products, system development, and customer response capabilities and promote sustainability.
- Promote DX investment**  
 We will revamp a manufacturing execution system (MES) that can support flexible, efficient responses to customer demands for customization.

#### Emerging as the Number One in Vertical Markets

##### FY2022 Achievements

Total sales for B&P, HC, CW, and V&S reached a record high

Although FY2022 started with product supply unable to keep pace with strong domestic and overseas demand, sales increased thanks to a flexible production capability that leverages the strength of our 100% in-house development and production.

##### FY2023 Initiatives

Achieve further growth in each of the HC, CW, and V&S markets

By region, we plan to expand business in India and the Middle East in addition to the United States and China, where our efforts have been focused.

Reference Business Overview by Market > PP. 23–32

Leverage our strong financial base to invest aggressively in R&D, infrastructure, and HR to drive business growth  
 Further evolve our business model by expanding business areas through EVS

## 7th Mid-Term Business Plan

The following comments from executive officers responsible for promoting the business shed light on the direction of our business under this plan and progress being made to achieve it.

### Accelerating Growth by Increasing Business in Overseas Markets and Expanding Business Field through EVS

#### Kazuhide Shimura

Senior Manager, Strategic Business Development  
Senior Executive Operating Officer, Strategic Business Development, Sales & Marketing, Global & Japan  
EIZO Corporation



In FY2022, the second year of the 7th Mid-Term Business Plan, total sales of B&P, Healthcare, Creative Work, and V&S achieved a record high of 69.3 billion yen, despite a decrease in overall sales. In sales by region, overseas sales increased by 15% from the previous fiscal year, reaching a record high.

EIZO will further strengthen its position in its target markets.

To this end, we will accelerate the expansion of our business in overseas markets.

In the healthcare market, EIZO has achieved the number one market share in Japan and Europe. In addition, we will strengthen our sales structure and implement the necessary measures to become number one in the large-scale U.S. market.

Then the next targets are India and the Middle East, we launched a direct sales structure by establishing EIZO Private Limited, EIZO's wholly owned subsidiary in India, in April 2023. Bollywood, a thriving film production industry based in India, has produced more movies than Hollywood in the United States, making it number one in the world. We have been selling our products through a distributor in India for about 20 years and already command the number one share of the creative work market. The Indian market is expected to expand and economically grow in the future, so we intend to make bold investments there from a manufacturer's perspective.

In the Middle East, we plan to strengthen our sales structure mainly in Saudi Arabia, the region's largest market. We began selling our products there through a distributor in 2007, and since 2014 we have been hiring in Saudi Arabia to

strengthen sales, helping us gain the number one share in the healthcare market. Saudi Arabia is promoting a government-led, nation-wide initiative to diversify the industry as a strategic goal, and the Middle East countries, including Saudi Arabia, is expected to develop economically. We will therefore aggressively invest in this region to expand business.

Our other strategy is EIZO Visual Systems (EVS). The value of images and videos continues to rise in the wake of accelerating DX. EIZO is developing initiatives to further enhance their value by providing an Imaging Chain, which comprises capturing, recording, distributing, and displaying, as EVS, to support customer DX.

For example, images shot in backlight, or with shade reflected, or shot in foggy or rainy conditions cannot, as they are, fully demonstrate their value. However, EVS brings out the otherwise hidden image data and detail. In addition, demand is growing for the sharing of images and videos between hospitals, although security concerns must first be addressed. EVS will facilitate the secure sharing of images and videos between hospitals, thereby increasing the value of medical images and videos. In 2023, we will release our first dedicated medical recorder. With this product at the core of our EVS offerings in the healthcare field, we plan to expand the scope of what we can provide. EVS will create new markets and fresh ways of using videos that require EIZO and its monitors.

These strategies will further strengthen EIZO's overwhelming lead in the industry.

### Amplifying the Value of Images and Videos through Products and Systems

#### Masaki Kita

Senior Manager, R&D, Visual Products  
Operating Officer  
EIZO Corporation



Society is further transforming, with image and video becoming increasingly important for telecommuting, telemedicine, remote monitoring, and more. To strengthen our products, we have incorporated optimized functions for changes in working environments, such as home reading, into our healthcare monitors for the first time. We have also updated our IP solutions platform so that we can continue to add features such as enhanced security functions.

In addition, we have worked on building a new 4K video system in the healthcare market. Our development of the CuratOR MIR-1 recorder, which records surgical videos at 4K resolution and 60 frames per second, enabled us to complete the Imaging Chain, connecting the operative field camera, medical recorder, endoscope monitor, and viewing and management software all with 4K videos.

We maintain our basic policy of growing business by developing technologies that amplify the value of images and videos through products and systems.

We will strengthen products with such features as high quality, high reliability, and excellent environmental performance throughout the entire Imaging Chain, using capturing, recording, distributing, and displaying technologies. To further step up our sustainability efforts, we will promote the development of technologies to reduce environmental impact, such as the use of green materials, continuing to pursue power-saving designs, and reducing the weight and size of products across a wide range of categories.

With regard to systems, which connect these products to enhance the value of images and videos, we will continue to strengthen network distribution technology, application

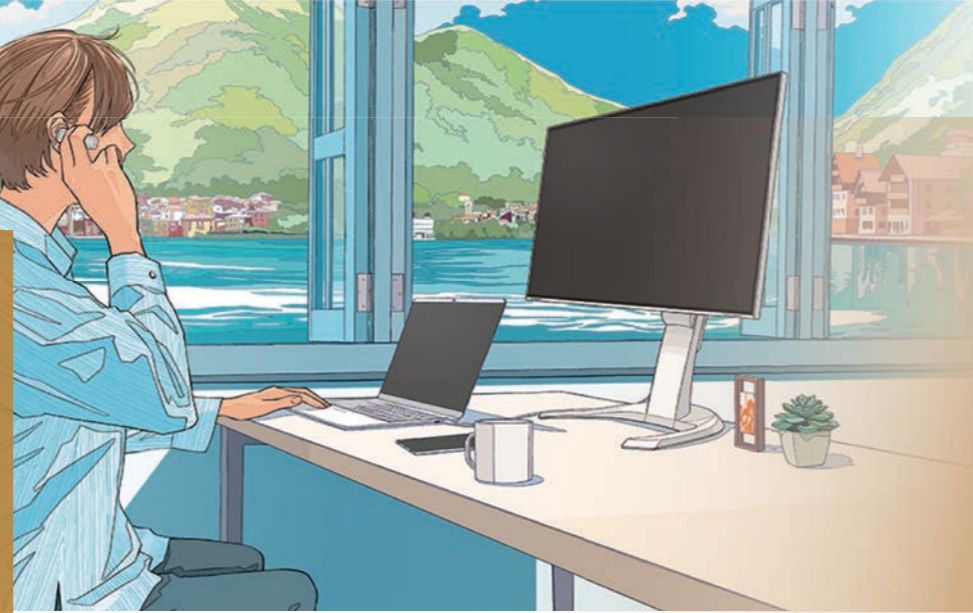
software, and systems engineering. We have established a proven track record with the RadiNET series of medical monitor quality management software and the ADMENIC series of surgical video viewing and management software. In addition, the MEDIASYNERGY series of network video distribution and display systems are gaining entry into industrial fields such as remote control and monitoring. To add resources to meet these wide-ranging needs and to strengthen our ability to offer them as a service, we are also developing an IT service management system. Moreover, we believe creating new technologies such as AI to utilize image and video data will be essential for further enhancing their value. Until now, we have primarily applied them to improve internal productivity and enhance our technical capabilities. We have specifically used them to automate in-house image quality evaluations and visually inspect production lines. Practical applications of technologies cultivated through these efforts are opening the way for expanding our business. Further technological development and in-house use as well as joint development and research with business partners will enable us to continue refining our technological capabilities and accelerate business development.

In this way, we will establish a more robust Imaging Chain for handling images and videos, on both the product and system fronts, to accelerate our expansion into the healthcare and industrial markets. This in turn will deepen our understanding of customer workflows and issues, leading to the next stage of product and system improvement. By repeating this cycle, we will significantly help to advance our customers' operations through an Imaging Chain that we can exclusively provide.

## Business Overview by Market

### B&P (Business & Plus)

- Financial Institutions
- Public Authorities
- Educational Facilities CAD
- Commercial Facilities
- Business & Home Use



Now, find your workstyle.

The products are designed taking the environment into consideration, ergonomically sound, and widely used within financial trading institutions as well as in offices and educational facilities. The FlexScan® series offers excellent image quality and reliability as standard performance features, and TCO performance for costs of installation, maintenance, and management. It also includes advanced features and functions resulting from years of dedicated work in environmental performance and ergonomics, such as minimizing eye fatigue.

EIZO products achieve the most advanced environmental performance in the industry, including an energy-saving design that contributes to reducing GHG emissions and improved recyclability. They have been designed so users can work comfortably for extended periods and offer a virtually frameless design for a seamless view across multi-monitor configurations and reduced screen brightness and reflection. Moreover, we have a variety of models that incorporate USB Type-C connectivity for compatibility with notebook PCs to contribute to user productivity in the office and while teleworking.

### Management Environment

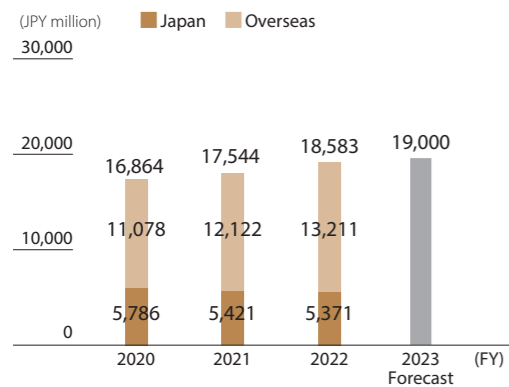
Larger and higher-definition monitors are increasingly required for even greater work efficiency. In addition, demand for environmentally sound products is expected to rise due to an increased awareness of sustainability. Moreover, there is a growing need for advanced functionalities, including compatibility with notebook PCs, as lifestyles and working practices become increasingly diversified following the COVID-19 pandemic.

### Performance Highlights

#### Net Sales

JPY **18,583** million ↑  
 year-on-year  
 Up **5.9%**

#### Consolidated Net Sales



#### FY2022 Results

##### Overseas

- Despite delayed capital investment in the IT market in Germany and other parts of Europe, sales remained strong and exceeded those of the previous year.

##### Japan

- Sales were on a par with the previous year due to inventory adjustments by distributors.
- Sales of high value-added products increased, mainly to corporate customers.

#### FY2023 Outlook

As EIZO's base model, we will develop products that are environmentally conscious and improve convenience. While sales are expected to be strong in Japan and overseas in general, the outlook is uncertain in Europe, where there is a growing sense of economic slowdown and some delayed capital investments.



### Case Study

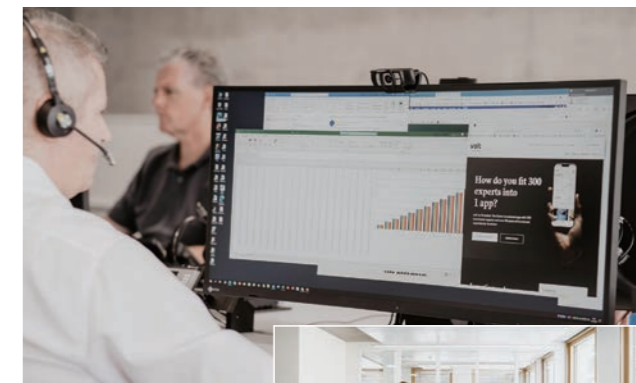
Bank Vontobel AG



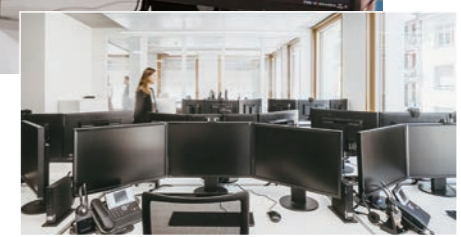
### Additional Introduction of Ultra-Wide Curved Monitor FlexScan EV3895 Due to High Reliability Rating

Bank Vontobel, a global investment firm for private and institutional investors headquartered in Switzerland, has been using the FlexScan EV2416W in their trading room since 2013, and the organization continues to have great confidence in EIZO products.

In addition, low power consumption was a deciding factor in 2021 for also adopting the FlexScan EV3895 in their back office. The ability to simultaneously display multiple applications on the 37.5" ultrawide screen increases productivity, while the moderate curve maintains visibility for working more comfortably.



<https://www.eizoglobal.com/solutions/casestudies/>



VOICE



**Patric Vigato**  
 Regional Sales Manager  
 EIZO AG

EIZO's highest quality standards coupled with an intense customer focus are my value proposition for a successful and long lasting customer relationship within various world leading companies from the financial sector to the watch industry.

We have the strength to support existing and new customers with their issues. With our durable lineup and reliable project pricing, I'm able to provide the stability they lack in their day-to-day business. With our excellent manufacturing quality and very agile way of working, I can support our partners and customers with a level of service that reduces their workload and adds real value.

I would like to mention the motivation of the whole EIZO team and the pride of being part of EIZO. This motivation boosts our intention to provide top performance for our customers and our company. In addition to our fabulous products, we are also delivering the professionalism that is associated with the EIZO name.

Business Overview by Market

Healthcare (HC)

- Diagnosis / Medical Examination
- Medical Treatment / Operation
- Healthcare IT



Making Each Life Visual

The importance of medical imaging is growing in our current healthcare service along with advanced medical devices. In case of team medical care for surgery, doctors and other medical staff need to simultaneously share the patient's information and a huge amount of numerical data, images, and videos.

Videos of surgeries may also be used for research and education as well as records of the medical treatment.

To achieve this kind of effective imaging operation, we provide consulting services to propose comprehensive visual solutions and soundly address user needs that encompass image display equipment, peripheral equipment, software, and network layout, enabling the construction of an optimal visual environment. By taking full responsibility for the entire process, from capturing, recording, distributing, and displaying, we have revolutionized the video environment in hospitals, including operating rooms.

Management Environment

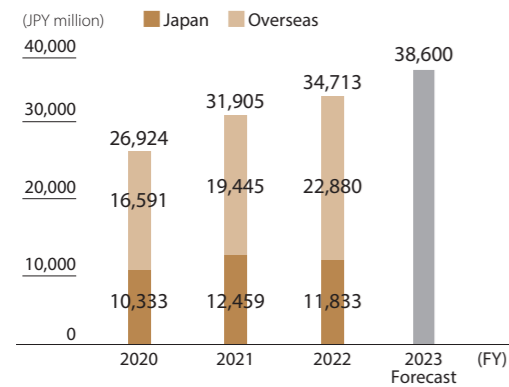
Demand for diagnostic applications is expected to increase because demand for high-definition monitors is up in developed countries, mainly in Europe, the U.S., and Japan. In addition, demand is also expected to rise in China and emerging countries along with advances in medical services. Teleradiology, which is being introduced in Europe and the U.S., is expected to expand to other regions as well. Regarding applications for endoscopy and operating rooms, as demand for advanced healthcare, including minimally invasive surgeries increases, demand for equipment-related images such as high-definition monitors, operative field cameras, video recording, and distribution systems will also rise.

Performance Highlights

Net Sales

JPY 34,713 million year-on-year  
Up 8.8% ↑

Consolidated Net Sales



FY2022 Results

Record-high sales achieved

Overseas

- For diagnostic applications, sales were strong in Europe and demand recovered in North America.
- Sales for endoscopic applications grew mainly in Europe, North America, and China.

Japan

- Sales for diagnostic applications were solid due to continued demand for capital investment from the previous fiscal year.

FY2023 Outlook

For diagnostic applications, we plan to increase sales mainly in North America, China, India, and the Middle East, and we will strive to ensure a stable supply of products as firm demand is expected. We also plan to increase sales for operating room applications to meet growing demand in the market. For endoscopy monitors, we expect continued growth across a wide region.



Case Study



United Kingdom

Harefield Hospital

Centralized Management of Imaging Systems in Multi-Modality Catheterization Laboratories

Harefield Hospital in the U.K. is one of the world's largest hospitals treating heart and lung diseases and has a track record of many surgical operations.

The constantly increasing number of medical and testing devices used in operating rooms has presented a significant burden on their staff to accurately operate many different interfaces and incompatible systems under high stress conditions. They introduced EIZO's CuratOR Alipe video-over-IP system, which centralizes the management of the operating room video system that selects applications to be controlled via the RadiForce MS236WT touch panel monitor and the FlexScan EV2456. The intuitive operation of the system has enabled the operator to work more efficiently. They also highly evaluated EIZO's quick backup system in the event of unexpected problems.



Case Study <https://www.eizoglobal.com/solutions/casestudies/>

VOICE



**Alessio Penati**  
Key Account Manager  
Italian Branch  
EIZO Europe GmbH

In Italy we have managed to grow in the CuratOR business for operating rooms (display, surgical panel and video management) because in recent years we have improved our network of partners, creating new contacts and retaining existing ones. The quality of EIZO products, the good support of the Healthcare Italian team have created the right conditions to increase turnover and achieve excellent numbers. The close collaboration with the EIZO Group companies in Germany, Japan and other countries, allow us to support our partners effectively and promptly, always finding the right solution for their customers' needs. The EIZO quality of products and personnel help us to make a difference on the Italian market.

Business Overview by Market

Creative Work (CW)

- Media & Entertainment
- 3D Computer Graphics
- Photo Editing Illustration
- Design Publication / Printing



Pure Vision. True Precision.

Our ColorEdge series, which we are committed to the color reproduction quality, increases accuracy and work efficiency in creative settings including photo editing, design, printing, and video production by achieving and maintaining accurate color display. Built-in calibration sensors and our own color management software enable users to adjust their monitor settings to their individual needs. Also, our own color management solution enables users to simultaneously set the color mode for multiple ColorEdge monitors over a network.

This, in turn, enables them to maintain uniform color display throughout the entire workflow, from production to referencing, even when finishing a product with remote work environments, including video production at multiple sites, which boosts the work efficiency of the monitor administrator.

Management Environment

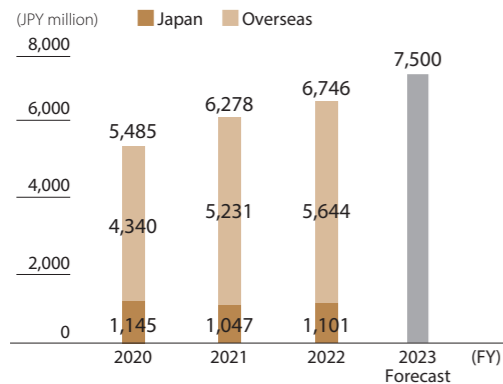
In the still image field, which includes photography, design, and printing, there is a steady demand for photography and printing applications, where color reproducibility is important. In the moving image field, such as the production environment for 4K and HDR is spreading, demand especially in areas of movie production and video streaming service is growing. We also expect increased demand for applications in game content creators and production.

Performance Highlights

Net Sales

JPY **6,746** million year-on-year Up 7.4% ↑

Consolidated Net Sales



FY2022 Results

Record-high sales achieved

Overseas

- Sales of new products launched in the second quarter were strong.
- By region, demand recovered in North America and sales in India were also strong.

Japan

- Sales exceeded the those of the previous year due to the introduction of new products.

FY2023 Outlook

We will offer a wide range of products and services, from high-end models with outstanding display and color management performance as color management monitors to basic models with improved usability. With respect to video production monitors, we will continue to expand sales in the video streaming distribution service field in addition to the video production field.



Case Study



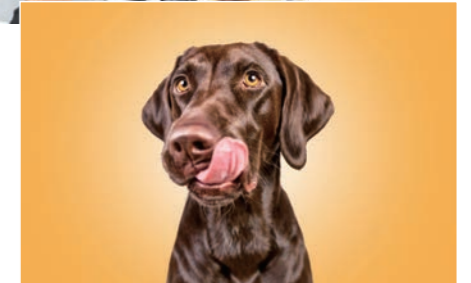
Germany

Diana Mehner

Evaluating a Comfortable Displaying Environment with Built-in Auto-Calibration

Diana Mehner, a dog photographer based in Germany, uses the ColorEdge CG2700S to retouch the images she captures. One of her trademarks is Funny Dog Portraits, which are photos of dogs paired with particularly interesting backgrounds.

Although she used to use a general-purpose monitor, she switched to the ColorEdge CG2700S, a color management model, and has noticed striking improvements: a wide color gamut that covers 99% of the Adobe RGB color range, smooth grayscale, and automatic calibration with a built-in sensor. She appreciates these as performance enhancements that create a more comfortable displaying environment. She also praises the supplied light-shielding hood for effectively reducing the impact of outside light entering her artwork data.



Case Study <https://www.eizoglobal.com/solutions/casestudies/>

VOICE



Steve Lindenmeyer  
Account Executive – CG/B&P  
EIZO Inc.

In the U.S. M&E market, one of the world's largest, EIZO is renowned for its exceptional display technology. Our monitors are also known for their outstanding color accuracy, sharpness, clarity, and consistency. These contribute to our reputation and make our products the preferred choice for professionals and others who prioritize display quality, reliability, and an exceptional user experience.

I build rapport with customers through social media, at trade shows, and in face-to-face meetings. By addressing their concerns, answering questions, and demonstrating product features, they understand and appreciate the value of our products and company.

Business Overview by Market

V&S (Vertical & Specific)

- Air Traffic Control (ATC)
- Maritime
- Security & Surveillance (S&S)
- MIL-STD Compliance
- Other Industrial Fields (Including Touch Panel Applications)

Durability × Quality × Everywhere

We provide visual environment solutions used in specialized applications and environments in areas such as air traffic control, maritime, security and surveillance, railways, and factories. We serve diverse needs ranging from sharpening images to ensuring high reliability and display performance that can withstand harsh operating environments.

We meet highly dynamic requirements, including small quantity production of diversified products, flexible customization, stable long-term supply, and reliable long-term maintenance by harnessing the visual technology and know-how we have accumulated over the years.

Management Environment

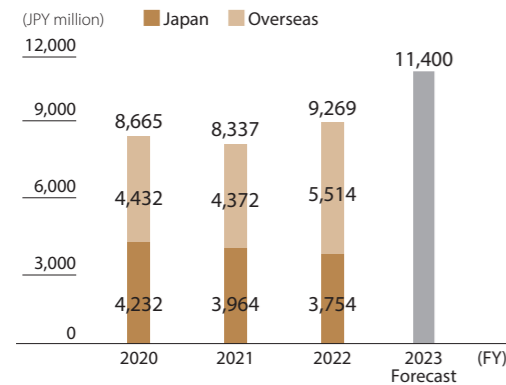
Broad demand growth can be expected due to diversity in targeted industries and fields. We maintain the top position in terms of worldwide market share in the ATC market. In addition to replacement demand in the U.S. and around the world, we expect higher demand from the construction of new airports and for high-definition monitors with added value. In the area of S&S, the market is expected to expand against the backdrop of increased awareness of security threats worldwide. In the maritime market, steady demand for monitors certified with marine type approvals is predicted along with the digitization and systemization of ship bridges. Additionally, the market has diversified in such a way that there is an increasing need for surveillance on ships and research activities aimed at realizing automated navigation systems.

Performance Highlights

Net Sales

JPY 9,269 million ↑ 11.2% year-on-year

Consolidated Net Sales



FY2022 Results

Overseas

- Sales for air traffic control applications decreased due to the project nature of the market.
- The introduction of IP solutions for S&S applications developed as EIZO Visual Systems (EVS) progressed, and sales were strong, especially in North America.
- Sales recovered to the automotive and other industrial markets affected by COVID-19.

Japan

- Sales decreased compared to FY2021
- Sales for shipbuilding applications recovered partly due to demand for new shipbuilding, and sales for S&S applications were firm.
- Sales decreased due to completion of some programs requiring advanced product customization despite a slight sales recovery in some industrial markets.

FY2023 Outlook

For S&S applications, we will increase sales while expanding various products and services, including IP solutions developed as EVS. For ATC, we expect sales to increase across a wide range of countries and regions including China, India, and the Middle East. In addition, we expect to expand sales to a number of industries through cross-selling customized products that meet customer needs while leveraging the strength of our broad product lineup.

Case Study

Hydro Technology Institute Co., Ltd.



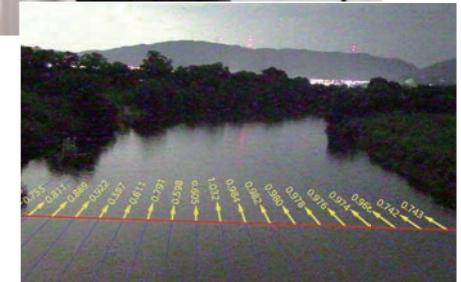
Providing Clear Images with Ultra-Sensitive Cameras to Contribute to the Creation of a Safe and Secure Society

Hydro Technology Institute Co., Ltd. develops and provides systems that can measure the flow velocity of rivers using video images. Accurate measurements at any time require capturing clear images of river currents, even at night.

However, the rivers' surroundings were so dark that ordinary cameras could not capture the required images.

We therefore decided to use EIZO's DuraVision SSZ-9700 ultra-sensitive camera, which is capable of capturing even the slightest movement of a river's surface at night.

With its Full HD and built-in zoom lens, the DuraVision SSZ-9700 can handle a variety of environmental conditions, such as very wide rivers, shooting at a distance from the camera, and reliably capturing images required for measuring flow velocity. The camera contributes to the creation of a safe and secure society where river conditions can be accurately monitored anytime, anywhere.



Case Study <https://www.eizoglobal.com/solutions/casestudies/>

VOICE



For EIZO Technologies, ATC is the most important business segment. Our customers worldwide love EIZO product quality and super long life-cycles, including legacy support. We have the broadest lineup of products within ATC, not only for visualization but also for recording. Our mission is to guarantee the highest product quality, combined with the newest modern technology for mission-critical control applications. I'm proud that our monitors are helping to safely manage and guide thousands of flights every day. EIZO and its associated global teams are committed to creating the products that our customers need and to making EIZO a true global leader of visualization solutions. With a close look at all the information and feedback from our markets, we are working hard to define innovative these solutions as well.



Business Overview by Market

Amusement

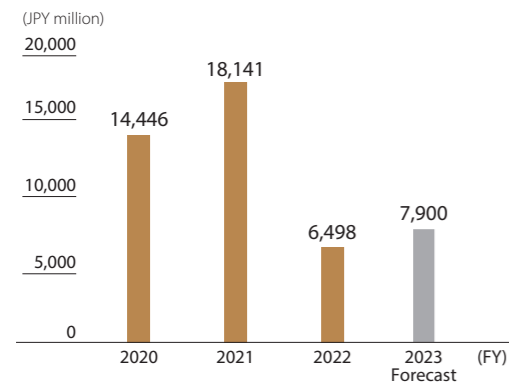
LCD-mounted pachinko and slot machines

Performance Highlights

Net Sales

JPY **6,498** million year-on-year  
Down **64.2%** ↓

Consolidated Net Sales



FY2022 Results

- Sales decreased due to the completion of the intensive demand for replacement.
- The market environment remains severe as the entire industry continued to shrink due to declines in the player population and the number of parlors.

FY2023 Outlook

Although this market will continue to face a difficult environment due to the decline in the player population, we will strive to provide attractive products and ensure stable supply to maintain our position as the market's leading manufacturer.

VOICE



**Eri Shimmyo**  
Designer  
Software Development Department  
Irem Software Engineering Inc.

I am a Designer in the development of software for video production for pachinko machines.

In creating images, I work with our partner amusement machine manufacturers to quickly incorporate market trends, valuing flexibility and speed. I strive to earn customer trust in terms of both visual quality and content quality by fully applying the experience I have gained over the years. I love it when I see players enjoying our products on the market that were produced exactly as intended.

I will continue to work hard to hone my skills as a designer so that I can bring more joy to our customers through the creation of images that only our company can produce.

Providing Comprehensive Capabilities by Combining EIZO Hardware with Irem Software

We entered the market at the dawn of the era of LCD-mounted pachinko machines and have since sought to create amusement products that amaze users, enticing them to continue playing. We have been a key long-time partner of the market's leading amusement machine manufacturer, producing extremely popular products including the "Sea Story" and "Hammerin' Harry" series. Our track record has been supported by the comprehensive capabilities of the EIZO Group.

We develop and manufacture the hardware and software for monitors installed in pachinko machines and supply them to the amusement machine manufacturer as an integrated unit.

Our in-house capabilities encompass production planning, video production, and software insertion in addition to hardware development and production. This comprehensive capability gives us a major advantage over other manufacturers and video production companies.



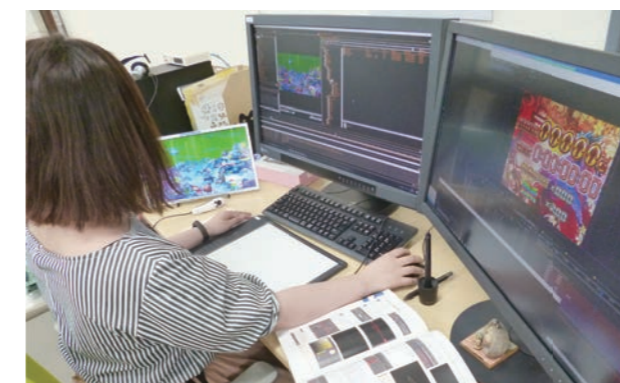
©SANYO BUSSAN CO.,LTD.

EIZO's In-house Development, Procurement, and Manufacturing System



Irem's Content Production Technology

We have established a unique presence in the digital entertainment industry by developing arcade and console games as well as video software for pachinko and slot machines. We are very familiar with amusement machine technologies and therefore able to produce a diverse array of high-quality products in any genre, including videos for 3D real-time rendering and 2D movies.



Irem Software Engineering Inc.  
<https://www.irem.co.jp/> (Japanese only)

Development Capabilities for Installing State-of-the-Art Image-Processing Technologies

We have developed in-house and installed our own image-processing ASICs in high-quality and highly reliable monitors that can meet the requirements of ever-evolving game machines. Moreover, we incorporated the full capabilities of our 3D real-time image-processing technologies, cultivated in our gaming business, into our amusement products.



Flexible Procurement and Production System for Responding to Volatile Market Demand

Our strength lies in our procurement and production systems, which allows for a flexible response to changes in orders from amusement machine manufacturers.

In addition to our excellent procurement capabilities, made possible by the broad range of markets served by EIZO Group products, our flexible production system handles, in the same factory, the production of monitors for both B&P and amusement while fully utilizing our multi-skilled staff and efficient facilities.

## Foundation for Sustainable Growth



### Sustainability Policy

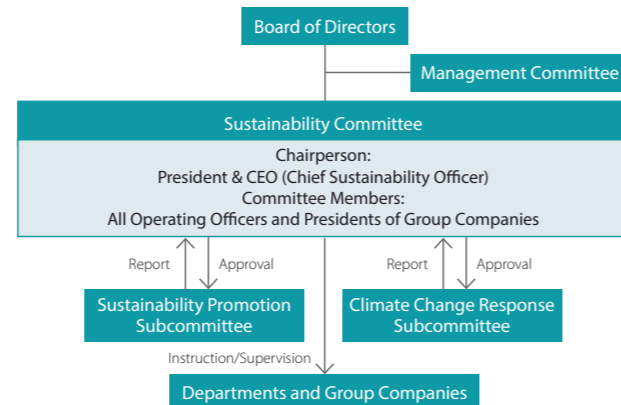
EIZO upholds its corporate philosophy of enriching people in their professional and personal lives through the pursuit of imaging solutions with advanced technologies. We contribute to society's sustainable development by providing products, systems, and services that help resolve social issues using our unique technologies and inherent principles. We also focus on the sustainable development of our company and society

by conducting business activities in good faith with due consideration for the environment, human rights, and ethical conduct and participating in the sustainable development of local communities. Our corporate philosophy and policy are clarified in the EIZO Group Principles of Conduct, which serves as a guideline for every individual member of the EIZO Group to follow and as our sustainability policy.

[EIZO Group Principles of Conduct](https://www.eizo.co.jp/company/information/code/)  
https://www.eizo.co.jp/company/information/code/

### Sustainability Promotion System

The Sustainability Committee was established under the direct control of the Board of Directors to promote sustainability efforts. It is chaired by the president and CEO, who is also the chief sustainability officer, with its membership comprising all operating officers and the presidents of Group companies. The committee develops policies and mid-term goals of sustainability, and the progress of sustainability promotion activities in each department is reviewed, evaluated, and verified based on the policies and goals. The purpose of the committee is to promote sustainability throughout the Group under the supervision of the Board of Directors and with the involvement of top management.



### Identifying Materiality

We identified the EIZO Group's materiality (key issues) and set KPIs and goals for each key issue.

By linking our materiality with the corporate goal management system, we intend to promote our initiatives for realizing a sustainable society and enhance our corporate value over the medium to long term.

[Materiality and Key Issues](#) ▶ PP. 35-36

## Participation in External Initiatives

### The UN Global Compact

EIZO has been a signatory of the UN Global Compact, a global framework for achieving sustainable growth since September 2012. Participating companies contribute to the development of this framework of voluntary corporate initiatives by exercising responsible and creative leadership as good members of society.

As a participant, EIZO remains proactively committed to the Ten Principles of the UN Global Compact on protecting human rights, eliminating wrongful labor practices, respecting the environment, and anti-corruption.



### Responsible Business Alliance

EIZO Corporation has been a member of the Responsible Business Alliance (RBA), which seeks to promote CSR throughout the global supply chain, since January 2020. EIZO supports the vision and mission of the RBA, and we are aligning our business activities to follow the RBA code of conduct on human rights, occupational health and safety, the environment, and ethics. We also take the initiative, with the understanding and cooperation of our suppliers, to ensure that the entire supply chain is aligned with the code of conduct.

In December 2022, EIZO completed a Validated Assessment Program audit to determine its state of compliance with the RBA Code of Conduct and received platinum status with a perfect score.



[Supply Chain Management](#) ▶ PP. 57-58

### Endorsing TCFD Recommendations

Since the launch of our own brand, we have been consistently working on the most advanced environmental measures. In May 2021, we announced our support for the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD). Under the sustainability promotion system outlined in the left column, we continuously analyze the risks and opportunities posed by climate change to our business while also taking the necessary actions and more broadly disclosing relevant information.



[Our Initiatives for TCFD Recommendations](#) ▶ PP. 65-70

VOICE



We have been receiving a rising number of sustainability-related inquiries from customers as they work toward achieving carbon neutrality by 2050, which is evidence that Japanese companies are becoming increasingly interested in the area. Our products meet customer requirements for sustainable management, such as low power consumption, use of recycled plastics, environmentally friendly packaging, and our company's environmentally responsive business activities. We also ask customers about their needs for environmental measures and promptly respond through discussions on working together to update their environment-related actions, thereby building stronger relationships of trust.

## Foundation for Sustainable Growth

### EIZO's Materiality

The Board of Directors approved the Group's materiality and key issues in March 2022, and in FY2022 we reviewed these issues and set KPIs and goals while also promoting activities.

Key Focus Points	KPIs	FY2022 Results	FY2023 Targets	Related SDGs
<b>Contribute to the creation of a prosperous society through imaging solutions</b>				
<ul style="list-style-type: none"> <li>Providing high-quality, highly reliable products, systems, and services based on the development and application of cutting-edge technologies</li> <li>Providing an Imaging Chain, which supports social infrastructure                             <ul style="list-style-type: none"> <li>Contributing to the improvement of the quality and safety of healthcare and welfare</li> <li>Providing an imaging environment that contributes to the advancement of healthcare around the world</li> <li>Contributing to the creation of safe and secure communities</li> </ul> </li> </ul>	Contribution to the safety and quality of healthcare	Contributed to the establishment of international standards for the quality control of healthcare monitors	<ul style="list-style-type: none"> <li>Contribute to DX in healthcare by providing systems that streamline workflows</li> <li>Spread monitor quality control that supports a safe image interpretation environment</li> </ul>	3
	Contribution to the development of an inspiring entertainment industry	Products for Creative Work market: released 3 models	<ul style="list-style-type: none"> <li>Expand products to improve HDR*1 production environment</li> <li>Promote introduction of networked color management solutions</li> </ul>	6
	Providing visual technology to support infrastructure safety and maintenance	<ul style="list-style-type: none"> <li>Developed a video transmission system for automatic vessel navigation</li> <li>Provided systems that support CBM*2</li> </ul>	<ul style="list-style-type: none"> <li>Expand products with improved visibility/image recognition technology that contributes to automatic vessel navigation and CBM</li> </ul>	9
	Providing products with consideration for the health of users and preservation of the environment	<ul style="list-style-type: none"> <li>Increased utilization of recycled plastics (2 models)</li> <li>Expanded use of non-plastic packaging materials</li> <li>Acquired EPEAT Gold certification</li> </ul>	<ul style="list-style-type: none"> <li>Enhance functions that are less stressful on the eyes and body</li> <li>Provide products that drive ethical consumption</li> </ul>	11
Scope: EIZO Group				
<b>Broadminded corporate culture that encourages free and creative activity</b>				
<ul style="list-style-type: none"> <li>Respect different cultures and values</li> <li>Maximize the value of human resources</li> <li>Enhance employee engagement</li> <li>Promote health management</li> <li>Build and maintain a safe and secure work environment</li> </ul>	Ratio of female managers	3.7% (consolidated: 11.8%)	5.0% (consolidated: 15.0%)	3
	Ratio of women in leadership positions* (including management)	5.5%	7.0%	
	Number of employees with disabilities	2.0% (statutory 2.3%)	2.3% (same as left)	
	Number of training courses per person	5.8 courses	6.5 courses	
	Training cost/hour	21,600 yen (FY2021 actual)/22 hours	30,000 yen/50 hours	
	Engagement Score (based on responses to the Vitality and Pride in Work survey item)	2.4 points out of 4.0 points	2.7 points out of 4.0 points	
	New graduate turnover rate	8.10%	5.0% or less	
	Paid leave taken (%)	85%	85%	
	Percentage of employees taking childcare leave	Female: 100% Male: 64%	Female: 100% Male: 85%	
	Percentage of employees taking mental health leave	1.30%	0.80%	
	Number of serious accidents (fatalities and disabilities that result in permanent disability)	None (including overseas)	None (including overseas)	
	Frequency of occupational accidents (number of accidents resulting in one or more days of absence from work per million actual working hours)	0.57	0.00	
Scope of KPIs: Group companies in Japan				
<b>Respect human rights and diversity</b>				
<ul style="list-style-type: none"> <li>Respect for the human rights of all persons involved in our business                             <ul style="list-style-type: none"> <li>Prohibit inappropriate labor (child labor, forced labor, bonded labor)</li> <li>Prohibit all forms of discrimination and harassment</li> </ul> </li> </ul>	Number of internal and external whistle-blowing reports of human rights violations	None	<ul style="list-style-type: none"> <li>Establish, disseminate, and operate an external whistle-blowing/consultation desk</li> <li>Implement human rights due diligence</li> </ul>	8
				10
16				
<b>Supply Chain Management</b>				
<ul style="list-style-type: none"> <li>Build partnerships based on mutual prosperity</li> <li>Stable supply initiatives</li> <li>Promotion of sustainability initiatives throughout the supply chain                             <ul style="list-style-type: none"> <li>Initiatives related to climate change, biodiversity, and water resources</li> </ul> </li> </ul>	Percentage of suppliers who agree with EIZO Supplier Code of Conduct	100%	100%	12
	Efforts to respect human rights in the supply chain	Percentage of response to human rights items in the Self-Assessment Questionnaire (SAQ): 100%	Percentage of response to human rights items in the SAQ: 100%	
	Responsible Minerals Initiative survey response rate	97%	100%	
	3TG smelter verified by third-party (RMAP compliance rate)	64%	75%	
	Collaboration with suppliers to develop products with low environmental impact	—	Conduct collaborative review meetings	
	Engagement in measures to combat climate change	—	Promote suppliers' acquisition of SBT	
13				
14				
15				
17				

\*1 HDR (High Dynamic Range): A display technology that can deliver a wider range of brightness (dynamic range) compared to standard dynamic range (SDR) images. Unlike SDR images, where shaded areas are blacked out and sunlit areas are blown out, HDR images can be rendered more naturally and realistically without sacrificing tonal gradations in both bright and dark areas.  
 \*2 Conditional maintenance refers to conducting maintenance before failure by monitoring the condition of equipment and machinery using IoT and AI.

Key Focus Points	KPIs	FY2022 Results	FY2023 Targets	Related SDGs
<b>Supporting a Recycling-Oriented Society</b>				
<ul style="list-style-type: none"> <li>Advanced environmental management</li> <li>Creating products that are friendly to people and the environment</li> <li>Shift to materials with less impact on the environment and human body</li> </ul>	Expanding use of halogen-free materials	Use of halogen-free materials: 71%	Use of halogen-free materials: 75%	6 7
	Use of green materials (environmentally friendly materials) in products	Use of recycled plastics: 17.6%	Use of recycled plastics: 70% or more (2030)	12 14
	No use of virgin plastics derived from fossil fuels in packaging materials	Use of paper material packaging: 12.4%	Increase the use of paper material packaging	15
<b>Respond to Climate Change</b>				
<ul style="list-style-type: none"> <li>Provide products and systems that contribute to climate change action</li> <li>Reducing GHG emissions throughout the product life cycle</li> <li>Reducing our environmental impact in business activities</li> </ul>	Reduction of Scope 1+2	-35.2% (compared to FY2019)	-40.0% (compared to FY2019)	7 11
	Reduction of Scope 3*	-7.4% (compared to decrease from FY2019)	-10.0% (compared to FY2019)	12 13
	Percentage of renewable energy used (Consolidated)	39.4%	46%	14
<b>Governance</b>				
<ul style="list-style-type: none"> <li>Appropriate information disclosure</li> <li>Strengthen resilience</li> <li>Strengthen information security</li> <li>Enforce business ethics</li> </ul>	Percentage of participation in compliance training (consolidated)	100%	100%	16
	Number of serious non-compliance incidents	0	<ul style="list-style-type: none"> <li>0</li> <li>Establish anti-bribery regulations and guidelines</li> </ul>	
	Strengthening of the information management system	<ul style="list-style-type: none"> <li>ISO 27001 certified</li> <li>Percentage of employees trained in information security: 100%</li> </ul>	Information security training provided: 100%	
	Number of serious information security incidents	0	0	
	External assessment of ESG initiatives	<ul style="list-style-type: none"> <li>CDP score "A--"</li> <li>CDP SER (Supplier Engagement Leader)</li> <li>RBA VAP certification: platinum (2 factories)</li> </ul>	Achieving the highest rating in CDP/ EcoVadis/RBA VAP	

### Steps Taken to Identify Materiality

#### STEP 1. Selecting the Issues

We selected social issues closely related to the EIZO Group's value chain as candidates for key issues by referring to our Principles of Conduct and international goals and guidelines, such as the SDGs and GRI Standards.

#### Analysis of the EIZO Group

- Long-term vision
- Risks and opportunities in the value chain of business activities
- Business environment of each market
- Management strategy

#### References

EIZO Group Principles of Conduct; EIZO Group's history, values, and business model; management strategy and management plans; exchange of views with directors and departments

#### Review of social issues in the value chain

- Relationship with major stakeholders
- Real and potential impact on the economy, environment, society, and individual people

#### References

SDGs; 10 principles of the UN Global Compact; Responsible Business Alliance (RBA) Code of Conduct; Global Reporting Initiative (GRI) standards; international trends related to business activity in economic, environmental, and social areas; stakeholder engagement

#### STEP 2. Analyzing the Issues

We evaluated and analyzed the selected social issues from the perspectives of the degree of impact on each stakeholder and degree of impact on the EIZO Group. The results of our analysis were finalized after receiving opinions from outside experts, as part of the stakeholder dialogue, to assess whether we had covered all items with regard to the Group's significant impact on the economy, environment, and people, and whether we had appropriately determined the level of importance.

#### STEP 3. Identifying Materiality

The results of the aforementioned analysis were mapped onto a graph to identify social issues important to both stakeholders and the EIZO Group as the Group's materiality.

Following deliberation by the Sustainability Committee, the Group's materiality has been approved by the Board of Directors.

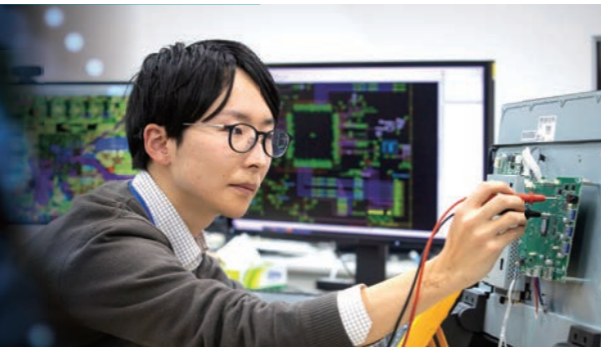
[Reference Stakeholder Engagement](#) P. 55

## Enriching Society through Visuals

### Development

—Development Capabilities Ensuring the World’s Best—

The EIZO Group will continue creating the world’s best products. We have established a fully integrated in-house system for product planning, development, manufacturing, quality control, and after-sales service. This has enabled us to accumulate a wealth of visual technologies and expertise within our organization.



### Accumulating Unrivaled Visual Technologies

We have gained a wide variety of visual processing technologies by meeting the high requirements of vertical markets such as healthcare, creative work, and Vertical & Specific (V&S) based on developments incorporated in monitors for the Business & Plus (B&P) market.

In particular, the unrivaled quality and reliability essential for these markets are realized in both hardware and software technologies. In addition to our advanced hardware technology

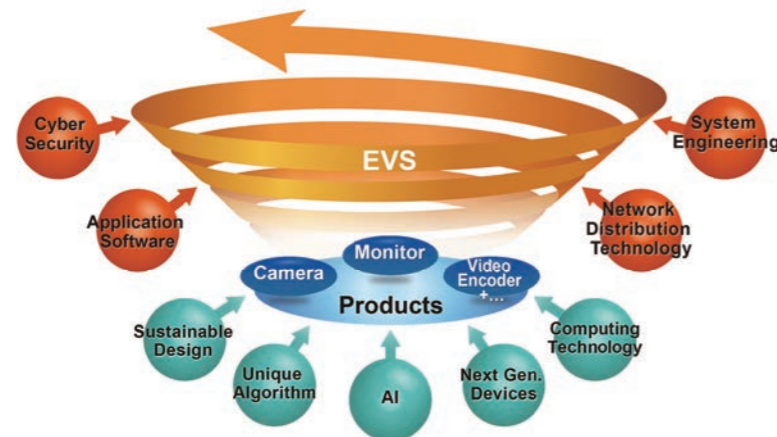
for impressively high image quality and performance, we possess extensive expertise in software technologies that have helped customers benefit from a higher level of convenience and control over their visual assets. Moreover, the solutions created in this way have been successfully deployed for professional applications that require a consistently high degree of accuracy over long periods of use.

### New Technologies to Amplify Imaging Value

We are focusing on developing the technologies necessary to amplify imaging value, from viewing to actual application. Specifically, we are striving to dramatically improve performance through the integration of our proprietary algorithms and AI technology, develop computing technologies for implementing these algorithms in cutting-edge GPUs to achieve the ideal processing for each application, and develop various video codecs to robustly transmit visual information in mission-critical markets, as well as develop technologies that reduce environmental impact to contribute to sustainability. We also implement these technologies to drive the evolution of monitors, cameras, video encoders, and

other products, and we are upgrading network transmission technologies, application software, and system engineering to connect all these products in one effective system. We form an imaging chain from the initial input to output of visual data, including image capturing, recording, distributing, and displaying, to evolve our EVS (EIZO Visual Systems) business.

With the accelerating influence of DX, the role of imaging technology is becoming increasingly important. We will evolve our system solutions to be comprehensive and have additional value to support users in their efforts to automate and streamline their operations and improve the accuracy.



### Devices Creating Products Committed to Exceeding User Expectations

Novel devices and image processing technologies are vital for creating innovative products. We therefore pay close attention to the performance of key display devices in strong partnerships with each device manufacturer. In addition, we develop and produce specialized display devices in-house through our unique technology development and manufacturing methods or apply special processing to display

devices as needed, for example, to meet special applications or super-reliability requirements. Moreover, we have developed our proprietary control systems (firmware) that maximize the ability of display devices to even surpass necessary performance levels, as well as our very own ASIC and FPGA image processors.

### Sharing the Spirit of Global Development

We maintain R&D and manufacturing facilities in multiple locations globally. Each year, EIZO Group companies responsible for R&D gather at the headquarters to introduce their technologies at the in-house exhibition EIZO Technology Showcase in order to continue to create the world’s best. This is an important opportunity not only for engineers to exchange information but also for sharing EIZO’s future strategy and vision with sales, planning, and manufacturing staff from around the globe.

We also hold global meetings by market to share detailed information on needs and technologies.



## VOICE



**Atsunobu Omi**  
Group Leader  
Embedded Systems Section  
Visual Technologies Department  
EIZO Corporation

Advances in IT technology that support the DX era provide product engineers with a variety of ideas and possibilities. Products that form the backbone of EVS through image capturing, recording, distributing, and displaying technology, are equipped with cutting-edge devices and the latest software platforms to resolve different customer issues related to videos. We are in a good environment for connecting hints from technological trends and customer issues to innovative concepts. I'm responsible for developing customer-interactive IP solutions, a part of EVS, using an agile method. Ideas sparked within the team are materialized and channeled into high-quality products and functions through repeated proposals to customers in a short period of time. I am excited when our proposals are accepted by the markets (customers), and this excitement is the source of my motivation for further development.

The entire EIZO Group is involved in EVS, which is a technology and system business that enhances the value of images. Carina System plays a role in connecting the initial input to output of visual data, mainly in systems for recording and delivering visuals. There are many situations in which videos can be used regardless of the market. For the MEGURI 2040 fully autonomous ship program of the Nippon Foundation, a major initiative in the shipping industry, we developed a system using EIZO Group products and contributed to the success of the world’s first demonstration testing of autonomous navigation. Given the growing need to use video, we will take on the challenge of developing unprecedented technologies by leveraging our strengths in providing total systems for capturing, recording, distributing, and displaying videos, to increase the value of video assets.



**Toshiaki Morimoto**  
Senior Engineer  
Software Development Department  
Carina System Co., Ltd.

**Enriching Society through Visuals**



**Manufacturing**  
—EIZO-Style Manufacturing Creates the World’s Best—

“Stop looking for the reasons why you cannot do it. Think seriously how you can do it!” This statement originates from an EIZO production site and is now widely shared as the philosophy of EIZO’s manufacturing. Each and every employee embodies this philosophy, taking pride in their work.

**Integrated Group Production as EIZO’s Proven Strengths**

Our monitors are manufactured within the group in an integrated manner, from manufacturing of electronic circuit boards to assembly and inspection of finished products. Close alignment among all the teams and their united pursuit of ever-improved manufacturing have allowed EIZO to create products that reflect the world’s first-class quality and reliability. More than 90% of circuit boards mounted on EIZO’s monitors are manufactured at the Hakui Factory of EIZO MS Corporation and supplied to the assembly factories of the EIZO Group in Japan, China, and Germany.

At each factory, our R&D and manufacturing departments work together from the development stage, freely exchanging

ideas for improving manufacturing operations. In addition, our Information Systems Department joins to analyze the massive volume of quality data accumulated daily in the production process. This is to ensure the data is fully used to constantly improve the development of new products, production systems, and process design. Moreover, our agile and stable procurement function optimizes the manufacturing process regardless of ever-changing market demand and material availability.

The EIZO Group’s manufacturing strengths and competitive power are built on a strong sense of unity across departments and countries.

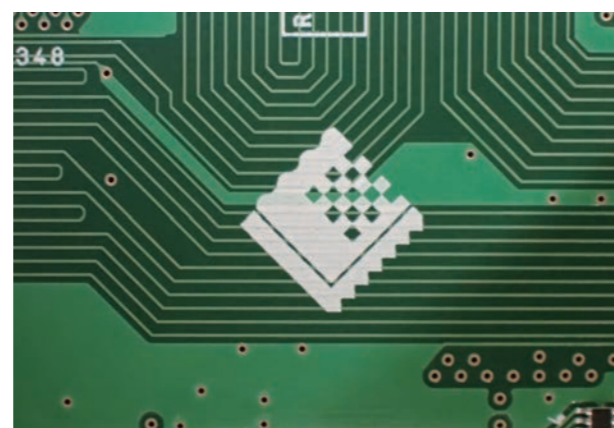
**The Spirit of Manufacturing and Technologies**

We have consistently incorporated state-of-the-art technologies into EIZO products, which requires the continual refining of our manufacturing expertise and skills. Thus, we provide regular training to all workers at our production sites to

continually improve their skills. We also organize annual factory tours for employees of our group companies to share EIZO’s manufacturing spirit and technologies globally.

**Manufacturing Circuit Boards Meeting High Quality Standards**

To maintain high quality standards in the mounting of electronic components, the latest equipment is used to adjust the mounting position at micron levels. X-ray inspection prevents defective components from leaving the line by checking areas that cannot be inspected visually, and automated optical inspection confirms the mounting status of all components. The EIZO logo is firmly printed on all circuit boards made to represent the high reliability of our monitors.



**Advanced Production Facilities Using AI, Robotics, and IoT**

Approximately 80% of EIZO monitors worldwide are produced at EIZO Corporation’s headquarters factory and EIZO MS Corporation’s factory. These sites use four different production methods, depending on product characteristics, required production volumes, and delivery date requirements. The hybrid production has a state-of-the-art production line that has achieved labor saving and automation by taking advantage of AI, IoT, and robotics. This production system collects data in real time such as production progress, the operating status of equipment and measuring instruments, and the state of product adjustment. Analyzing this big data supports continual improvements in product quality and processes. In addition, we have achieved the digitization of onsite records using tablets at production sites. We are striving to further improve productivity by accelerating data analysis.

Production Type	Products Produced
Belt conveyor production	Products for business applications with high production volume per model (mainly B&P)
Cell production	Various products in small lots for specific markets (mainly V&S), each product requiring different adjustments and inspections
Hybrid production	Products that are difficult to adjust and therefore time-intensive because of the many adjustment and inspection items (mainly healthcare and creative work). Two-thirds of the entire process can be fully automated.
Master production	Products with our uniquely customized panels (mainly V&S) The floor has a large clean room and specialized equipment

**Introducing Additional Automation Equipment, Resulting in a 30% Increase in Productivity**

The strength of our 100% in-house development and production is deployed in the company’s production process, the frontline of manufacturing—for example, in the recently launched automated function validation process and automated unit assembly process at the Hakui Factory. The board assembly for B&P products, which handles high volume production, is automatically performed in these processes. Efficiency has increased by 30% compared to earlier manual processes, thereby boosting EIZO’s productivity. The evolution of this production system is the result of the concerted efforts between the teams of manufacturing and development related to standardization of circuit board specs and circuit designs and reflects the competency of EIZO’s factories.



Hybrid 生産



Automated unit assembly

**Inspection System for Catching Even the Smallest Abnormalities**

We perform a thorough visual inspection for every single finished item, although automation has been employed for much of the production process. After going through automated inspection processes, such as color consistency and brightness uniformity on screens, the final image quality inspection is conducted visually by the staff who have been certified in-house. Monitors are products that people constantly stare at, so we believe in the importance of inspection using the human eye.



VOICE

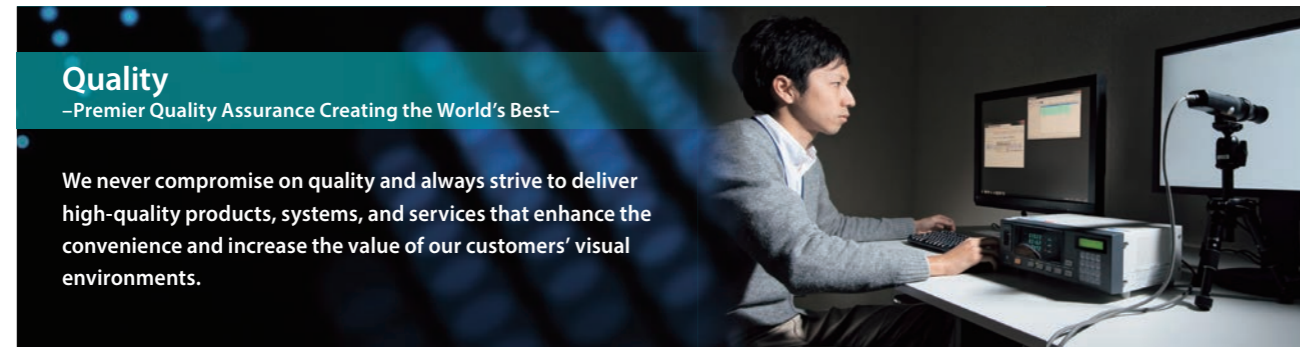


**Kentaro Kojima**  
Assistant Manager  
Production Technology Section  
Manufacturing Department  
EIZO Corporation

The Production Technology Section is responsible for achieving optimal manufacturing in the factory. The section also leads the start-up of production processes for new product lines such as cameras. In a rapidly changing era shaped by diversifying needs, difficulties in procuring semiconductors, and a shrinking workforce, we cannot increase productivity using the same manufacturing practices we have used in the past. We are constantly improving our production processes to establish a foundation for manufacturing that is resilient to change. In recent years, we have launched an AI-enabled automated inspection process and an automated assembly process using robots.

Ultimately, however, manufacturing still depends upon people. The mindset of achieving the highest quality through our own efforts is deeply rooted in EIZO’s manufacturing sites. We discuss every day how to balance productivity and quality, across departments, not only within the factory but also with the development, quality assurance, and sales departments, as well as overseas manufacturing sites. This free and uncompromising pursuit lies at the heart of EIZO’s manufacturing capabilities.

**Enriching Society through Visuals**



**Quality**  
 –Premier Quality Assurance Creating the World’s Best–

We never compromise on quality and always strive to deliver high-quality products, systems, and services that enhance the convenience and increase the value of our customers’ visual environments.

**The EIZO Group Quality Basic Policy — Commitment to Quality**

As set forth in the EIZO Group Quality Basic Policy, we are committed to quality in order to provide the best possible products, services, and solutions to our customers and thereby continuing to earn their trust. The policy is shared by all of our members worldwide, and quality assurance activities have been implemented throughout the EIZO Group.

The EIZO Group Quality Basic Policy  
[https://www.eizoglobal.com/company/information/quality\\_policy/](https://www.eizoglobal.com/company/information/quality_policy/)

Quality Management System Certifications  
<https://www.eizo.co.jp/company/csr/1/process/management/> (Japanese only)

**Ensuring Quality in Planning and Development — Strengths of In-house Development**

One of our strengths in the pursuit of quality is that the EIZO Group possesses all the necessary functions, ranging from planning and development, procurement, and production, and to marketing and after-sales service. This structure allows us to accurately capture user wants and potential needs and swiftly reflect the requested or demanded performance and quality into the designs of products and services in the planning and development stages to thoroughly create quality.

Our quality assurance team plays a central role at the side of the design, development, and manufacturing teams throughout the entire production process, including the early phase of development. Also, it effectively conducts comprehensive quality assurance activities to achieve uncompromising results.

In order to ensure the high quality and performance

demanded by users, we also have our own equipment to perform EMI and EMS tests as well as other safety and reliability tests, including high-temperature, low-temperature, vibration, and drop tests.

We thoroughly assess the risks involved in the market and purpose of use for each product, in addition to confirming compliance with laws and regulations around the world as well as industrial standards. We promptly, yet meticulously, conduct quality tests based on international standards and our own studies about potential and past findings about reliability, and we quickly deliver feedback on those tests to our design and production teams. The highly reliable quality of our products can be attributed to all these steps.

**Main Testing Equipment**

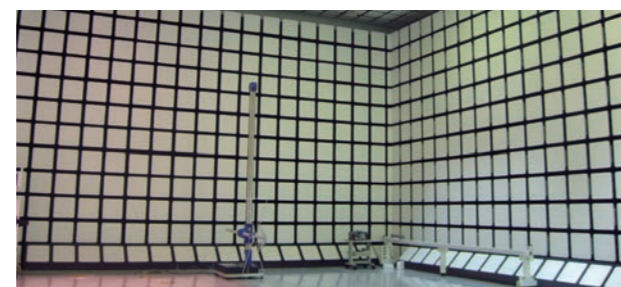
● **MIL-STD-810 Environmental Testing and Assessment**

We operate a facility capable of conducting tests under harsh conditions such as extreme temperatures and humidity, vibration, and shock in accordance with the standards and assessment guidelines for materials procured by the U.S. Department of Defense. Passing the test means that the product will be highly reliable.



● **Anechoic Chamber**

We obtained EMC testing facility certification in 2002 from the U.S. National Voluntary Laboratory Accreditation Program of the U.S. National Institute of Standards and Technology (NIST), based on ISO/IEC 17025 requirements. We also obtained certification from TÜV in 2003.



**Ensuring Quality in Procurement**

EIZO procures more than 10,000 parts from around the world. To provide stable products, it is essential to source only quality components. We clearly present our procurement policies and guidelines to our suppliers and achieve our quality goals by collaborating with suppliers from the early development stage. In addition, as part of our ongoing efforts to maintain and improve the quality of our products, we work closely with

suppliers in quality improvement activities, such as audits of the manufacturing sites of procured parts, monitoring of quality status, and malfunction analysis and improvement.

Furthermore, we develop and share our technical know-how and market feedback with suppliers as part of building a collaborative and mutually beneficial partnership that enables us to grow together over the long term.

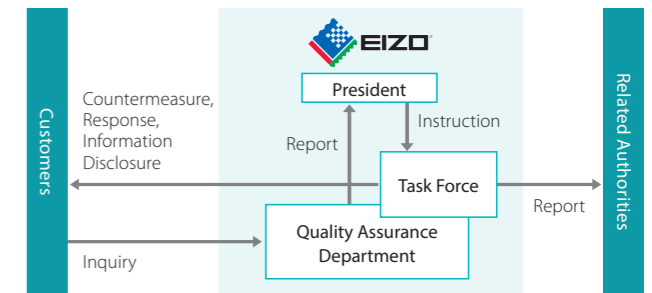
**Ensuring Quality in Production**

At each stage of production, important key parameters such as brightness and contrast are automatically recorded and saved and analyzed from various perspectives for real-time quality monitoring.

We use this big data to quantify quality control standards, improve production efficiency, and provide feedback for new product development.

**Ensuring Quality in Sales and After-Sales Service**

We conduct sales and after-sales activities through our Group companies and authorized distributors in over 31 countries around the world (as of June 2023). We provide a high level of globally consistent and reliable after-sales service and promptly respond to market demands. In the unlikely event of an issue related to safety or quality, we will take prompt and appropriate measures (e.g., cause investigation, free product repairing, information disclosure).



**Column**

**Product Security Initiatives**

Our products and systems play key roles in fields such as healthcare and social infrastructure maintenance, and they are indispensable for implementing cyber security measures and reducing risk. We are therefore actively establishing an internal system to ensure product security throughout the entire product lifecycle, from development to production, sales, and after-sales service. In FY2023, we set up the Product Security Incident Response Team (PSIRT) to monitor and analyze vulnerabilities in our products and services and built a system in which the Quality Assurance Department works with related departments to promptly respond to any vulnerabilities discovered.

VOICE



Creating the best products in the world depends upon controlling the quality of the components we procure. To this end, my mission is to co-create quality in cooperation with suppliers in each country. EIZO’s commitment to quality is so strong that our suppliers sometimes ask, “Do we really have to do that much?” In response, I try not to demand that they improve quality on their own but rather solve problems by working together. Rather than looking for short-term fixes, we dig into the root causes and mobilize all the methods we have developed over the years to firmly improve quality. If our supplier’s pursuit for quality together with EIZO helps them to discover new value, I believe that we can create the world’s best products as partners who mutually enhance quality.

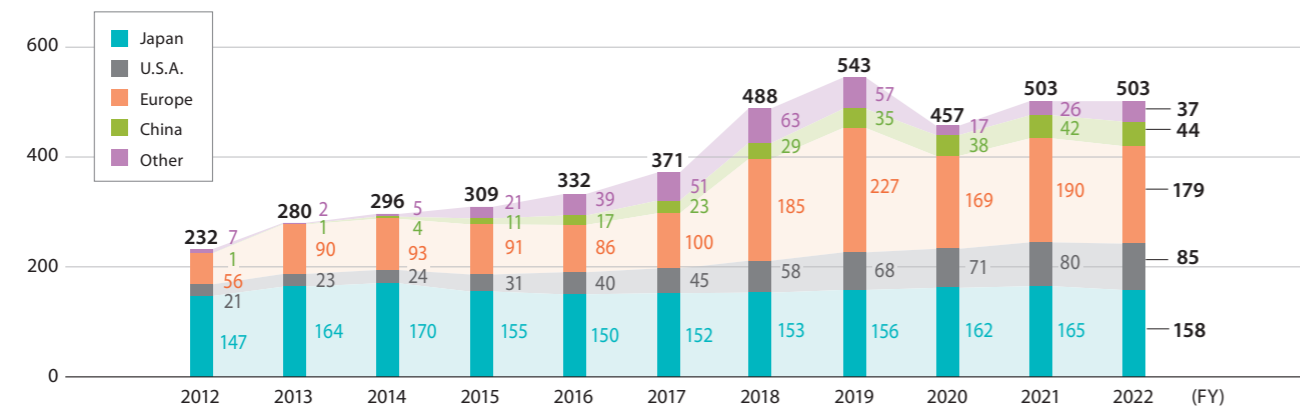
Enriching Society through Visuals



Number of Patents Held by the EIZO Group and Countries with EIZO Trademark Protection

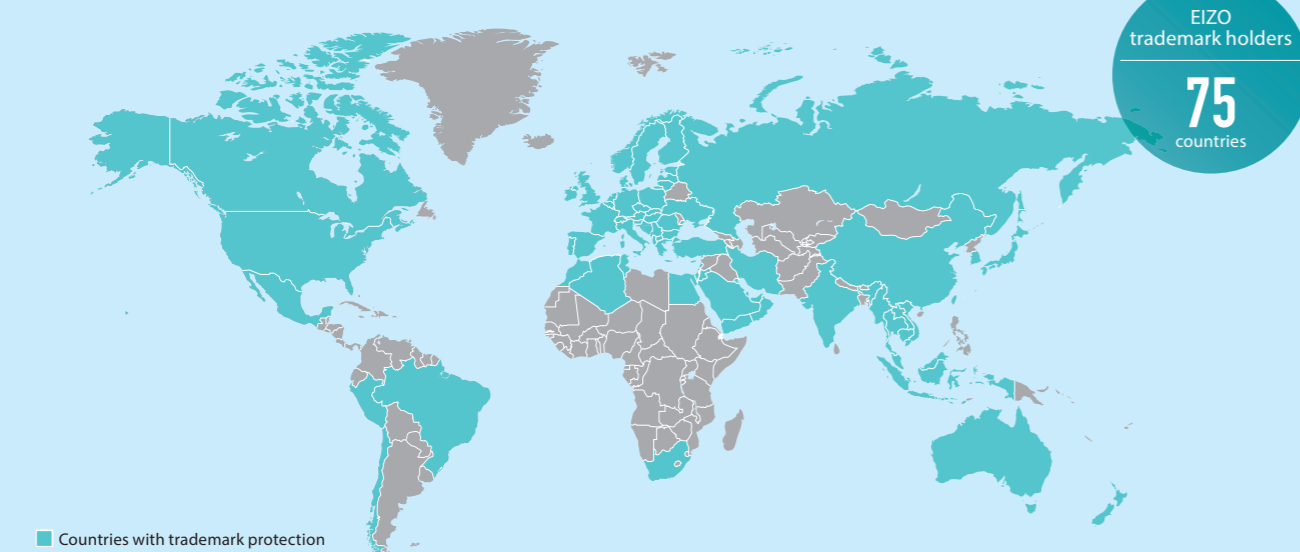
Our focus has been on attaining patents and design rights in countries and regions where we expect product sales to grow, such as China and India, in addition to Japan, Europe, and the United States, currently our main markets. We are striving to construct a global patent and design network and acquire and maintain trademark rights for our corporate brand and product names in each country.

Number of Patents Held by the EIZO Group (as of March 31 of Each Fiscal Year)



Note: We conduct reviews based on the market size of the target products, intellectual property risks, and the status of patent holdings in each region to determine the need to renew or continue patents.

EIZO Trademark Holders (as of March 31, 2023)



Centralized Management of EIZO Intellectual Property

We centrally manage all EIZO intellectual property obtained globally (including patents, design rights, and trademarks). By doing so, we have established a system to facilitate the use of intellectual property and sharing of related information within the EIZO Group.

To properly manage our intellectual property, we periodically evaluate each intellectual property based on technology trends and implementation status.

Securing Patents and Designs and Obtaining Rights

We have incorporated a survey and application procedure for patents and designs into our product development process to prevent missed opportunities for identifying new core and peripheral technologies as well as designs created during the process.

We secure patents or rights for all technologies or designs that can be powerful and beneficial assets for EIZO. To achieve this, we strategically select appropriate countries for the applications in accordance with the area and characteristics of a technology or design. We then develop an optimal network of patents and design rights.

Encouraging Creation of Patents and Designs

We have and manage an incentive program for employee inventions to encourage staff to secure patents and designs.

We also have an internal awards program for inventors who have secured patents or rights to designs that have contributed to our business.

Respecting Third-Party Intellectual Property Rights

During the initial stages of product development, we identify new technologies and designs and investigate whether there are any related third-party patent and design rights. Should such a right be confirmed to exist we exercise the utmost care to ensure that we do not infringe upon any third-party intellectual property rights by taking action such as excluding the use of the technology or design, or by obtaining permission to use a technology or design from the third party.

In determining a new product name, we confirm in advance that there is no possible infringement of any third-party trademarks in any country where the product is to be sold.

Protecting EIZO's Intellectual Property Rights

In the event that a third party is found to have infringed upon EIZO's intellectual property rights, we will seek appropriate measures from that party to be taken to protect these rights.

Column



Chubu Region Commendation for Invention  
—Awarded for 21 Consecutive Years Since FY2002

The Chubu Regional Commendation for Invention by the Japan Institute of Invention and Innovation honors engineers and R&D personnel who have created outstanding technologies that contribute to regional industries. EIZO has continued to apply for the award since FY2002 and has received it every year.

In FY2022, our patent (Patent No. 6723964) received the Chairman's Award from the Japan Institute of Invention and Innovation (Ishikawa Prefecture). The patented technology uses a neural network to estimate ambient temperature based on the monitor's internal state. Products incorporating this technology realize superior image quality that is not affected by the operating environment.

Enriching Society through Visuals

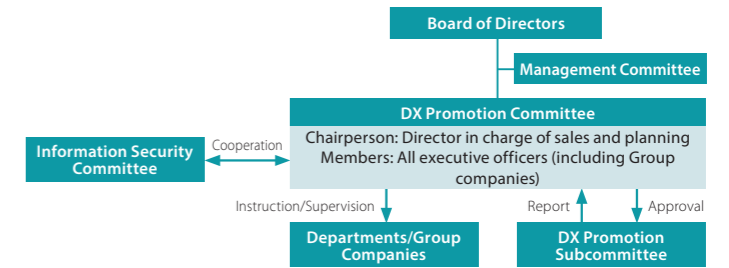
**Promoting EIZO-DX**

By utilizing digital technology and data, the EIZO Group intends to provide new value to its customers and resolve social issues while increasing the productivity of each employee. By accelerating this virtuous cycle, we will further develop our strengths of evolving our business model with video at the core and 100% in-house development and production and demonstrate the EIZO Group's competitive advantage in the severe business environment of the VUCA<sup>\*1</sup> era.

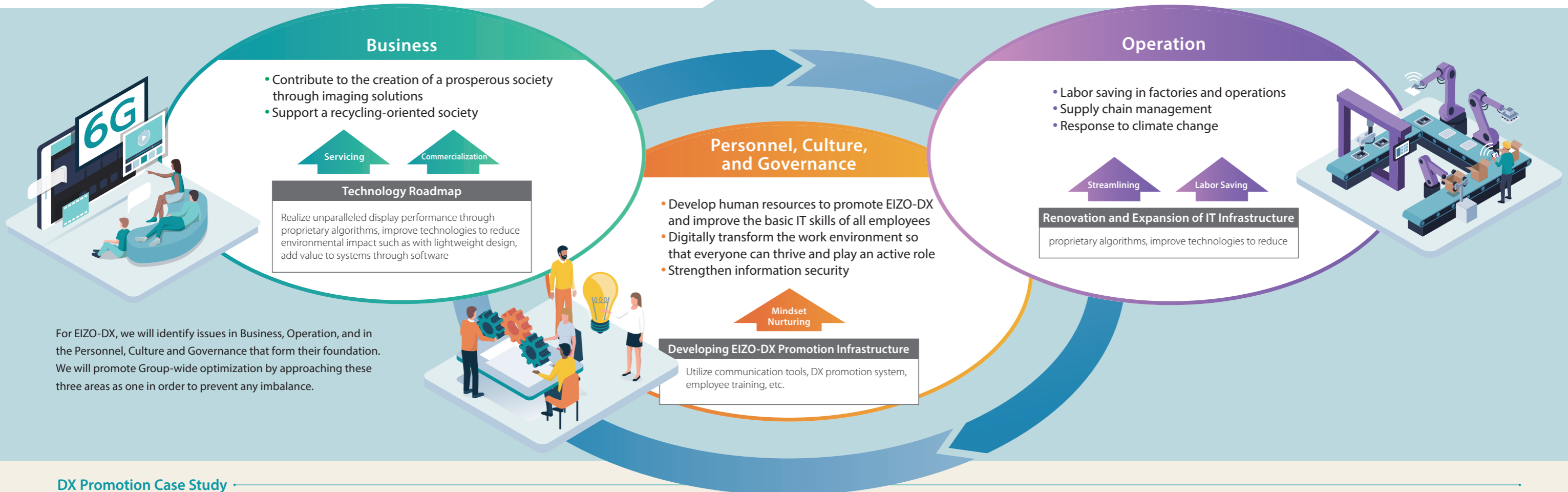
\*1 VUCA, which stands for volatility, uncertainty, complexity, and ambiguity, describes a rapidly changing and unpredictable situation.

**DX Promotion System**

The EIZO Group established its DX Promotion Committee, chaired by the director in charge of sales and planning, as the highest decision-making body for promoting the Group's DX and built a system to promote DX across the Group.



**EIZO-DX's Vision**

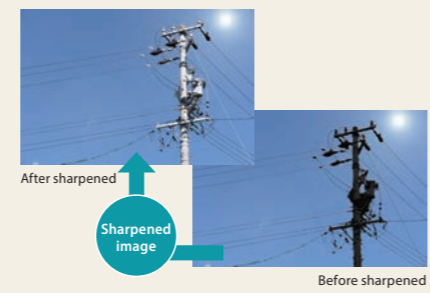


For EIZO-DX, we will identify issues in Business, Operation, and in the Personnel, Culture and Governance that form their foundation. We will promote Group-wide optimization by approaching these three areas as one in order to prevent any imbalance.

**DX Promotion Case Study**

**Image Sharpening Technology Improves Efficiency of Overhead Line Monitoring Contribution to Predictive Maintenance of Infrastructure**

To maintain millions of utility poles and wires and other overhead line equipment, we shoot these images to observe their condition, make primary assessments of deterioration, and determine whether onsite action is required by assessors. Although backlighting, insufficient light, or other conditions at the time of shooting may make it difficult to see details of the equipment, EIZO's image-sharpening technology corrects the images to make details easier to see, thereby facilitating the assessor's decisions. In addition to overhead line equipment, this is also expected to improve the efficiency of predictive maintenance for tunnel interiors, bridges, and other infrastructure.



**AI-Based Mammary Gland Density Estimation Technology Contributing to More Efficient Image Diagnosis**

It is known that the ease of detecting breast cancer depends on mammary gland density (the percentage of mammary tissue in the breast), and the determination of breast composition is an important factor in breast cancer screening. We conducted joint research with medical facilities and developed an AI technology that estimates mammary gland density from mammography images and that objectively determines breast composition. The technology reduces the burden on medical professionals and the variation caused by subjective judgment in mammography screening, thereby improving the quality of medical care.





## Broadminded Corporate Culture for Employees to Demonstrate Creative Abilities and Respect for Human Rights and Diversity



### Broadminded Corporate Culture for Employees to Demonstrate Creative Abilities

One of the most important elements supporting the EIZO brand is our employees. Upholding our free and open corporate culture, we value our working environment that allows every employee to demonstrate their creativity abilities.

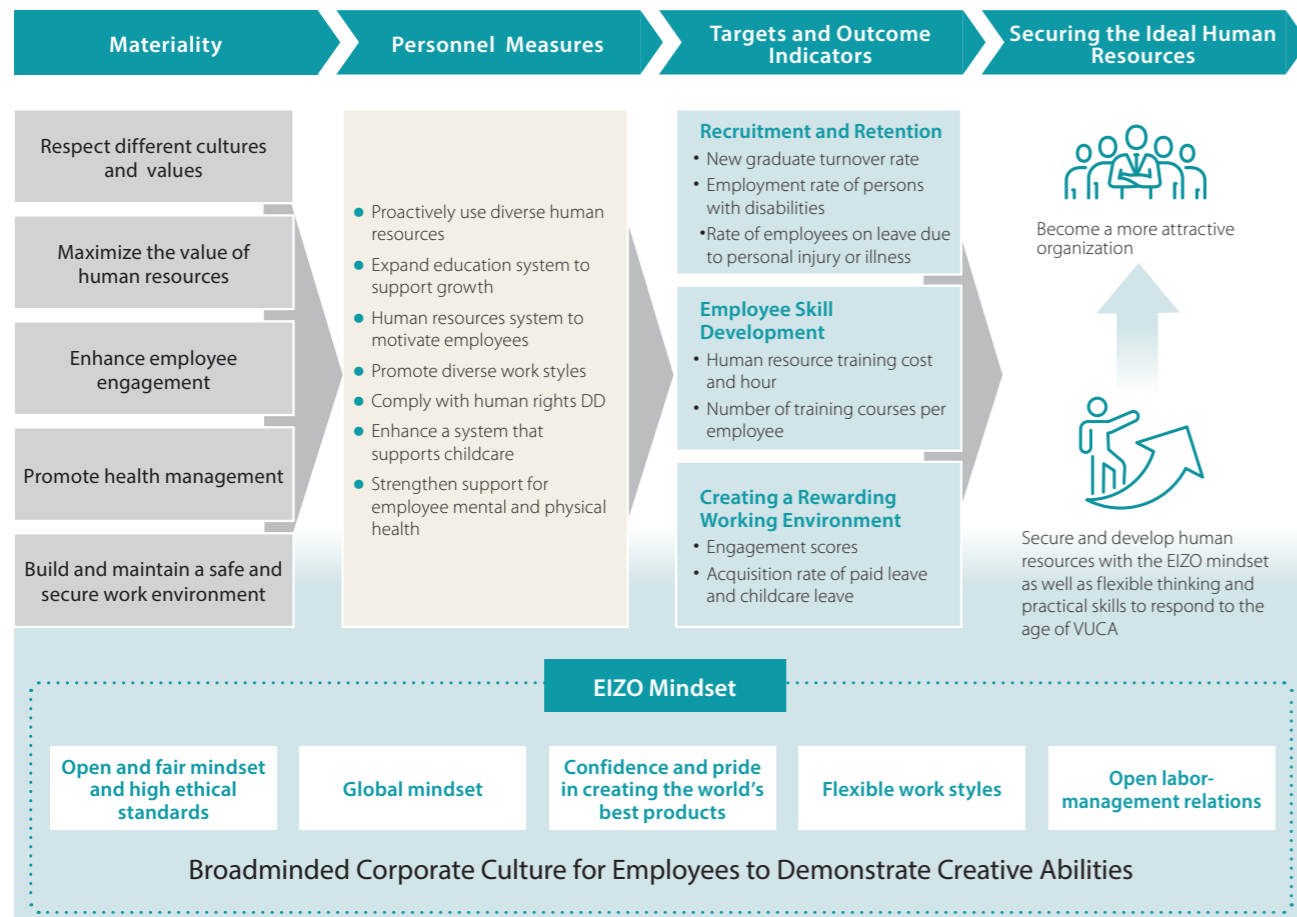
### EIZO Group Process for Improving Organizational Capability

We believe that our action guideline for a “broadminded corporate culture for employees to demonstrate creative abilities” is key to the growth of our employees and the company. We have been cultivating a free and open corporate culture that encourages flexible and active communication between departments. Open exchanges take place between company members regardless of position. Employees are encouraged to freely voice their opinions and are given opportunities to take on new challenges. Our broadminded corporate culture is one of our greatest strengths, enabling

employees to fully demonstrate their own abilities and in turn allowing us to develop and provide better products and services in addition to continually improving our internal environment.

We also set materiality (key issues) and KPIs related to human capital and continually implement various measures while verifying and analyzing their effectiveness to develop the desired human resources, improve our working environment, and create an attractive organization.

#### Human Resources Strategy



### Maximizing the Value of Human Resources and Improving Engagement

#### Policy on Human Resource Development

Our top priority is to acquire and develop diverse human resources to create and support the next business model amidst the increasing sophistication and complexity of manufacturing. We want to secure and develop human resources with the EIZO mindset as well as flexible thinking and practical skills to respond to the age of VUCA.

The EIZO mindset represents our confidence and pride in creating and delivering the “world’s best” to customers around

the world, as the leader in visual imaging-related equipment, while maintaining high ethical standards and a global mindset in our broadminded corporate culture for employees to demonstrate creative abilities. We will further foster and share this mindset, which has been passed down from generation to generation, and promote the development of human resources who can continue to expand our business.

Policy on Human Resource Development  
<https://www.eizoglobal.com/company/csr/3/>

## VOICE



EIZO confirms the priority of human resource development through on-the-job training, enabling employees to gain experience working in the front line of business from their first year with the company and steadily advance their careers from an early stage. In addition, we have established an internal training system for a wide range of employees, from young workers to managers. The system includes group training for acquiring business skills and the appropriate mindset as well as on-the-job training in cooperation with Group companies in Japan and overseas. The training system fosters the EIZO mindset in each employee, which ultimately results in providing customers with trustworthy products and solutions.

Women’s advancement has been discussed for a long time. Although I am a female leader, I’m able to do my job without thinking particularly about me being a woman—in a good way. Equal opportunities are given to both men and women, and they are treated fairly as a matter of course, part of a corporate culture that makes my job worthwhile.

EIZO not only helps demanding clients work more efficiently and creatively with high-quality images but also contributes to the SDGs. I’m proud to be part of EIZO and work at ETS, where employee training is highly valued and the corporate culture is open and free. As a member of the product and business development team, I enjoy presenting products and providing training on solutions that help customers create more value with EIZO.



## Broadminded Corporate Culture for Employees to Demonstrate Creative Abilities and Respect for Human Rights and Diversity

### Enhancing the Education System

To develop the next generation of EIZO Group human resources, we plan a variety of training and education programs in Japan, including training by job level and function, global human resource development, and assistance for self-development, while keeping abreast of internal education and training needs. In our overseas Group companies, we organize training opportunities for the entire company and individuals for developing the respective skills required by

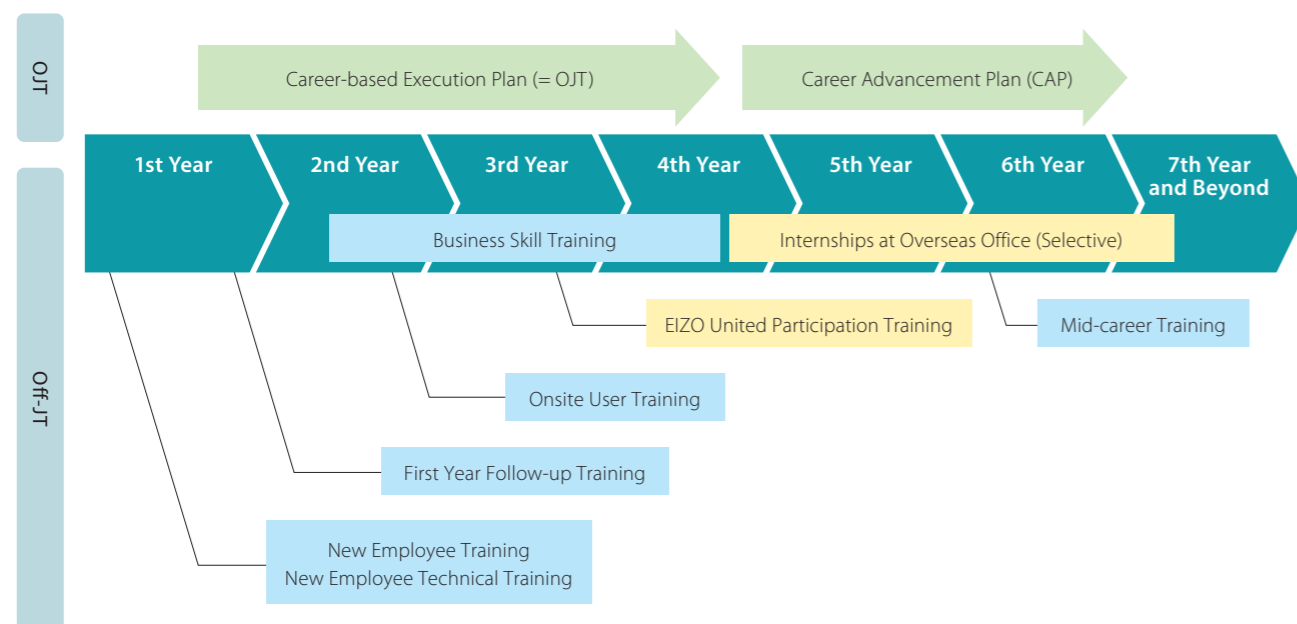
product development and sales operations. Moreover, we seek to raise skills by making use of on-the-job training and external seminars.

In FY2023, we will significantly increase the targeted education investment per person, including internal training, to 30,000 yen (up 138% year on year) and the target of education hours to 50 hours (up 227% year on year) to actively promote training and further strengthen the EIZO Visual System.

System of Training and Education (Japan)

	Position-specific training	Function-specific training	Development of global human resources		Support for personal development
Managerial Position	Training for Executives		Exchange and training with other companies	Seconding to overseas group companies	Language education
	Training for Section Chiefs Training for newly appointed Section Chiefs				
Leadership Position	Training for Sub-Section Chiefs & Group Leaders Leadership position training Training for female employees	Group training for sales personnel Participation in outside training and seminars Education on specialized knowledge and skills within departments	Exchange and training with other companies	Overseas trainee system	Business knowledge training (management, accounting and finance, legal affairs, labor management, market trends, understanding the overseas group companies)
	Training for mid-level employees				
Responsible Staff	Technical training for new employees	Business skills training Over-the-counter sales training Systematic OJT	Internships overseas Training for EIZO UNITED participants		Distance learning, e-learning, acquisition of qualifications
	Training for new employees				

Training by Job Level



### Training while Visiting Users

In this training, employees provide customer support while visiting users to introduce and install products and give after-sales support, in cooperation with EIZO Support Network Corporation, which offers field support. The goal of the training is for employees to gain a perspective related to the provision of hardware as well as services and solutions as they meet customer requests at the sites where these are being used.



Installation work during training

### Fostering a Global Mindset

Drawing upon the strengths of the Group network worldwide, we are fostering a global mindset as a component of the EIZO mindset through the following initiatives.

#### Transfers to Overseas Group Companies and Internships at Overseas Offices

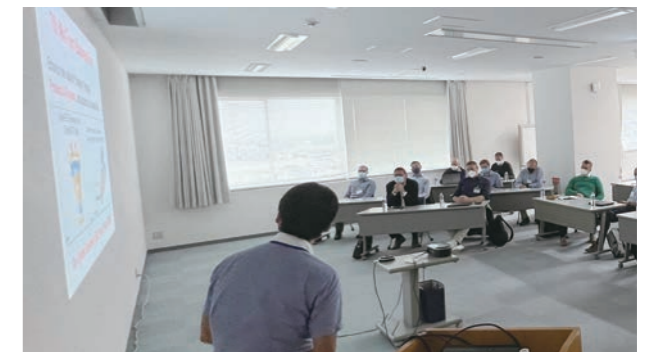
EIZO is promoting personnel exchanges within the EIZO Group in Japan and overseas, including the dispatch of engineers to overseas Group companies over several years and short-term training programs for young employees. Through these activities, we strive to understand the needs of overseas markets and share expertise on design and development. Transfers are intended to foster a greater sense of unity by deepening mutual understanding through exposure to different cultures and increasing the number of human resources capable of managing business from a global perspective.



Internship at EIZO GmbH

#### EIZO United Conference

EIZO holds the annual EIZO United conference at EIZO Corporation (Japan), attended every year by around 100 participants from EIZO Group companies and EIZO Authorized Distributors. During the conference, we share our latest technologies, the status of sales in each country, and information on various initiatives as well as the overall product and business direction. Not only does this deepen everyone's understanding of our future direction but it also fosters a strong sense of unity within our network through mutual exchanges. Moreover, it provides opportunities for employees in various departments to present their department's initiatives to cultivate a sense of belonging to "One EIZO."



EIZO United Conference in 2022

### Career Support to Enhance Engagement

Through these educational opportunities, we share and instill the EIZO mindset, which leads to higher employee engagement. We have also established education and personnel systems appropriate for each job level to support career development. For example, new employees are provided with a three-year, on-the-job training plan, and regular interviews are held with supervisors to improve their skills and motivation as well as to help them settle in at the company. For mid-level employees and above, we have introduced a role grading system to clarify the company expectations for each individual and ensure that they share a common vision

for achieving their goals. We also promote employees to specialized positions that make the most of their skills and expertise unique to a particular job area. In 2023, we began allowing employees to hold a secondary job, thereby helping them to achieve self-fulfillment. We are committed to creating an environment in which every employee can work vigorously while demonstrating their individuality.

These efforts have enabled the EIZO Group to maintain a high retention rate and have contributed to human resource development and business activities over the medium to long term.

**Broadminded Corporate Culture for Employees to Demonstrate Creative Abilities and Respect for Human Rights and Diversity**

**Respect for Different Cultures and Values**

**Promoting Diversity, Equity, and Inclusion**

**National Diversity**

EIZO comprises 18 companies globally (as of August 2023), and we harness the talents of our diverse workforce. While respecting the human rights of each employee and promoting a mutual understanding of different cultures, the entire Group strives to develop its business with a sense of unity.

Overseas Group companies are led by local managers, and we pay careful consideration to the circumstances, cultures, and customs of each country to ensure the most suitable working environments.

Number of Employees by Nationality (including the average number of temporary staff, as of March 31, 2023)



**Employment of Senior Citizens**

We offer opportunities to employees who reach the mandatory retirement age of 60 by providing an environment in which they can work with confidence and stability after retirement. They can continue to work until age 65 if they wish, and take on duties that make full use of their skills and experience.

**Promotion of Women's Advancement**

We ensure that all employees are fairly and equitably evaluated with respect to hiring and promotion, regardless of gender. To improve the percentage of female managers in Group companies in Japan, we have an action plan for women's advancement, and we are working to improve the working environment so female employees can play leading roles in their workplace. Our plan incorporates measures such as providing training for selected management and mid-level employees, as well as active participation of female employees in recruitment activities.

Composition of Managers (as of March 31, 2023)

	Male	Female	Total	Ratio of Females (%)
Japan	105	4	109	3.7
Overseas	74	20	94	21.3
Total	179	24	203	11.8

**Employment of Persons with Disabilities**

We strive to ensure fair employment and develop worker-friendly environments for persons with disabilities by fully observing the laws of each country, so that these employees can demonstrate their talents in a variety of workplaces. In Japan, we actively engage in recruitment efforts such as participating in joint company information sessions for people with disabilities and accept internships. We always seek to improve our workplace environment while creating work opportunities for people with disabilities as we expand our business.

Number and Ratio of Employees with Disabilities (as of March 31, each fiscal year)

	FY2021	FY2022
Japan	28	30
Overseas	6	6
Total	34	36

	FY2021	FY2022	FY2023
Employment rate of persons with disabilities (Japan) (%)	1.60	1.94	2.09

**Promotion of Health Management**

**EIZO Group's Health and Productivity Management**

Guided by the EIZO Group Health Declaration, we seek to contribute solutions to public health issues through our business activities. We also work to maintain and improve the mental and physical well-being of our employees and create a comfortable workplace by fostering a free and vigorous corporate culture, reducing work hours through greater efficiency, and promoting the use of paid leave.

We conducted various activities in FY2022, including walking events using a health support app, health education programs such as breast cancer seminars with an expert lecturer, efforts to improve the rates of conducting specific health guidance, and improvement of workplace environments based on stress check results. In recognition of these activities, the EIZO Group in Japan was certified as a 2023 Health and Productivity Management Outstanding Organization under the large enterprises category, by the Ministry of Economy, Trade and Industry Japan.

Reference Data on the Health and Productivity Management > P. 89

WEB EIZO Group Health Declaration  
<https://www.eizoglobal.com/company/csr/promise6/>



Health checkups at the workplace



Breast cancer seminar

**Creating and Maintaining a Safe and Secure Working Environment**

**Support for Balancing Life Events and Work**

To enable employees to maintain a balance between life events such as childcare and nursing care and their work, we provide various programs to support diverse work styles while complying with the laws of each country.

In Japan, these include programs based on laws, as well as environmental arrangements beyond legal mandates such as a childcare system that allows employees the flexible use of up to two hours of shortened work hours until their child is in the third grade of elementary school. We also try to enhance support systems for employees who engage in childcare and nursing care by introducing new systems, including the spouse maternity leave system. By promoting internal recognition of these systems and creating an atmosphere conducive to

their use, we have maintained a 100% rate of women taking maternity leave throughout the Group in Japan. Furthermore, we achieved a 64% rate of male employees taking childcare leave in FY2022.

Usage Status of Childcare and Nursing Care Systems (Japan)

	FY2021	FY2022	FY2023
Childcare/nursing care leave	47	67	70
Male acquisition rate of childcare/nursing care leave (%)	20.0	21.7	63.9
Shortened work hours for childcare/nursing care	43	54	93

## Broadminded Corporate Culture for Employees to Demonstrate Creative Abilities and Respect for Human Rights and Diversity

### Open Labor-Management Relations

In Japan, we set up the V-Work Council as a labor-management consultation forum. Council member opinions are used for transforming the working environment into a more comfortable workplace. We also established consultation conferences and labor committees in each Group company under their respective national laws and specific circumstances as opportunities for developing good labor-management relationships.

In addition, we regularly held the EIZO Top Meeting to create an environment in which employees can share information on new businesses and actions taken by each department and actively exchange opinions with executives. By having every employee take responsibility for managing the company, the entire Group is working together to promote the business.


### Occupational Health and Safety Management

To consistently maintain and develop activities for occupational health and safety, we introduced an occupational health and safety management system at EIZO Corporation and EIZO MS Corporation, both in Japan, which account for approximately 80% of total EIZO production. We promote health and safety activities that cover all onsite staff, and we have obtained ISO 45001 certification.

At those bases, we seek to educate employees and increase safety awareness through periodic workplace patrols and hazard prediction training. We also strive to mitigate risks by applying a risk assessment method to investigate potential hazards and toxicity as well as implement countermeasures, assess the risks involved in handling chemical substances, check targeted substances using safety data sheets, and enforce the use of appropriate protective gear for onsite work. In addition, we seek to reduce the number of traffic accidents both on

the job and while commuting. In FY2023, we enhanced health and safety training with the goal of achieving zero accidents during non-routine work, against the several accidents that had happened in the previous fiscal year. We also identified employees with driving habits that posed a high risk for traffic accidents and provided training to improve their driving. In terms of disaster prevention, we completed a plan to add emergency doors in accordance with the RBA Code of Conduct.

We seek to prevent industrial accidents at overseas Group companies as well, through initiatives such as organizing employee training and distributing handbooks on industrial accidents.

 [Data on Occupational Health and Safety](#) ▶ P. 90

 [Basic Policy on Occupational Health and Safety](https://www.eizoglobal.com/company/information/health_policy/index.html)  
[https://www.eizoglobal.com/company/information/health\\_policy/index.html](https://www.eizoglobal.com/company/information/health_policy/index.html)

#### Initiatives for Health and Safety (Japan)

FY2022 Goals	Results	FY2023 Goals and Key Activities
<b>Health and Safety/Disaster Prevention Management Goals</b> <ul style="list-style-type: none"> <li>Zero lost work accidents</li> <li>Zero accidents during non-routine work</li> <li>Halve traffic accidents injuring someone else (on the job and while commuting)</li> <li>Complete improvement plan on emergency doors</li> </ul>	<ul style="list-style-type: none"> <li>Occupational accidents: 7 ➔ 5 cases</li> <li>Zero accidents during non-routine work</li> <li>Traffic accidents injuring someone else: 8 ➔ 14 cases</li> <li>Completed improvement plan on emergency doors</li> </ul>	<ul style="list-style-type: none"> <li>Zero serious accidents</li> <li>Occupational accident frequency rate of 0.00</li> <li>Reduce risk of workplace accidents</li> <li>Achieve zero serious accidents resulting in injury or death and improve employee habits related to driving</li> </ul>
<b>Health Management Goals</b> <ul style="list-style-type: none"> <li>Enhance measures to improve lifestyles</li> <li>Improve working environment based on the results of group stress analysis</li> </ul>	<ul style="list-style-type: none"> <li>Conducted breast cancer seminars</li> <li>Conducted online training to prevent lifestyle-related diseases and improve habits related to sleep and to alcohol consumption</li> <li>Improved working environment based on the results of group stress analysis</li> </ul>	<ul style="list-style-type: none"> <li>Reduce rate of employees on leave due to personal injury or illness: 1.30% ➔ 0.80%</li> <li>Improve engagement scores: 24/40 ➔ 27/40 points</li> <li>Reduce number of employees at high risk of lifestyle-related diseases</li> <li>Improve ratio of employees with good lifestyle habits</li> <li>Reduce number of workplaces with high health risk due to stress</li> </ul>

U: Unachieved, P: Partially achieved, A: Achieved

## Respect for Human Rights and Diversity

We respect the human rights of individuals associated with the products and services of the Group and strive to maintain a sound and sustainable business.

### EIZO Group Human Rights Policy

Respect for human rights, as one of the EIZO Group Principles of Conduct to be observed by all workers, is a key corporate social responsibility for which we have established the EIZO Group Human Rights Policy. It is intended to establish a safe, secure, prosperous, and sustainable society by correctly understanding and recognizing the laws, culture, religion, and values of each

country and region. We strive to deeply incorporate this policy into Group business and advance efforts to respect human rights with the understanding and cooperation of all our business partners, suppliers, and other parties associated with our products and services.

#### Contents of the EIZO Group Human Rights Policy

1. Basic Policy on Human Rights
2. Scope of Application
3. Guarantee of Humane Treatment and Prohibition of Discrimination and Harassment
4. Guarantee of Freely Chosen Employment
5. Prohibition of Child Labor and Work Restrictions for Young Workers
6. Guarantee of Adequate Working Conditions
7. Freedom of Association
8. Fair Business, Advertising and Competition
9. Human Rights Due Diligence

 [EIZO Group Human Rights Policy](https://www.eizoglobal.com/company/information/humanright/)  
<https://www.eizoglobal.com/company/information/humanright/>

### Customer Harassment Basic Policy

We established the Customer Harassment Prevention Policy, which is based on the EIZO Group Human Rights Policy, to prevent infringing upon and to respect and protect the human rights of our customers and employees. Customer harassment is defined as “a complaint or behavior from a customer, etc., where the means or manner of meeting their request is socially unacceptable in light of the appropriate content of the request, and where the employee’s working environment is harmed by the means or manner of meeting the request.” We provide internal training to address customer harassment, establish a

contact for harassment complaints, provide care for employees, and collaborate with external agencies as necessary. In addition, we will take resolute action against customer behavior that is recognized as harassment and seek to recover their understanding. We will also strive to establish better relationships with customers through rational discussions to reach reasonable resolutions. However, in the event that harassment of a customer is malicious, or if it is difficult to reach a reasonable resolution through dialogue, we may decline to provide further response and support.

 [Customer Harassment Policy](https://www.eizo.co.jp/company/information/qmp/)  
<https://www.eizo.co.jp/company/information/qmp/> (Japanese only)

## Strong Bonds of Trust with Our Stakeholders



### Strong Bonds of Trust with Our Stakeholders

We seek to sincerely engage with stakeholders to forge and maintain strong bonds of trust.

### Stakeholder Engagement

We are engaging with stakeholders in productive dialogue to forge and strengthen bonds of trust.

EIZO's Stakeholders	Our Responsibility	Methods of Communication	Page in Report
<b>Customers</b>	<ul style="list-style-type: none"> <li>Delivering products and services that satisfy customers</li> <li>Providing support in response to requests and inquiries</li> </ul>	<ul style="list-style-type: none"> <li>Consultation points</li> <li>Information provided via websites and other means</li> <li>Showrooms</li> <li>Seminars, exhibits</li> </ul>	P. 56
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Forging long-term partnerships aimed at achieving mutual prosperity</li> </ul>	<ul style="list-style-type: none"> <li>Exchange of information during visits</li> <li>Company presentation for suppliers</li> <li>Supplier Code of Conduct</li> </ul>	PP. 54, 57-58
<b>Employees</b>	<ul style="list-style-type: none"> <li>Respecting each individual and creating a workplace environment in which employees can thrive</li> <li>Fostering a broadminded corporate culture in which employees remain highly motivated and demonstrate their abilities</li> </ul>	<ul style="list-style-type: none"> <li>Formulation of principles of conduct and strict adherence to them</li> <li>Employee education</li> <li>Safe and comfortable facilities and office environments</li> <li>Development of an internal whistleblowing system</li> <li>Support for leisure activities</li> <li>Establishment of a labor management committee</li> </ul>	PP. 47-54
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>Maintaining sound corporate growth and returning profit</li> <li>Providing fair and accurate information on our management policies, business strategies, and financial performance and maintaining corporate management transparency</li> </ul>	<ul style="list-style-type: none"> <li>General shareholders meeting</li> <li>Timely disclosure</li> <li>Disclosure of earnings materials</li> <li>Company presentation for investors</li> <li>Publication of an integrated report</li> <li>One-on-one meetings</li> </ul>	P. 59
<b>Community</b>	<ul style="list-style-type: none"> <li>Fulfilling responsibilities as a member of the community and contributing to its development</li> <li>Striving to forge a favorable relationship with the community</li> </ul>	<ul style="list-style-type: none"> <li>Activities that contribute to the community</li> <li>Collaborations with the community</li> <li>Factory tours</li> <li>Environmental consideration</li> </ul>	P. 60

### Exceeding Customer Expectations

We communicate with customers in various ways to exceed their expectations and ensure they can confidently select and use our products and services.

Quality Basic Policy / Information Security Basic Policy  
<https://www.eizo.co.jp/company/information/qmp/>

### Providing a Wealth of Information for Complete Customer Confidence in Choosing EIZO

We provide product information on our website, at our showrooms, and through sales and marketing activities while offering clear explanations in response to inquiries and during consultations through customer liaisons so that customers can depend on us with complete confidence.



EIZO Contact Center

### Support that Instills a Sense of Security When Using EIZO Products

We consider customer support before and after purchase as an aspect of EIZO quality. In addition to delivering highly reliable products, we offer customer-centered support services with the hope that they will confidently enjoy our products for a long time, as is seen in our long-term assurance through the five-year warranty\* for our monitors. Customers can also choose from different repair services depending on the product and

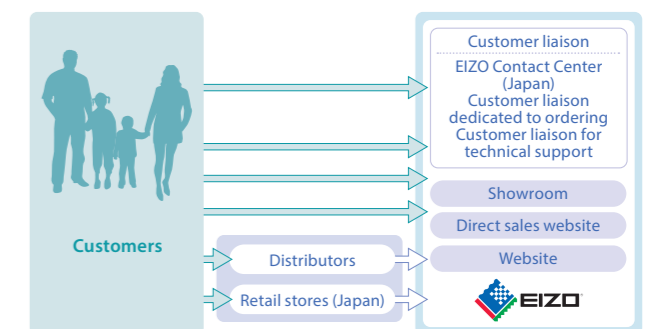
user environment, such as product returns for repair or onsite repairs.

\*Not applicable for all products. Some repairs within the warranty period are subject to additional charges in accordance with the specific terms of the applicable warranty.

### Customer Feedback

Customer inquiries and feedback are quickly disseminated to improve product specifications and functions as well as our services by leveraging our integrated product development, production, sales, and customer support capabilities. R&D staff accompany sales representatives on visits to corporate customers as necessary, so they can listen directly to them and promptly reflect their requirements in product development.

#### Feedback System for All Types of Customer Input



## Strong Bonds of Trust with Our Stakeholders

### Supply Chain Management

With respect to suppliers, we are committed to forging relationships of trust based on mutual prosperity to build successful, long-term partnerships.

## Partners in Safeguarding Quality

The key points for creating excellent products that satisfy customers are the quality, delivery schedules, cost, and environmental soundness of components and materials. We work fairly with all suppliers, setting selection standards based on such aspects as technological excellence, quality, supply capacity, environmental preservation activities, and legal compliance, and selecting only suppliers who meet our standards. In addition, we share our management policies, technical strategies, and current issues with suppliers and provide opportunities for exchanging views on a regular basis, as partners who together can safeguard product and service quality.

 **Open and Fair Trade**  
<https://www.eizoglobal.com/company/csr/4/>

 **EIZO Supplier Code of Conduct**  
[https://www.eizoglobal.com/company/csr/4/#code\\_of\\_conduct](https://www.eizoglobal.com/company/csr/4/#code_of_conduct)

### EIZO Supplier Day (Japan)

In Japan, where over 80 percent of our production takes place, EIZO Supplier Day is held once a year with suppliers to explain EIZO procurement policies as well as our business strategies and future initiatives and seek their cooperation.



EIZO Supplier Day online

## Strong Bonds of Trust to Ensure a Stable Supply

EIZO views the stable supply of products to meet customer demand as a key quality feature of our products and one of our responsibilities, in addition to the high-quality products, systems, and service themselves. Accordingly, we take advantage of the mobility of in-house development and production for flexibility in that development and manufacturing, and we secure strategic inventory of components and materials to ensure a stable supply. Also, the standardization of components between our products and procurement from more than one supplier or different


production locations is implemented for our business continuity plans.

This requires strong bonds of trust as well as the understanding and cooperation of suppliers. Despite the challenging procurement conditions brought on by the COVID-19 pandemic and international tensions, supply has remained stable due to the mobility of in-house development and production as well as the quick securing of component inventory through cooperation with suppliers.

## Strong Partnerships Ranging from Development to Post-Sales

Novel devices and image processing technologies are vital for creating innovative products. We therefore pay close attention, along with each device manufacturer, to the performance of key display devices.

In case of a failure after mass production, we conduct

 **Ensuring Quality in Procurement** ▶ P. 42

analysis of the failure status in cooperation with our suppliers to identify the cause, plan countermeasures, and promptly correct problems, in a dedicated effort to maintain and improve overall product quality.


## Toward Cooperative Sustainability

We ask all suppliers, including material suppliers, personnel agencies, and onsite services companies to engage in initiatives such as those related to respect for human rights, environmental preservation, occupational health and safety, and compliance so that we can collaboratively pursue sustainability.

### Supplier Code of Conduct


We established the EIZO Supplier Code of Conduct, developed with reference to the RBA Code of Conduct, Principles of the United Nations Global Compact, and ILO International Labor Standard, and we ask suppliers for their understanding and cooperation. EIZO Corporation also asks primary suppliers to comply with the Code of Conduct by obtaining Supplier Declarations. Furthermore, those with ongoing business relations confirm and report on their level of compliance based on an annual self-assessment, and we undertake assessments regularly and onsite audits periodically and as needed.

 **EIZO Supplier Code of Conduct**  
[https://www.eizoglobal.com/company/csr/4/#code\\_of\\_conduct](https://www.eizoglobal.com/company/csr/4/#code_of_conduct)

 **EIZO Group Human Rights Policy** ▶ P. 54

### Green Procurement

We established our own EIZO Green Procurement Standards to guide material procurement activities. We prioritize business with suppliers that are actively involved in environmental initiatives, such as reducing environmental impact and environmental preservation activities, in addition to providing high quality, suitable prices, timely deliveries, and the necessary services and technologies. We procure products, components, and materials that meet our requirements for environmental soundness as well as standards for quality and performance, and reasonable costs.

 **EIZO Green Procurement Standards**  
<https://www.eizo.co.jp/company/csr/2/product/green/>

### Participation in the Responsible Minerals Initiative

To ensure conflict-free sourcing of minerals used in EIZO products, we require that all suppliers across our entire supply chain maintain initiatives aimed at eliminating the use of regulated minerals associated with illegal activity. We also conduct an annual survey on the place of origin of regulated minerals (tantalum, tin, tungsten, gold, and cobalt) to investigate and confirm that they are being procured from suppliers not involved in illegal activity.

EIZO Corporation is a member of the Responsible Minerals Initiative.



### Due Diligence Process

We disclose our Responsible Minerals Policy on our website and require that our entire supply chain only use conflict-free materials in components for our products. We also conduct an annual country-of-origin survey of our entire supply chain in regard to specific minerals and using the Responsible Minerals Initiative's Conflict Minerals Reporting Template (CMRT) and the Cobalt Reporting Template (CRT) to check if any procurement of minerals is associated with any illegal activity. When responses from suppliers include smelters not in conformance with the Responsible Minerals Assurance Process (RMAP) standards, we demand that they conduct a further detailed survey or an RMAP audit, or we consider procurement from another source that deals with smelters that do conform. The list of smelters surveyed is disclosed in the CMRT and CRT upon request from customers of our products.

 **Responsible Minerals Policy**  
<https://www.eizoglobal.com/company/csr/promise4/>

### Survey Results in FY2022

Our conflict minerals survey was completed with a more than 97 percent response rate. The survey identified 332 smelters, of which 219 were confirmed as RMAP-compliant operations. The response rate to our cobalt and mica survey was better than 95 percent. This survey identified 74 smelters, of which 37 were RMAP-compliant.

### Future Activities

In FY2023, we will continue to conduct due diligence to further identify smelters and improve the rate of mineral procurement from RMAP smelters. In addition, we will collaborate with our suppliers and industry organizations to realize our goal of using only conflict-free materials.

## Strong Bonds of Trust with Our Stakeholders

### Promotion of Shareholder and Investor Awareness Community Engagement

We conduct IR activities, including shareholder relations, to promote a greater understanding among our shareholders and investors by providing fair and accurate information on our management policies, business strategies, and financial performance.

## Information Disclosure Policy

We disclose information in a timely and appropriate manner in compliance with the Financial Instruments and Exchange Act and related regulations as well as the “Timely disclosure rules and other regulations for issuers of listed negotiable

securities or valuable instruments” of the Tokyo Stock Exchange. Furthermore, we strive to ensure that any other material information that may affect investment decisions is also delivered to all market participants in an equitable manner.

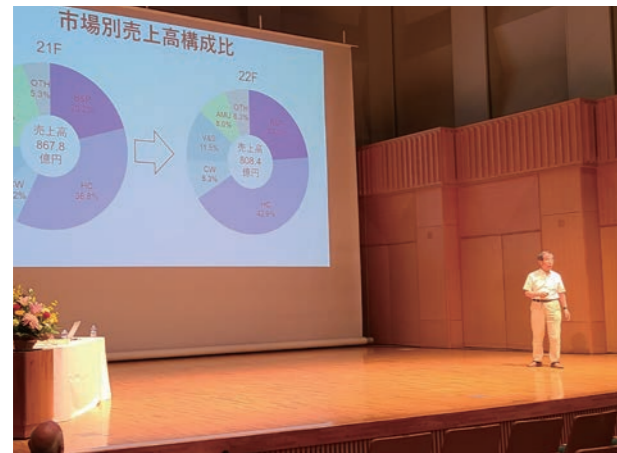
 IR Disclosure Policy  
<https://www.eizoglobal.com/ir/disclosure-policy/>

## Shareholder and Investor Engagement

### General Shareholders Meeting

We schedule our annual general shareholders meeting after taking the convenience of shareholders into careful consideration and avoiding days on which many shareholders’ meetings are held by other companies. Invitations are sent far in advance to provide sufficient time for shareholders to examine the proposed resolutions and state of our operations.

In FY2022 and FY2023, we held the meetings amid the pandemic by adopting a hybrid format, in which we implemented stringent measures to prevent infections at the venue, asked shareholders to refrain from attending in person, and shared a video taken that day via our website.



To nurture greater understanding of the Company, we organize an explanatory meeting to share our initiatives and field questions from shareholders.

### Communication with Institutional Investors

We conduct briefings for institutional investors to report on our earnings twice a year and organize one-on-one meetings as well. We also promote active communication by inviting them to take a factory tour so they can become more familiar with our operations.



Earnings result briefing

Company tour for institutional investors

#### Meetings and Events for Institutional Investors

	FY2020	FY2021	FY2022
Earnings Result Briefings	Twice (total: 69 participants)	Twice (total: 39 participants)	Twice (total: 41 participants)
One-on-One Meetings	98 organizations	87 organizations	89 organizations

## Third-Party Evaluation

### SOMPO Sustainability Index

In June 2023, EIZO Corporation was included in the SOMPO Sustainability Index for the third consecutive year.



## Community Engagement

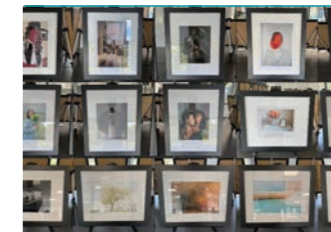
EIZO Group companies aspire to help develop and invigorate local communities in their respective countries and contribute to creating better environments as members of their communities.

## Examples of EIZO Efforts



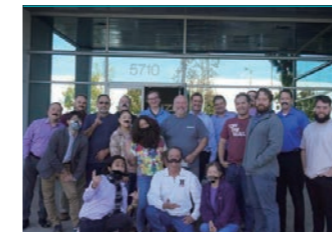
### EIZO Rugged Solutions Inc. (United States)

Employees continue to donate blood twice a year.



### EIZO Limited (United Kingdom)

We held the Student Award, a contest for creative students. The award ceremony took place in the Company's showroom where the works were exhibited.



### EIZO Inc. (United States)

We endorsed Movember, which raises awareness of men's health-related issues (such as prostate cancer, testicular cancer, mental health, and suicide prevention) as well as funds for our activities.



### EIZO Limited (United Kingdom)

We donated food to a local food bank for several months.



### EIZO Corporation (Japan)

We participated as food service volunteers for the Kanazawa Marathon.



### EIZO Technologies GmbH (Germany)

We participated in the Wish Tree Donation project run by a church social organization to help those in need realize the wishes they had written down and hung on a Christmas tree.

### EIZO Agency Corporation (Japan)

EIZO regularly provides donations to support activities for children and families battling childhood cancer and other intractable diseases, children who have lost parents to cancer, and those who have had cancer.

### EIZO Europe GmbH (Germany)

We sponsored a photography industry charity event to support UNICEF's efforts to help children in Ukraine, and EIZO Corporation also made a donation.

## EIZO Group Companies (Japan, United States, China, United Kingdom, Germany, Switzerland, Sweden, Italy, the Netherlands, Czech, and Austria)

We participate in the annual Pink Ribbon movement with cooperation from all EIZO Group companies to raise employee awareness of breast cancer and to sponsor and collect donations.



## Products and Business Operations that Address Environmental Issues

### Products and Business Operations that Address Environmental Issues

The EIZO Group has been working to reduce the environmental impact of our products and business operations since we launched our own brand of CRT monitors in Europe in 1985. We will continue to address environmental issues with advanced solutions to play our part in creating a sustainable society.

### Products and Business Operations that Address Environmental Issues


## Energy and Environmental Management Systems

We recognize that maintaining harmony between corporate activities and the environment is a key management concern, and we strive to stand at the forefront of environmental responsiveness in terms of environmentally sound products as well as product manufacturing and business activities. To this end, we have set the Energy and Environmental Basic Policy as a guideline, established an energy and environmental management system based on this policy, and obtained ISO 14001 and ISO 50001 certifications. In accordance with our management system, we strive to address environmental issues throughout the product life cycle, from manufacturing to usage

and disposal, and respond to climate change risks by reducing greenhouse gas emissions.

\*EIZO Group companies with factories have also obtained relevant certifications. EIZO MS Corporation obtained ISO 14001 and ISO 50001 certifications, while EIZO GmbH, EIZO Technologies GmbH, and EIZO Display Technologies (Suzhou) Co., Ltd. obtained ISO 14001 certification.

 [Energy and Environmental Basic Policy](https://www.eizoglobal.com/company/csr/promise2/)  
https://www.eizoglobal.com/company/csr/promise2/

 [Certifications Obtained for Energy and Environmental Management System](https://www.eizo.co.jp/company/csr/2/)  
https://www.eizo.co.jp/company/csr/2/

## Environmentally Sound Product Development

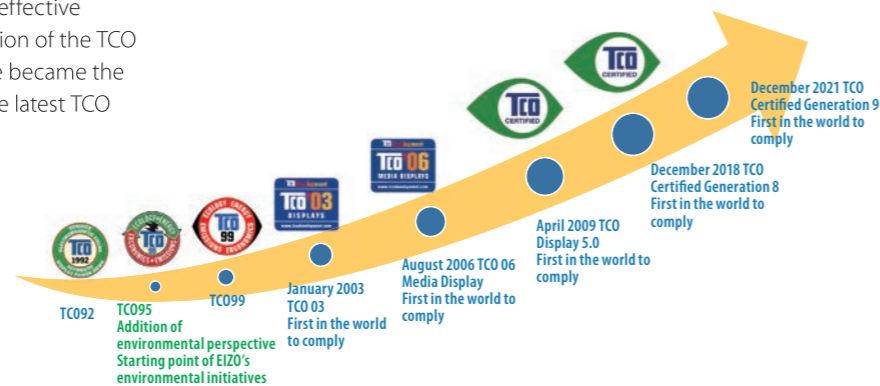
Environmentally sound product development, including the efficient use of resources and energy, has been part of our corporate DNA ever since we entered the market with our CRT monitors. Not only do we abide by environmental laws and regulations in Japan and overseas, but major EIZO products are also in compliance with the main environmental standards in each market.

In particular, Sweden's TCO, a de facto global environmental standard for monitors, was the starting point for our response to environmental issues. This comprehensive standard requires compliance in safety, electromagnetic waves, and ergonomic design, in addition to environmental requirements. It has recently expanded to include ESG and corporate governance, placing corporate activities as a whole under scrutiny.

We have sought to achieve advanced and effective standardization by participating in the formulation of the TCO standards. As a result of our ongoing efforts, we became the first in the world to achieve compliance with the latest TCO Certified Generation 9.

We will continue to pay close attention to regulatory trends and aim to develop products with a lower environmental impact.

- **Examples of European regulations**
  - WEEE Directive (collection and recycling of discarded electrical and electronic equipment)
  - RoHS Directive (restriction of use of certain hazardous substances in electrical and electronic equipment)
  - REACH Regulation (management of chemical substances)
  - ErP Directive (eco-designing for energy-related products)
  - WF Directive (database registration for managing substances of concern for waste disposal)
- **Examples of environmental standards**
  - EPEAT (international environmental standard for computers and monitors, established in the U.S.)
  - ENERGY STAR 8.0 (international energy efficiency standard established in the U.S.)
  - PC Green Label (Japanese environmental standard for computers and monitors)



## EIZO Initiatives for Reducing Environmental Impact

Note: Supported initiatives may vary depending on the model.

### Enhancing Power-Saving Features

Our products are equipped with features that significantly reduce power consumption and contribute to the reduction of CO<sub>2</sub> emissions.



### No Paint on Product Housing

The exterior finish of the plastic housing does not use paint, thereby reducing the volume of chemicals generated by painting.



### Reduction of Supply Chain Environmental Impacts

We have established our own EIZO Green Procurement Standards and preferentially procure environmentally sound products, components, and materials (including simplified packaging) that adhere to our quality, function, and cost requirements.



### Reduction of Waste with Minimal Accessories

To prevent the discarding of unused cables during installation, only a power cable and a minimal number of video signal cables are supplied with our products. Corporate customers are offered special options for reducing waste, such as combining multiple monitors into a single package.



### Reduction of Plastics in Product

Recycled plastic is used in more than 50% of the housing of our monitors.



### Collection and Recycling of Products

We collect used monitors for recycling to realize our responsibility even beyond the usage lifetime of our products.



### Discontinuing the Use of Plastic, and Resource-Saving in Packaging and Cushioning Materials

We use cardboard boxes made of recycled paper and 100% recycled materials for product packaging and cushioning, while also discontinuing the use of plastic for accessory cables by protecting them with paper.



### Reduction of Greenhouse Gas Emissions

We are working on the Transition to Net Zero, an initiative for achieving virtually zero greenhouse gas (GHG) emissions from all EIZO Group business sites by 2040 and net zero GHG emissions from the entire value chain throughout the entire product life cycle.





**Products and Business Operations that Address Environmental Issues**

**Supporting a Recycling-Oriented Society**

**Multiple Power-Saving Features**

Our products are equipped with multiple power-saving features, including automatic brightness control that reduces backlight, low power consumption during standby mode, power save mode, and a function that confirms the amount of power saved. Users can substantially reduce electricity consumption for an entire office by using our freely available power management software to simultaneously adjust the brightness and power of multiple monitors centrally.



**Reduction of Plastics in Products**

Our products' housings are made of recycled plastic, exceeding 50% for products with a high percentage of recycled plastic. We are also designing lighter and smaller products to reduce the amount of plastic used and to improve the efficiency of transportation and delivery to reduce GHG emissions.

**No Paint on Product Housings**

Because paint can contain chemicals associated with air pollutants, we only use plastic materials for the exterior color, gloss, smoothness, and other textures and do not use paint for the finish. In addition, we use flame retardant-free plastics. These measures reduce the release of chemical substances into the environment for the benefit of the environment and workers' health while also reducing chemical substances and improving recyclability.

**Resource-Saving in Packaging and Cushioning Materials**

We use cardboard boxes made of recycled paper as packaging for our products and are gradually replacing plastic with paper for bags containing accessories. In addition, we promote the use of pulp molds made of 100% recycled materials for cushioning materials.

Suppliers are encouraged to reduce packaging materials from the stage of parts procurement, for example by

discontinuing the use of plastic packaging.

Efforts to reduce and reuse packaging materials include reusing returnable boxes and used packaging materials for product deliveries to specific customers and for the transportation of parts between domestic and overseas factories.

**Minimized Accessories to Reduce Waste during Installation**

Only a power cable and a minimal number of video signal cables are supplied with the product to prevent wasting unused cables during installation. For corporate customers, we also offer special options that exclude stands and cables not needed for installation or package multiple units in a single box. This minimizes working hours and waste during installation and reduces the resources and energy used during transportation.



**Collection and Recycling of Products**

The EIZO Group complies with the environmental laws and regulations of each country and fulfills our responsibilities after the products have been used by collecting and recycling them.

**Japan**

We collect used monitors from individual and business users and recycle them through our Product Collection and Recycling System and in compliance with the Waste Disposal Act, Law for Promotion of Effective Utilization of Resources, and PC Recycling Mark program.

**Europe**

The European WEEE Directive came into effect in August 2005 to reduce environmental impact through promotion of the 3R's of reduce, reuse, and recycle for discarded electrical and electronic equipment. We have complied with the directive by establishing a collection and recycling system for applicable products sold in Europe.

**United States**

The EPEAT standard requires the provision of a collection service for used electric and electronic equipment. We have met this requirement by establishing a collection and recycling system for products sold in the U.S.

Reference Data on Resource Recycling P. 87

**Initiatives for Environmentally Sound Procurement**

**Green Procurement**

In order to maintain and strengthen our environmental protection initiatives and fulfill our social responsibility, we established our own EIZO Green Procurement Standards to guide material procurement activities. We prioritize business with suppliers that offer a proactive environmental response, and we preferentially procure products, components, and materials (including packaging) that meet our requirements for quality, performance, and cost as well as environmental soundness.

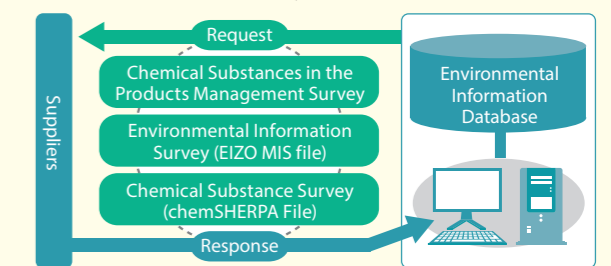
**Management of Chemical Content Information**

As part of our green procurement, we prohibit or control the use of regulated substances\* in accordance with the prevailing laws and environmental standards worldwide. To this end, we conduct surveys on chemical substances for all the materials we procure as well as surveys on environmental initiatives by suppliers. We compile and manage the survey results in a database to determine which materials and suppliers best align with our values and to evaluate the environmental compliance of our own products.

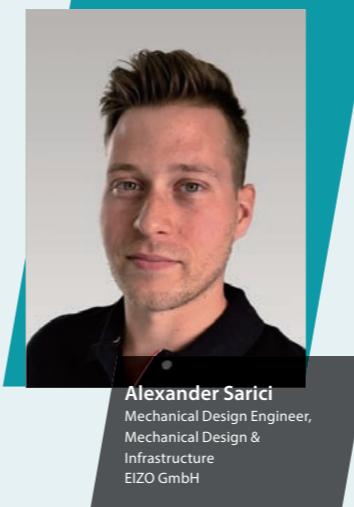
\*Examples of regulated substances: mercury and lead (including their compounds), halogen substances, and PFAS (organo-fluorine compounds)



Flow of Chemical Content Survey



VOICE



"We did not inherit the Earth from our ancestors, we borrow it from our children" —Antoine de Saint-Exupéry

Loosely based on this quote, as an engineer in the Mechanical Design team and as a father, I am keen to keep the impact of my work in mind and do everything I can to preserve the planet for our descendants.

As a manufacturer of medical devices, we at EIZO GmbH (Germany) have to find new and creative approaches every day to balance the high requirements of medical standards and environmental protection. For example, by using steel and aluminum as housing materials, we can guarantee the necessary flexibility for our customers and protect the planet by using materials that can be recycled an infinite number of times. We are also constantly working to increase the percentage of recycled materials in our packaging, as well as reduce the use of plastic-based materials. Despite the high demands of our customers, we have been able to achieve a recycled content of approximately 70% for paper-based materials and 30% for plastic-based materials. We are working closely with our partners to achieve plastic-free packaging.

As a direct contribution to environmental protection, a photovoltaic system was installed in the main factory last year, which makes me particularly proud to work at EIZO GmbH because I find my values reflected in the company.

**Products and Business Operations that Address Environmental Issues**

**Responding to Climate Change**

We have identified supporting a recycling-oriented society, responding to climate change, and supply chain management as environment-related materiality. GHG emission reduction targets have been set for products and services as well as business activities as a whole, and we are striving to achieve these targets. In addition, we provide our products and services across the globe to more than 120 countries and have established a global supply chain for procurement. We are therefore working worldwide to reduce GHG emissions in Scope 1, 2, and 3 across all of our business activities in Japan and overseas.



**Climate Change-Related Information Disclosure and External Assessment**

**TCFD Disclosure**

In May 2021, EIZO announced its support for the recommendations of the TCFD (Task Force on Climate-related Financial Disclosure).

In May 2022, EIZO disclosed the information in line with the TCFD's recommendations that are structured around the four areas of governance, strategy, risk management, and metrics and targets. For the current disclosure of information, we identified climate-related risks and opportunities and analyzed scenarios for these to determine and assess what business challenges may emerge in the future.

We also analyzed the specific level of financial impact on our business under the scenarios developed during the analysis, and we reflected the results in the metrics and targets.



TCFD Disclosure <https://www.eizoglobal.com/company/csr/promise2/tcfdf/>

**Obtained SBT Certification**

In July 2022, we submitted our GHG emission reduction targets for 2030 to the Science Based Targets initiative (SBTi) and obtained the SBT certification. We will work to reduce absolute Scope 1 and 2 GHG emissions by 70% by FY2030 (the 1.5°C alignment), and reduce absolute Scope 3 GHG emissions by 27.5% by FY2030, well below 2°C.



**"A-" Rating Received in CDP Climate Change Survey**

In December 2022, we received an "A-" leadership score in the 2022 climate change survey conducted by CDP, a global environmental non-profit organization. The questionnaire is rated on an eight-point scale from "A" to "D-", and our responses and progress toward realizing a decarbonized society were highly evaluated.

Moreover, in March 2023, we were selected as a Supplier Engagement Leader, the highest rating in the Supplier Engagement Assessment, which reviews selected items in the questionnaire related to collaboration with suppliers.



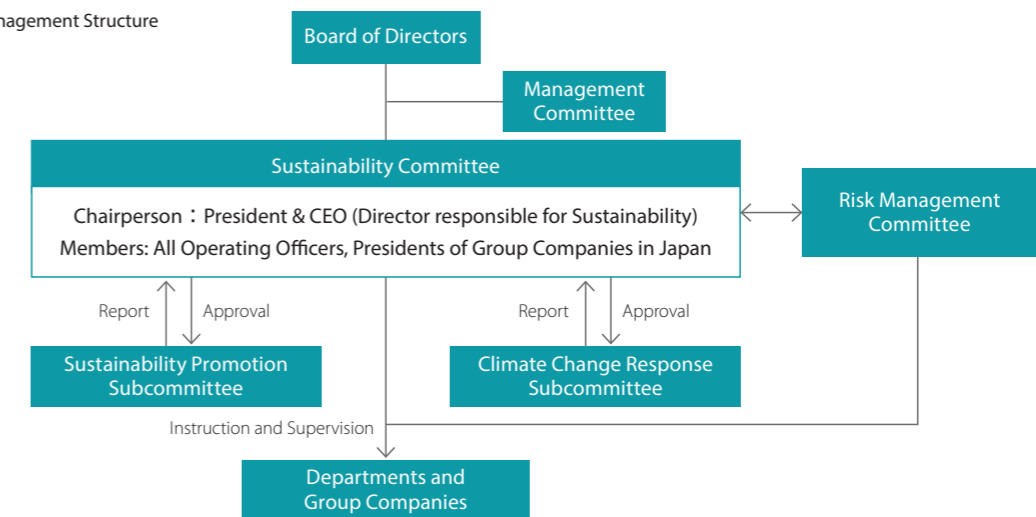
**TCFD Disclosure**

**Governance**

Our initiatives for sustainability-related issues, including those related to climate change, are carried out by the Sustainability Committee under the responsibility of the President and CEO, who also chairs the committee. In addition, the Climate Change Response Subcommittee has been established to evaluate and respond to climate-related risks and opportunities from different technical viewpoints.

The Board of Directors monitors and supervises the progress of the goals and targets for addressing climate-related issues through the formulation of strategies for realizing opportunities based on GHG emission reductions and scenario analysis by the Sustainability Committee, and through quarterly reports on the status of business execution.

Sustainability Management Structure



**Risk Management**

We have established and are operating a company-wide risk management system to manage risks in an integrated and unified way, recognizing that the appropriate management of risks surrounding the EIZO Group is essential for achieving management goals and implementing business strategies. Climate-related risks and opportunities are analyzed and

evaluated by the Sustainability Committee and the Climate Change Response Subcommittee in order to cover long-term and specialized risks and opportunities indicated by the TCFD in conjunction with company-wide risk management, and countermeasures are discussed.

Climate-Related Risk Management Process



**Strategy**

**Scenario Analysis**

We have analyzed the scenarios recommended by the TCFD for the 2°C scenario (SSP1-2.6) and the 4°C scenario (SSP5-8.5) in the IPCC AR6 to determine what business challenges may emerge in the highly uncertain future as we transition to a decarbonized society. In the analysis of the 2°C scenario, we also referred to IEA NZE2050, which shows a 1.5°C scenario.

The scenario analysis covered all of our businesses, including domestic and overseas group companies, and the

timeframe was set in accordance with our medium to long-term strategy. When identifying material issues related to sustainability, we refer to the period up to the year 2030, which is also the goal year of the SDGs, as the long-term timeframe. Therefore, for climate-related risks, we also set the year 2030 as a long-term time perspective given a highly uncertain future. These analyses take into account not only direct operations but also the entire supply chain, including raw material procurement, the value chain, and customers.

## Products and Business Operations that Address Environmental Issues

### Risks and Opportunities

Climate change-related risks and opportunities from a long-term perspective are specified below.

Risks	Opportunities
Increase in tax burden due to higher GHG emission price	<b>B&amp;P, HC, CW, V&amp;S</b> Sales expansion due to increased demand for products with high environmental performance
Increase in manufacturing costs due to higher procurement costs	
Increase in costs for introduction of renewable energy and investment in equipment for energy conservation	
Rising transportation costs due to a modal shift in general social expectations to reduce GHG emissions (increased costs associated with low-carbon transportation in current means of transportation, not just a modal shift in social expectations)	<b>HC</b> Increasing health risks associated with climate change will foster a sense of value that emphasizes health and well-being, which expand the market
Increased regulations regarding disaster preparedness and mandatory measures for employee safety and business continuity	
Failure to achieve targets in energy conservation and low carbonization of products	<b>V&amp;S</b> Increasing need for products and systems that adapt to resilient social needs in an increasingly extreme climate
Increased investment in R&D to achieve low-carbonization goals	
Rising energy costs due to increasing share of renewable energy and rising oil prices	

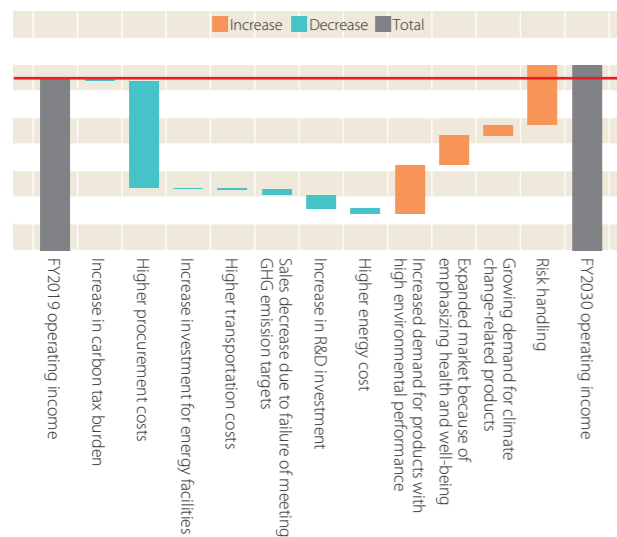
### Financial Impacts

We have analyzed the specific level of financial impact in FY2030 through the 2°C and 4°C scenario analysis.

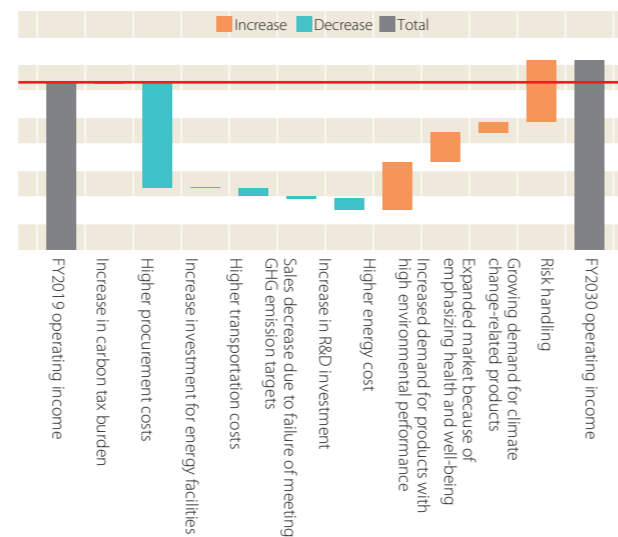
Under the 2°C scenario, we assume that the financial impact of higher operating costs will be greater as a result of tighter carbon pricing policies. Under the 4°C scenario, the physical impacts of climate change are projected to be accompanied by logistical disruptions in our value chain and impacts on procurement costs.

At the same time, we envision that customers' product selection criteria will change as they move toward decarbonization, that the need for more energy-efficient performance and lower GHG emissions products will increase, and that our high-efficiency products are likely to create increasingly more business opportunities.

FY2030 Financial Impact under the 2°C Scenario (Comparison of Change in FY2030 Operating Income Starting from FY2019)



FY2030 Financial Impact under the 4°C Scenario (Comparison of Change in FY2030 Operating Income Starting from FY2019)



### Metrics and Targets

Proceeding to achieve the following goals as metrics for management of the climate-related risks and opportunities.

FY2030	Reduce absolute Scope 1 and 2 GHG emissions by 70% compared to the FY2019 base year Reduce absolute Scope 3 GHG emissions by 27.5% compared to the FY2019 base year
FY2040	Reduce Scope 1 and 2 GHG emissions to net zero Aim for net zero GHG emissions in Scope 3 in cooperation with stakeholders

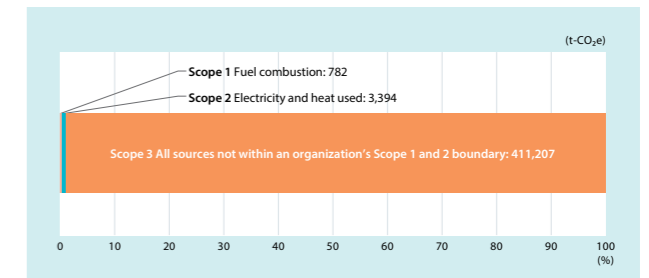
### GHG Emissions in Scopes 1, 2, and 3

GHG emissions in Scopes 1, 2, and 3 are as follows.

GHG Emissions in Scopes 1, 2, and 3

	FY2019 (base year)	FY2020	FY2021	FY2022
Scope 1 (t-CO <sub>2</sub> e)	915	805	782	782
Scope 2 (t-CO <sub>2</sub> e)	5,531	4,270	3,120	3,394
Scope 3 (t-CO <sub>2</sub> e)	443,716	403,005	431,834	411,207
Total	450,162	408,080	435,736	415,383

GHG Emissions in Scopes 1, 2, and 3 (FY2022)



\*The EIZO Group manufactures 100% of the Group's electronic circuit boards in Japan and Germany and handles the assembly and inspection of finished products in Japan, Germany, and China. There are no significant GHG emissions associated with fuel and energy activities for Scopes 1 and 2 in the manufacture of circuit boards and assembly of finished products, so the emissions in Scope 3 therefore account for 99% of the total.

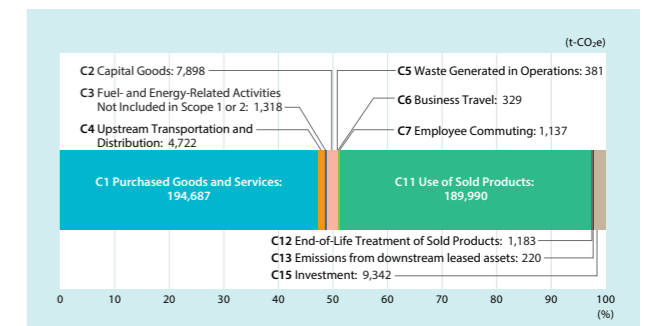
### GHG Emissions by Category\* in Scope 3

GHG emissions by category in Scope 3 are as follows. Emissions from purchased products (Category 1) and emissions from the use of sold products (Category 11) account for 93.5% of total emissions in Scope 3.

GHG Emissions from Categories with a Larger Ratio of Emissions in Scope 3

	FY2019 (base year)	FY2020	FY2021	FY2022
Category 1 (t-CO <sub>2</sub> e)	167,601	155,309	184,810	194,687
Category 11 (t-CO <sub>2</sub> e)	248,037	221,652	222,174	189,990
Total	415,638	376,961	406,984	384,677

GHG Emissions by Category in Scope 3 (FY2022)

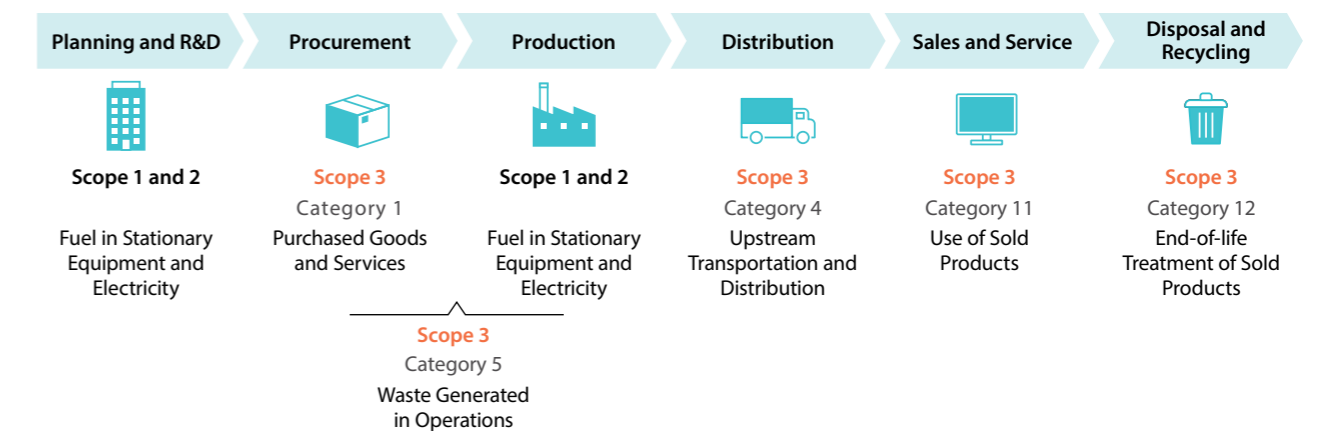


Note: GHG Protocol's Scope 3 criteria classify Scope 3 into 15 categories. Among them, Category 1 refers to "Purchased Goods and Services" and Category 11 refers to "Use of Sold Products."

## Transition to Net Zero

### Efforts in the Value Chain

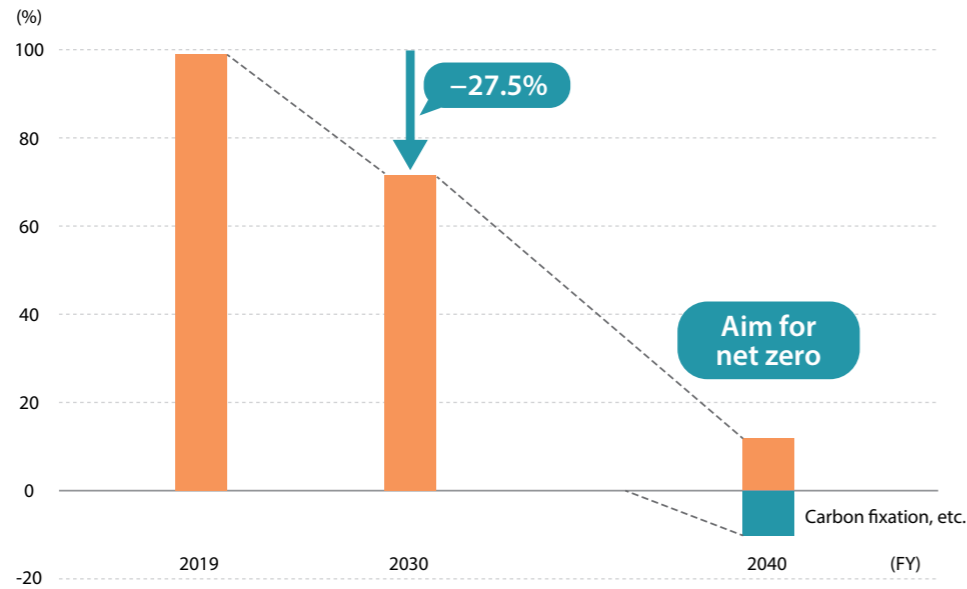
The following shows where and how emissions occur along the value chain in the manufacturing of our products.



Products and Business Operations that Address Environmental Issues

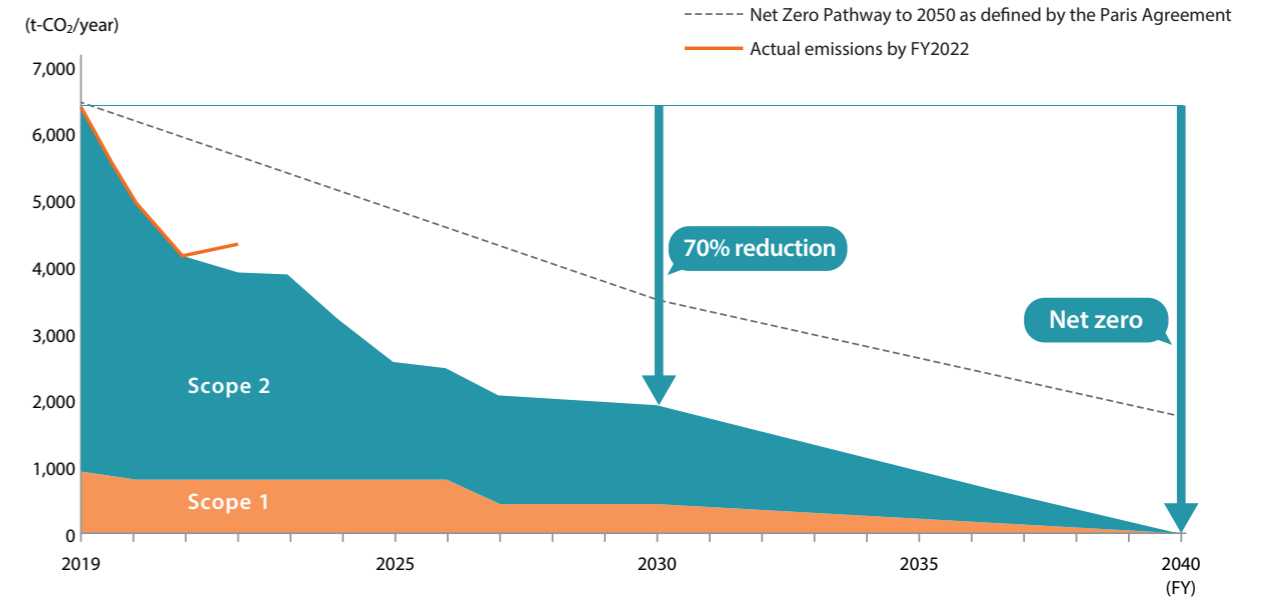
Efforts (Scope 3)

The Roadmap toward Scope 3 GHG emission reduction targets is as follows.



Details of Initiatives (Scope 1 and 2)

The roadmap and initiatives toward GHG emission reduction targets for Scope 1 and 2, as well as actual emissions, are shown below.



In FY2022, Group-wide emissions increased by 274 t-CO<sub>2</sub>e due to the relocation and increase in the total floor space of the office of the U.S. Group company EIZO Rugged Solutions Inc. We will work to achieve the planned figures in FY2023 and beyond by promoting energy conservation and renewable energy at this business site and throughout the Group.

Details of Initiatives

- |      |   |         |  |
|------|---|---------|--|
| 2022 | ● Introduced solar power in the head office logistics building  | 2026    | ● 100% renewable energy at the Nanao factory<br>● Electrify heat source for head office air conditioning |
| 2023 | ● Introduced solar energy in a German Group company   | By 2030 | ● Convert to renewable energy at domestic bases<br>● Convert Japanese company-owned vehicles to EVs      |
| 2024 | ● 100% renewable energy at the head office<br>● Introduce solar power at the Hakui factory<br>● Introduce solar power in a new building | By 2040 | ● Convert gas and heat of overseas Group companies to renewable energy, etc.                             |
| 2025 | ● 100% renewable energy at the Hakui factory<br>● Introduce solar power in the head office parking lot                                  |         |  |

Category 1 Purchased Goods and Services

Target: 70% recycled material usage rate by FY2030

Initiatives:

- Conduct supplier GHG emissions survey and request reductions through supplier engagement
- Adopt low environmental impact materials (green materials)

Category 11 Use of Sold Products

Target: Reduce power consumption associated with products by 13.5% by FY2024, and by 30% by FY2030.

Initiatives:

- Further reduce power consumption by developing display systems and independent power-saving functions

Category 4 Upstream Transportation and Distribution

Target: Reduce emissions from transportation by 25% by FY2030

Initiatives:

- Advance lightweight and compact products (green design)
- Promote a modal shift, such as by switching from trucks to rail for transportation to distant areas

Category 12 Purchased Goods and Services

Initiatives:

- Adopt low environmental impact materials (green materials)

● Calculation and Disclosure of Carbon Footprint

GHG emissions will be visualized by calculating the carbon footprint (CFP) of products to improve engagement with customers.



FP Report (example)

● Introduction of Environmentally Friendly Booths

We promote the introduction of environmentally friendly booths at major exhibitions. In addition, we will begin offering products with carbon offsets based on the CFP.



Environmentally Friendly Booth

● Installation of Solar Power Generation Facilities

We will actively promote the installation of solar power generation and other environment-related facilities when constructing our own buildings, including domestic and overseas sites.



EIZO GmbH (Germany, FY2022)



EIZO Corporation Logistics Building (Japan, FY2022)

## Corporate Governance

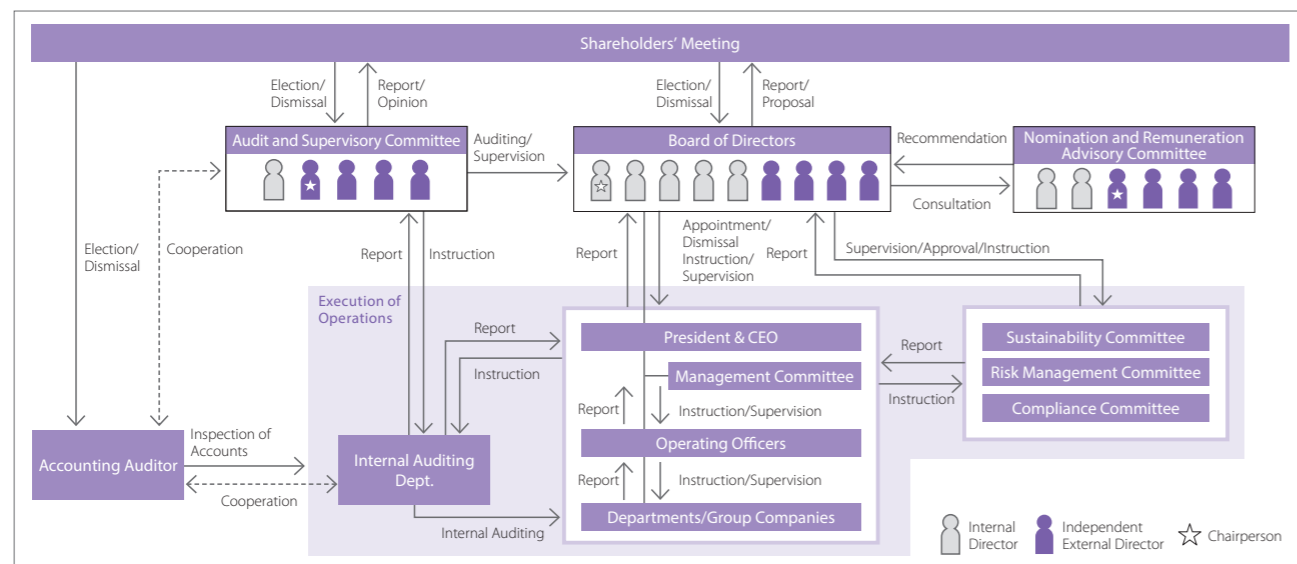
### EIZO's Approach to Corporate Governance

We strive to continuously improve our corporate value by building and maintaining relationships of trust with our stakeholders who support us. To achieve this, it is essential to ensure sound, efficient, and transparent management, and we regard the enhancement of corporate governance as an important management issue.

### Overview of the Corporate Governance System

We adopt the organizational design of a company with an Audit and Supervisory Committee. With this structure, we work to enhance prompt decision-making and business execution and, with the active participation of Independent External Directors, strengthen the Board of Directors' audit and supervisory functions and management transparency.

Corporate Governance System (June 23, 2023)



#### Board of Directors

The Board of Directors deliberates on key management decisions and receives regular reports on the status of operational execution. Members engage in lively discussions for decision-making and reinforce the supervisory function for management.

#### Audit and Supervisory Committee

The Audit and Supervisory Committee, in accordance with the audit policy and plans, audits and supervises the execution of duties by the Board of Directors by attending the Board of Directors and other important meetings as well as examining corporate operations and assets.

#### Nomination and Remuneration Advisory Committee

The Nomination and Remuneration Advisory Committee is established as an advisory body to the Board of Directors in order to ensure transparency and objectivity of decisions on the nomination and remuneration of Directors. It deliberates and makes recommendations on matters related to the nomination policy, election, and dismissal of Directors as well as the system determining the amount of Directors' remuneration.

#### Management Committee

The Management Committee is mainly composed of internal Directors and Operating Officers and is convened to accelerate strategic decision-making, respond to important issues, and deliberate or report on the status of operations and other matters. In addition to reporting on monthly consolidated business performance, it meets in a timely manner to ensure agile management.

#### Operating Officer System

We operate an Operating Officer System to separate management supervision from operational execution and expedite the implementation of operations.

Note: We have 10 Operating Officers (two also as serve as Directors) as of June 23, 2023.

#### Internal Auditing System

The Internal Auditing Department, which is in charge of and carries out internal audits in accordance with the Basic Annual Audit Plan, based on the audit policy, reports its results to the President & CEO and the Audit and Supervisory Committee.

### Board Members



Name	Career Summary	Attendance in FY2022*1		
		Board of Directors meetings	Audit and Supervisory Committee meetings	Nomination and Remuneration Advisory Committee
1 <b>Yoshitaka Jitsumori</b> President & CEO	Worked at Murata Europe Management GmbH (currently Murata Electronics Europe B.V.) as a Geschäftsführer before joining EIZO as an Executive Director in May 1994. Served as Senior Executive Director and Executive Vice President before being appointed President & CEO (current position) in June 2001.	100% (10/10 times) Chairperson	—	100% (5/5 times)
2 <b>Masaki Ebisu</b> Director, Executive Operating Officer	Worked at The Long-Term Credit Bank of Japan, Limited (currently SBI Shinsei Bank, Limited) before joining EIZO in August 2004. Served as Operating Officer and Senior Manager of the Procurement, Accounting & Finance, and General Affairs Departments. Appointed Director in June 2021 and Executive Operating Officer in April 2023.	100%	—	—
3 <b>Manabu Arise</b> Director, Executive Operating Officer	Joined EIZO in April 1992. Gained management experience at overseas Group companies. Served as Operating Officer and Senior Manager of the Accounting & Finance and Procurement Departments. Appointed Director in June 2021 and Executive Operating Officer in April 2023.	100%	—	—
4 <b>Thomas J. Waletzki</b> Director	Joined EIZO in August 1993. Worked at the head office and then served as General Manager, Executive Vice President & COO, President & CEO at EIZO Inc., an overseas group company in the U.S. (current position). Appointed Director in June 2023.	—	—	—
5 <b>Masaaki Suzuki</b> External Director (Member of the Audit and Supervisory Committee)	Served as Managing Executive Officer at Mizuho Bank, Ltd., Senior Managing Executive Officer at NIPPON TOCHI-TATEMONO Co., Ltd., and Managing Director at Hokuetsu Pulp Co., Ltd. (currently Hokuetsu Corporation), and President & CEO at Hokuetsu Package Co., Ltd. before joining EIZO as External Director in June 2012. Appointed External Director serving as an Audit and Supervisory Committee Member in June 2016 (current position).	100% (10/10 times)	100% (9/9 times) Committee Chair, Chairperson	100% (5/5 times) Committee Chair, Chairperson
6 <b>Kazuhiko Deminami</b> Director (full-time Member of the Audit and Supervisory Committee)	Joined EIZO in March 1982. Served as Senior Manager of the Accounting & Finance and General Affairs Departments, Operating Officer and Director of a group company before being appointed Director serving as an Audit and Supervisory Committee Member in June 2016 (current position).	100% (10/10 times)	100% (9/9 times)	100% (5/5 times)
7 <b>Hiroji Takino</b> External Director (Member of the Audit and Supervisory Committee)	Served as Managing Executive Officer of Hokuriku Bank Ltd. before being appointed External Director serving as an Audit and Supervisory Committee Member in June 2018 (current position).	100% (10/10 times)	100% (9/9 times)	100% (5/5 times)
8 <b>Toru Inoue</b> External Director (Member of the Audit and Supervisory Committee)	Served as Representative Director, Senior Executive Vice President, and Executive Counsellor at Murata Manufacturing Co., Ltd. before being appointed External Director serving as an Audit and Supervisory Committee Member in June 2022 (current position).	100% (7/7 times)	100% (6/6 times)	100% (2/2 times)
9 <b>Masako Osuna</b> External Director (Member of the Audit and Supervisory Committee)	Served as Deputy Managing Director, JETRO Singapore and Director General, JETRO Seoul. After serving as Professor, Managing Systems Department, College of Informatics and Human Communication, Kanazawa Institute of Technology in February 2014, serves as Professor, Office of Industry-University Collaboration, Organization for Research Support (since April 2017). Appointed External Director serving as an Audit and Supervisory Committee Member in June 2022 (current position).	100% (7/7 times)	100% (6/6 times)	100% (2/2 times)

\*1 The attendance record of Mr. Toru Inoue and Ms. Masako Osuna represents meetings held after their appointment.

\*2 External Director Masako Osuna is a professor at the Kanazawa Institute of Technology, an External Director of Hibiya Engineering, Ltd., and an External Auditor of C.I. Takiron Corporation. There are no special interest between any of these and EIZO.

Corporate Governance

Evaluation of Board of Directors Effectiveness

The Board of Directors annually evaluates its overall performance to continuously improve the effectiveness of key management approval processes and operational execution supervision.

Evaluation Method

Discussion method was conducted by all Directors in FY2022, as in FY2021, to evaluate the Board of Directors effectiveness from the perspectives of its management system, supervisory function, and shareholders engagement.



Evaluated Items in FY2022

- Composition of the Board of Directors (3 items)
- Operation of the Board of Directors (7 items)
- Management strategy (7 items)
- Performance monitoring and management evaluation (1 item)
- Business ethics and risk management (2 items)
- Shareholders engagement (1 item)

Evaluation Results and Future Actions

Generally favorable evaluation results were obtained for all evaluation items, and the Board of Directors was confirmed to be effectively functioning at a sufficient level for making reasonable decisions and approving important management matters and supervising business execution by organically collaborating with the Management Committee.

On the other hand, the following needs were identified with regard to the operation of the Board of Directors, management strategy, and shareholders engagement.

- Further enhancing information sharing with External Directors
- Ongoing discussion on medium- and long-term management strategies
- Effective disclosure of corporate information to stakeholders

Considering the above evaluation results, the Board of Directors will strive to further enhance its effectiveness.

Operating Officer System

We adopt the Operating Officer System to expedite the execution of duties. An outline of the duties of Operating Officers is as follows.



Front row, from left

- Masaki Ebisu:** Executive Operating Officer, and Senior Manager, Procurement
- Kenichi Fujii:** Executive Operating Officer, and Senior Manager, R&D, Rugged Systems and Intellectual Property Management
- Yoshitaka Jitsumori:** President & CEO
- Kazuhide Shimura:** Senior Executive Operating Officer, Strategic Business Development, Sales & Marketing, Global & Japan, and Senior Manager, Strategic Business Development & Overseas Sales
- Masataka Shoji:** Executive Operating Officer, Sales & Marketing, Japan, and Senior Manager, Healthcare Solutions, Sales & Marketing

Back row, from left

- Masaki Kita:** Operating Officer, and Senior Manager, R&D, Visual Products
- Kiyotaka Hira:** Operating Officer, and Senior Manager, General Affairs
- Manabu Arise:** Executive Operating Officer, and Senior Manager, Accounting & Finance, & Investor Relations (IR)
- Hideki Bansho:** Senior Operating Officer and Senior Manager, Human Resources
- Hiroyuki Nakato:** Operating Officer, Senior Manager, Sales Administration, and Senior Manager, Business Enterprise, Sales & Marketing



**Minoru Kontani:** Operating Officer, Europe EIZO Sales Company and Distributor

Composition of the Board of Directors and Operating Officers (Skills Matrix)

The Board of Directors and Operating Officers are composed of the following members (as of June 23, 2023).

	Name	Independent External Directors	Nomination and Remuneration Advisory Committee	Global Business Management	Main Areas of Expertise							
					Accounting & Finance	HR & HR Development	Internal Control, Legal & Compliance	Governance & Risk Management	Research & Technology Development	Sales & Marketing	Supply Chain Management	Sustainability
Directors	<b>Yoshitaka Jitsumori</b> President & CEO		○	●	●	●	●	●		●	●	●
	<b>Masaki Ebisu</b> Executive Operating Officer			●	●		●	●			●	●
	<b>Manabu Arise</b> Executive Operating Officer			●	●		●	●			●	●
	<b>Thomas J. Waletzki</b> EIZO Inc. President & CEO			●		●	●	●		●	●	●
	<b>Masaaki Suzuki</b> Chairperson of the Audit and Supervisory Committee	○	◎ Committee Chair	●	●	●	●	●				●
	<b>Kazuhiko Deminami</b> Full-time Member of the Audit and Supervisory Committee		○		●		●	●				
	<b>Hiroji Takino</b> Member of the Audit and Supervisory Committee	○	○		●	●	●	●		●		●
	<b>Toru Inoue</b> Member of the Audit and Supervisory Committee	○	○	●	●	●	●	●	●	●	●	
	<b>Masako Osuna</b> Member of the Audit and Supervisory Committee	○	○	●		●	●	●		●		●
	<b>Kazuhide Shimura</b> Senior Executive Operating Officer			●				●		●	●	
Operating Officers	<b>Kenichi Fujii</b> Executive Operating Officer						●	●	●			●
	<b>Masataka Shoji</b> Executive Operating Officer						●	●	●	●		
	<b>Hideki Bansho</b> Senior Operating Officer						●	●	●	●		●
	<b>Minoru Kontani</b> Operating Officer			●			●	●		●	●	●
	<b>Masaki Kita</b> Operating Officer			●			●	●				●
	<b>Kiyotaka Hira</b> Operating Officer						●	●	●		●	●
	<b>Hiroyuki Nakato</b> Operating Officer						●	●	●		●	●

Note: The above table does not show all areas of expertise of each Director and Operating Officer.

Corporate Governance

Policies and Procedures for Nomination and Remuneration of Directors

Nomination and Remuneration Advisory Committee—Involvement of Independent External Directors

We have established the Nomination and Remuneration Advisory Committee as a voluntary committee to ensure transparency and objectivity in matters relating to the nomination policy and the appointment and dismissal of Directors as well as in decisions on the remuneration system and the amount of remuneration received by Directors (excluding those who serve as member of the Audit and Supervisory Committee).

The majority of the member of the Nomination and Remuneration Advisory Committee are Independent External Directors who are appropriately involved in the decision-making process of the Board of Directors, a process through which their opinions are reflected.

Policy and Procedures for Nominating Directors

Individuals with proven ability and experience in corporate management, as well as excellent character and insight, are appointed as candidates for Directorship. In addition to these qualities, each candidate for External Director must also meet EIZO's Criteria for Independence of External Directors and be capable of auditing and supervising company management and operations from a variety of perspectives. In accordance with the above policy, the Board of Directors decides on the candidates after deliberating with and receiving the recommendations of the Nomination and Remuneration Advisory Committee. The approval of the Audit and Supervisory Committee is obtained for the nomination of Director candidates who are member of the Audit and Supervisory Committee.

The composition of the Board of Directors reflects our consideration of the size and nature of the business to ensure that the Board of Directors is optimally suited to the company and that the Board of Directors as a whole reflects a balance and diversity of knowledge, experience, and skills. We appointed our first female Director in FY2022 and our first non-Japanese Director in FY2023. In addition, the Nomination and Remuneration Advisory Committee regularly discusses the CEO succession plan and future management structure.

Note: Reasons for appointing individual Directors and EIZO's Criteria for Independence of External Directors are disclosed in the Reference Documents for the Ordinary General Meeting of Shareholders, where they were presented for approval.

Notice of Convocation of General Meeting of Shareholders  
<https://www.eizoglobal.com/ir/meeting/>

Policy and Procedures for Director Remuneration

Policy

We pay appropriate remuneration to Directors in accordance with the responsibilities and duties of each Director in light of the following.

- Motivation for medium- and long-term growth of our company and sustainable enhancement of corporate value
- Role to fulfill corporate social responsibility
- Business environment, performance, and execution of duties
- Securing human resources with excellent management skills
- Our company's business content and scale

In FY2022, we reviewed our Director remuneration system and introduced stock-based remuneration to provide incentives to continuously increase corporate value and further promote value sharing with shareholders.

Note: The full text of our basic policy on remuneration of Directors is disclosed in the Corporate Governance Report.

Corporate Governance Report  
<https://www.eizoglobal.com/company/csr/promise7/>

Procedures

The method for determining remuneration and related matters as well as remuneration criteria by rank are set forth in the internal regulations, which are determined by the Board of Directors after deliberating with and recommendations from the Nomination and Remuneration Advisory Committee. The specific amount to be paid for each fiscal year is also determined in accordance with the relevant internal regulations and within the scope determined by the Board of Directors after deliberating with and receiving the recommendations from the Nomination and Remuneration Advisory Committee. The Audit and Supervisory Committee holds discussions on the remuneration system, method of calculation, and amount for its members.

Composition of Director Remuneration (FY2022)

	Overview	Amount of Payment, etc.	
		Directors (Excluding Audit and Supervisory Committee Members)	Directors Serving as Audit and Supervisory Committee Members
Fixed	<ul style="list-style-type: none"> <li>• Eligibility: All Directors</li> <li>• Indicators: Comprehensively consider position, responsibility, years in office, etc., as well as other companies' standards, our company's performance, and employee salary levels</li> </ul>	JPY55 million	JPY39 million (External Directors: JPY24 million)
Performance-based	<ul style="list-style-type: none"> <li>• Purpose: To motivate Directors to improve business performance and to reflect the results of each fiscal year (Directors' bonuses)</li> <li>• Eligibility: Directors responsible for executing operations only</li> <li>• Indicators:                             <math display="block">\text{Performance-based remuneration for each eligible Director} = \text{Consolidated operating income for the fiscal year subject to payment} \times 2\% \times \text{Rank-based points given to each eligible Director in accordance with internal regulations}</math> </li> </ul>	JPY47 million (Maximum: JPY150 million per year) (Composition: Roughly 0-50%)	—
Stock-based	<ul style="list-style-type: none"> <li>• Purpose: To provide an incentive for continuously improving corporate value</li> <li>• Eligibility: Directors responsible for executing operations only</li> <li>• Description: Restricted stock-based remuneration (to be paid after the General Meeting of Shareholders)</li> <li>• Indicators: Rank-based points given to each eligible Director in accordance with internal regulations</li> </ul>	JPY9 million (Maximum: JPY50 million and 20 thousand shares per year) (Composition: Approx. 0-25%)	—
Total	—	JPY111 million (Maximum: JPY350 million per year)	JPY39 million (External Directors: JPY24 million) (Maximum: JPY60 million per year)

Note: The above table includes the amount paid to one External Director (Member of the Audit and Supervisory Committee) who retired in June 2022.

Internal Control

We maintain and operate an internal control system based on the Basic Policy on Internal Control System\* established by the Board of Directors. We conduct annual reviews of operational status and report the results to the Board of Directors for continuous improvement.

The Internal Auditing Department conducts audits of domestic and overseas Group companies. Audit results are reported directly to the Audit and Supervisory Committee and to the President & CEO, ensuring a dual reporting line.

For Group-wide risk management, we have established a system to manage all domestic and overseas Group companies in an integrated and unified manner. With regard to the execution of business by the Group companies, we conduct

necessary and appropriate management according to their conditions through a reporting and approval system for important matters based on internal regulations and by using an internal audit system.

Reference Risk Management > P.80

\*The Basic Policy on Internal Control System is disclosed in the Corporate Governance Report.

Corporate Governance Report  
<https://www.eizoglobal.com/company/csr/promise7/>

Strategically Held Shares

Corporate Policy

We will hold shares of a business partner only when it is beneficial for maintaining favorable business relations, encouraging long-standing trust, and enhancing corporate value over the mid to long term. In accordance with this policy, the Board of Directors conducts a review at least once a year to verify the rationality of ownership with respect to each company stock and decide whether we should continue to hold or sell.

We determine the rationality of owning stock from a comprehensive standpoint and by examining qualitative aspects, such as the purpose of ownership and calculating the quantitative benefits, such as transaction status, stock price, and dividends in order to verify whether they justify capital investment. In addition, we confirm that no transactions involve the holding of such shares that would create a conflict of interest for EIZO and that no transactions are detrimental to EIZO and the common interests of shareholders. Going forward, we will continue to verify rationality and appropriately manage strategically held shares.

Status of Stock Ownership (as of March 31, 2023)

	Number	Total on Balance Sheet
Unlisted Stock	3 companies	JPY17 million
Listed Stock	20 companies	JPY15,749 million

Criteria for Exercising Voting Rights

We properly exercise our voting rights on strategically held shares after closely examining the management policy, business performance, agenda, and other aspects of each company to determine whether or not they contribute to increasing shareholder value over the mid to long term.

Corporate Governance

External Directors Share Their Top Priorities and Goals

Becoming a Stronger Company with an Increasingly Diverse Board of Directors

The Tokyo Stock Exchange recently urged management teams to be more aware of capital efficiency. I think this means that corporate governance based on transparency and acceptance will become even more important.

I believe that it is particularly important to exercise the functionality of our Board of Directors and to ensure the diversity of our human resources. The board has been diversified with the appointment of a female Director in FY2022 and a non-Japanese Director in FY2023. The Board of Directors is an open meeting body that includes Operating Officers and the department heads, which allows for sufficient information sharing and serves as a venue for development of diverse human resources.

We have the Nomination and Remuneration Advisory Committee, of which I have acted as the Chairperson. The committee discusses the critical importance of top management nominations as an aspect of human resource development and remuneration, with the appropriate involvement and advice from our External Directors. We meet with the President & CEO on a regular basis and as needed to openly discuss succession issues. I'm confident that our remuneration system is designed to support medium- and long-term management strategies and is highly transparent and sound.

Since we are a global company covering almost the entire world and entrusting management to our local employees, our global management audit system is absolutely crucial. We regularly receive reports from staff of the Internal Auditing Department, and I strive to

Masaaki Suzuki

Leading Independent External Director

Has held top management positions at a financial institution, manufacturer, and real estate company as well as other positions in Japan and overseas. Applies his extensive experience and achievements in governance and compliance to contribute to enhancing EIZO's corporate value.



offer advice based on my own experience in global management.

Our challenge is to become a stronger company that is unique and attractive. In this regard, it is crucial to implement a sustainable business model based on solid financial base and a broadminded corporate culture, to focus more on stakeholders, to develop globally minded human resources, to respect diversity, and to promote women into management positions, which is a very important issues for the near future. Furthermore, it is very important to consistently respond to climate issues in order to promote non-financial values that will help enhance brand strength and other aspects of the company. I believe that promoting these efforts will enable us to achieve sustainable growth and increase corporate value in the medium to long term, as required by the Corporate Governance Code.

Management Style Adapts to the Company's Stage of Growth

A year has passed since I became a Director, and I now have an even stronger sense that our company is engaged in much more than a single business but rather does business from many different angles. Taking monitors, our main product, as an example, the company covers a wide range of markets (applications), regions, and hardware to systems, which requires complex management. EIZO has naturally created a corporate culture that embraces diversity in an atmosphere where employees work can work uninhibitedly so I feel that an outstanding environment has already been created.

Having said that, as the company continues to develop and grow in size, it will be necessary to move away from a conventional management style and adopt a different approach, such as deciding to whom and to what extent to delegate tasks. In fact, in my previous position at Murata Manufacturing Co., Ltd., we discussed how to reform management to promote transparency as the company grew. From this experience, I wonder if a future challenge will be how employees will change as the company grows.

In recent years, the non-financial requirements, including corporate governance, for listed companies, especially for prime listed companies, have become more stringent each year. I am very impressed that a company of our size is able to effectively promote various non-financial aspects to our stakeholders. To achieve further growth, it will be important to increase awareness of EIZO, with its strong brand in key vertical markets such as Healthcare and Creative

Toru Inoue

Independent External Director

Has a wealth of experience and a proven track record in business operations, planning, and accounting as a manager of a business corporation. With ample knowledge accumulated over many years in the electronics industry, he provides spot-on advice and supervision.



Work, so that the general public has a clearer understanding of the company. In the coming year, I will delve deeper to understand the content of business and management, including the thoughts and goals of the heads of each Group company. I would also like to provide feedback in areas where my experience can be helpful.

Formulating Strategies to Enhance Corporate Value over the Medium to Long Term

My understanding of EIZO has deepened every year since assuming the position of Director. I feel that the company has an extremely high level of corporate governance, a sound business management system, and a deeply rooted corporate culture.

Following the Tokyo Stock Exchange's request in March 2023, the topic of capital efficiency has rapidly gained attention. In May, EIZO announced a new shareholder return policy and has been steadily working on it. Our major challenge for the future is to improve ROE. Our equity ratio is extremely high at around 80%. Adhering to the policy of maintaining a strong financial base to cope with the high volatility of the global economy, the main focus is to maximize earnings, the numerator, while maintaining net assets, the denominator. As ROE 8% is a high target for our company, we would like to discuss the formulation of a medium- to long-term roadmap at the Board of Directors meeting.

In addition, I would like to deepen the discussions on sustainability initiatives, including stable product supply. While our main market is Europe and our overseas sales ratio is high, we face various uncertainties such as geopolitical risks, accompanying high costs, and exchange rate issues, and we strategically hold inventory to ensure a stable supply of products. I believe that while this in itself is important, we also need to examine the risk of holding inventory.

Hiroji Takino

Independent External Director

Participated in the management of a financial institution and subsequently engaged in the management of a business corporation. Provides helpful advice on the management of EIZO from a wide range of perspectives representing the viewpoint of stakeholders.



In addition, from the perspective of sustainability, we have identified key issues such as measures to address climate change as materiality and set numerical targets. We will also closely monitor progress toward enhancing our corporate value over the medium to long term. Finally, as the only External Director from a local company, I would like to offer suggestions from a local perspective when any issues arise among local companies, government, and employees.

Broadminded Workplace Typical of EIZO

EIZO is the fourth company I have served as an External Director, and each company has had a different type of business. I have a lot to learn about EIZO, and after a year on the board, I'm just beginning to understand it. I have been particularly impressed by the employees' thirst for information and research and development. In particular, when an overseas office was established, I heard that employees were using channels for gathering business information and the local office of JETRO, my previous employer. Furthermore, in my current position, I held an online workshop on industry-academia collaboration, which was attended by many EIZO employees. It made me realize how employees stretch their antennas out in all directions to obtain as much information as possible. I was very impressed with their approach to gathering information and feel that EIZO is a wonderful organization.

I also believe that the leadership and innovative thinking of our top management are the main reasons why EIZO is the front runner in this highly competitive industry. It is often said that half of a manager's job is to nurture their successor, and we, the External Directors, regularly discuss issues with the President & CEO and listen to his deep thoughts on this.

Looking to the future, I would like to contribute in some way to the advancement of women. EIZO does not discriminate between

Masako Osuna

Independent External Director

Worked for many years at the Japan External Trade Organization (JETRO). At present, she is engaged in an extensive range of fields as the Professor of Industry-University Collaboration at the Kanazawa Institute of Technology. This wealth of experience and high level of expertise focused on international economics enables her to provide appropriate advice and checks to ensure the appropriateness of the board's decision-making.



men and women in hiring and training, and we must continue to increase the proportion of female managers. Another company where I serve as an External Director has established a committee to promote the advancement of women, consisting of female candidates for managerial positions and male executives, and I participate in related discussions. As we discuss what the company should be from our respective standpoints, we sometimes find differences in long-held perceptions, and we are now in the process of resolving issues one by one. I would like to apply what I have learned to the benefit of EIZO.



Corporate Governance

Awareness of the EIZO Brand

We asked the External Directors for their perspectives and frank opinions on the awareness of the EIZO brand.



**Osuna:** I think EIZO is a wonderful company and is well known by a certain group of people, but I don't think this is communicated very well to the general public. When I told people that I had become a board member of EIZO, some remarked on how great that is, but when it comes to the details of the business, they only understand that EIZO manufactures monitors. I sometimes feel they don't know the kind of markets we're in, what we do, or the kind of company we want to become.

**Inoue:** I don't think it is necessarily a disadvantage if the company is difficult to see from the outside, but it is important to let the general public know about the company.

**Takino:** First of all, our goal is to become number one in key vertical markets by providing added value in fields where we can differentiate ourselves based on a core of visual technology. So, it's difficult to gain recognition from the general public.

**Facilitator:** The key vertical markets where EIZO monitors are used are often in locations that are not open to the public. For example, air traffic control buildings that use monitors for the ATC market are typically not open to the public. In the Healthcare market, even if monitors can be seen in an examination room, there's no way to know that a large number of EIZO monitors are being used in a radiology department.

**Suzuki:** That said, advertising in the mass media alone is not sufficient. In February 2023, EIZO was featured in the TV program *Gulliver Unknown—Excellent Company File*. And I think it's important to take advantage of other such types of opportunities as well as we work to inform the general public about the type of company we are as we move into the next stage.

**Facilitator:** We will strive to increase awareness of the EIZO brand based on your opinions.



**Thomas J. Waletzki**  
Director, EIZO Corporation  
President & CEO, EIZO Inc.

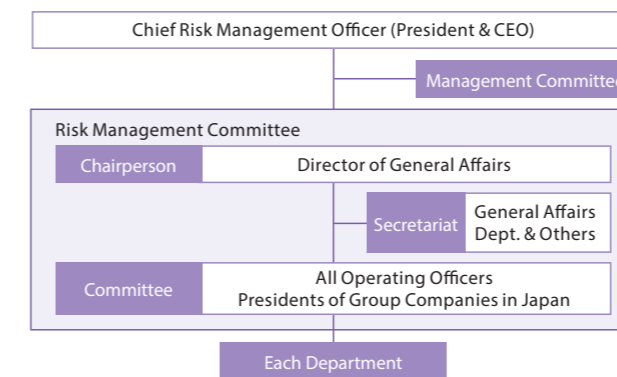
I am very honored to be appointed to the Board of Directors. Until now, my mission has been to expand sales in North America as President of the U.S. Group Company (EIZO Inc.). Now, with new responsibility as Director of the headquarters, I am very excited to be a manufacturer's representative directly contributing to the global expansion of EIZO.

Risk Management

Corporate Policy

We have established and are operating a company-wide risk management system to manage risks in an integrated and unified way at the head office, recognizing that the appropriate management of risks surrounding the EIZO Group is essential for achieving management goals and implementing business strategies.

Organizational Chart of Risk Management Committee



Business Continuity Plan (BCP)

To proactively prepare for the potential impact of major disasters, we have formulated and thoroughly disseminated a BCP throughout the company. Specifically, our Disaster Response BCP addresses preparedness in normal times, procedures for confirming the safety of employees, and facilitating necessary rescue operations in the immediate aftermath of a major disaster and within one month to restore at least critical operations, and resume delivery of our products.

Responsibility for Stable Supply of Products

Our products support social infrastructure such as the Healthcare and V&S markets, and we recognize that the stable supply of our products is a commitment to the markets. The risk of parts/raw material procurement is evident due to natural disasters such as typhoons and heavy rains and unexpected situations such as infectious diseases, as well as the tight global supply and demand for semiconductors and supply chain disruptions. We minimize the impact on the stable supply of our products through the following efforts to address these risks.

- Continuously confirm BCPs with procurement suppliers
- Strategically increase inventory of parts/raw materials and finished goods inventory
- Multiply parts suppliers, factories, and raw materials from the design stage, and pre-certify substitutes
- Taking advantage of 100% in-house R&D and production for flexible engineering changes

Group-wide Risk Management System

Organizing and confirming risks by the Risk Management Committee

We established the Risk Management Committee in accordance with the Basic Regulations on Risk Management and hold

meetings twice a year during the first and second half of each fiscal year. In the first meeting, the committee narrows down important risks from those collected from each department and confirms and organizes the details and countermeasures. In order to identify risks to our business in a timely and effective manner, we have improved the comprehensiveness and efficiency of our risk collection process by integrating it with the departmental goal management system. In addition, the committee centrally grasps the risks of overseas Group companies through individual interviews with each company.

Determining important risks by the Management Committee and implementing measures by each department

The Management Committee deliberates on the details confirmed and organized by the Risk Management Committee and identifies the key risks affecting Group management. Key risks are communicated Group-wide through the head of each department and necessary measures (reduction, retention, avoidance, and transfer) are undertaken by the relevant departments.

Grasping the risks for the next fiscal year

In the second meeting, the Risk Management Committee confirms the details and progress of our response to each risk and identifies risks that will continue to require attention in the following fiscal year. We also reflect those risks in the planning of our management objectives and plans for the following year.

Information Security

To ensure the proper handling of confidential and personal information, we established and have implemented regulations on information management. We have also strengthened our information security system by providing education and training to all Group companies and by operating a CSIRT\*, a response team for information security incidents such as information leaks. In October 2022, we obtained ISO/IEC 27001:2013 certification\*\* for our information security management system.

More aggressive regulations to protect personal information are in effect worldwide, and we are implementing necessary measures such as employee training in response to the General Data Protection Regulation (GDPR) (Europe) and California Consumer Privacy Act (CCPA) (United States). In Japan, we are strengthening our efforts to protect personal information and have been certified with JIS Q 15001 (personal information protection) and Privacy Mark since 2018.

\*1 Computer Security Incident Response Team  
\*2 Scope of certification: EIZO Corporation and EIZO Support Network Corporation

## Corporate Governance

## Compliance

## Corporate Policy

We established the EIZO Group Principles of Conduct—Seven Promises as guidelines for conducting business activities with integrity in consideration of the environment, human rights, and ethics toward achieving our corporate philosophy of “enriching future society through imaging solutions.” The Principles of Conduct express our commitment to stakeholders regarding our approach to sustainability and at the same time represent the standards on which we base our decisions and actions in our business activities. The principles have been thoroughly disseminated to all executives and employees of the Group.

When revised in FY2021, the Principles of Conduct were translated into multilingual languages and distributed to overseas Group companies. In addition, we established the EIZO Group Human Rights Policy in FY2022 and the Anti-Bribery Regulations in April 2023 to reinforce the principles.

We will continue to improve them as the Group and our business model evolve and our external environment changes.

 EIZO Group Principles of Conduct  
<https://www.eizoglobal.com/company/information/conduct/>

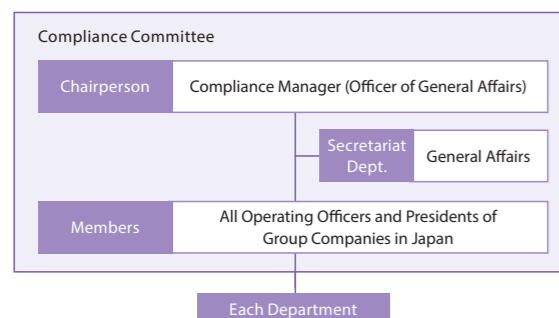
## Compliance Management System

## ● Implementation of a Compliance Program by the Compliance Committee

The Compliance Committee identifies and evaluates compliance risks within the Group each fiscal year in accordance with Regulations on Compliance, and develops and implements a compliance program that includes necessary preventive and corrective measures.

Representative compliance risks to be identified include factors that would inhibit fair business, activities that might lead to corruption (business integrity risk), and the danger of leaking confidential information. We comprehensively examine potential risks to the Group and evaluate the materiality of risks based on the likelihood of their emergence and impact.

## Organizational Chart of the Compliance Committee



## ● Checking and Improving the Compliance Program

Every year, we monitor implementation details and insufficient results in our compliance program based on the regulations. In addition, we periodically review our Regulations on Compliance to continue to improve compliance management.

## Internal Whistle-Blowing System

In accordance with the Regulations on Internal Whistle-Blowing, we have established internal whistle-blowing systems in all Group companies worldwide. Also, we strive to ensure the early detection and prevention of serious incidents that could damage corporate value, such as illegal activity or misconduct.

Contact points have been set up inside the company and at independent law firms, and all EIZO members are expected to report any legal or ethical business issues, compliance questions, or concerns immediately, regardless of their own involvement. To make the system more accessible, explanatory materials were translated into multilingual languages and distributed to overseas Group companies in FY2021. In addition, we have taken action to alleviate concerns about whistle-blowing, such as by clarifying the procedures for doing so, protecting the privacy of whistle-blowers, and prohibiting any negative impact on them. We keep improving the content and operation of the regulations so that the system will be used without anxiety and effective for self-correction.

## Compliance Training

As a group engaged in global operations, we pay the utmost attention to all local and international laws and regulations, the latter of which is becoming increasingly complex year by year. We therefore integrated legal compliance and education into our compliance program.

We monitor local trends by regularly exchanging opinions with overseas Group companies in order to respond to laws and regulations in a timely and appropriate manner and to provide any necessary training. In Japan, we encourage our executives and employees to update their knowledge of relevant laws and regulations on compliance by offering information through intranet educational and other materials posted by the Legal Department. We organize regular study groups for each department and workshops for each job position, such as for executives, managers, and new employees, so they can develop the knowledge they need, and we use online educational tools to confirm that the knowledge is instilled in them.

We will continue to educate every member of the EIZO Group on the necessity and importance of compliance to further foster compliance awareness.

## Number of Online Training Participants (FY2022)

Domestic Group	2,039
Overseas Group	489

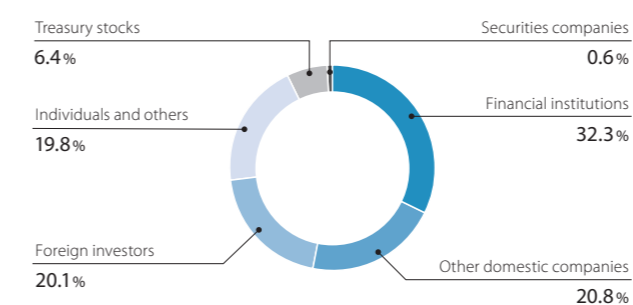
## Corporate Information

## Corporate Profile and Stock Information (as of March 31, 2023)



<b>Trade Name</b>	EIZO Corporation	<b>Business Activities</b>	Development, design, manufacture, and sales of visual display systems, amusement monitors, and related services
<b>President &amp; CEO</b>	Yoshitaka Jitsumori	<b>Fiscal Term</b>	April 1–March 31 (Ordinary General Meeting of Shareholders: June)
<b>Established</b>	March 1968	<b>Number of Shares Authorized</b>	65,000,000 shares
<b>Capital</b>	JPY4,425 million	<b>Number of Shares Issued</b>	21,981,160 shares (including 1,408,606 shares of treasury stock)
<b>Head Office</b>	153 Shimokashiwano, Hakusan, Ishikawa 924-8566, Japan Phone: +81-76-275-4121 <a href="https://www.eizoglobal.com/">https://www.eizoglobal.com/</a>	<b>Number of Shareholders</b>	6,328
<b>Business Locations in Japan</b>	Sapporo, Sendai, Tokyo, Nagoya, Ishikawa, Osaka, Hiroshima, Takamatsu, Fukuoka	<b>Stock Listing</b>	Tokyo Stock Exchange Prime Market (Securities Code: 6737)
<b>Number of Employees</b>	Consolidated: 2,530 Non-consolidated: 1,086 (including the average number of temporary staff)	<b>Shareholder Registrar</b>	Sumitomo Mitsui Trust Bank, Limited
		<b>Accounting Auditor</b>	Deloitte Touche Tohmatsu LLC

## Distribution of Shares by Shareholder Type



## Major Shareholders (Top 10)

Name	Number of Shares Held (thousand shares)	Shareholding Percentage* (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,585	12.57
Custody Bank of Japan, Ltd. (Trust Account)	2,139	10.40
The Hokuriku Bank, Ltd.	836	4.07
The Hokkoku Bank, Ltd.	794	3.86
Hiroshi Murata	658	3.20
Yoshiki Sasaki	570	2.77
Hiroaki Corporation, Ltd.	567	2.76
Hazuki Corporation, Ltd.	567	2.76
EIZO Employee Shareholding Association	487	2.37
FUJI CORPORATION	379	1.85

Note: Treasury stock (1,408,606 shares) was excluded for the calculation of shareholding percentages.

Corporate Information

Group Companies

Name and Location	Main Business Activities	Certifications	Representatives
<b>Overseas Manufacturing, R&amp;D, Sales and Marketing Companies</b>			
EIZO GmbH (Rülzheim, Germany)	Development, manufacture and sales of visual products and related products for the Healthcare market	ISO 9001, ISO 13485, ISO 14001	Peter Ziegler President & CEO
EIZO Technologies GmbH (Geretsried, Germany)	Development, manufacture and sales of visual products for the V&S market and control boards	ISO 9001, ISO 14001	Andy Kürz President & CEO
EIZO Rugged Solutions Inc. (Orlando, FL, U.S.A.)	Development, manufacture, and sales of primary control monitors and other visual technologies for key vertical markets such as air traffic control	ISO 9001	Selwyn Henriques President & CEO
EIZO Display Technologies (Suzhou) Co., Ltd. (Suzhou, China)	Development, manufacture and sales of visual products and related products	ISO 9001, ISO 13485, ISO 14001	Rujun Zhang President & COO
<b>Overseas Sales and Marketing Companies</b>			
EIZO Inc. (Cypress, CA, U.S.A.)	Sales of visual products and related products	ISO 9001, ISO 13485	Thomas Waletzki President & CEO
EIZO Nordic AB (Väsby, Sweden)	Sales of visual products and related products		Per Hertz Managing Director & CEO
EIZO AG (Wädenswil, Switzerland)	Sales of visual products and related products		CEO Martin Kofler
EIZO Limited (Ascot, UK)	Sales of visual products and related products		Colin Woodley Managing Director & CEO
EIZO Europe GmbH (Mönchengladbach, Germany)	Sales of visual products and related products		Minoru Kontani Executive Vice President & COO
EIZO Private Limited (Mumbai, India)	Sales of visual products and related products		Managing Director Rohan Chahande
EIZO Saudi Arabia Regional Sales Office (Riyadh, Saudi Arabia)	Sales of visual products and related products		Sami M. Alshehri Country Manager
<b>Domestic Group Companies</b>			
EIZO MS Corporation (Hakui, Ishikawa)	Manufacture of visual products and electronic circuit boards	ISO 9001, ISO 14001, ISO 45001, ISO 50001	Yoshitaka Jitsumori President & CEO
Irem Software Engineering Inc. (Chiyoda, Tokyo)	Development and sales of amusement software		Masaki Ono President & CEO
EIZO Support Network Corporation (Hakusan, Ishikawa)	After-sales service for visual products	ISO 13485, ISO 27001	Yoshitaka Jitsumori President & CEO
Carina System Co., Ltd. (Kobe, Hyogo)	Development and sales of hardware and software, including optical equipment and visual recording and distribution systems		Masayuki Hashimoto President & CEO

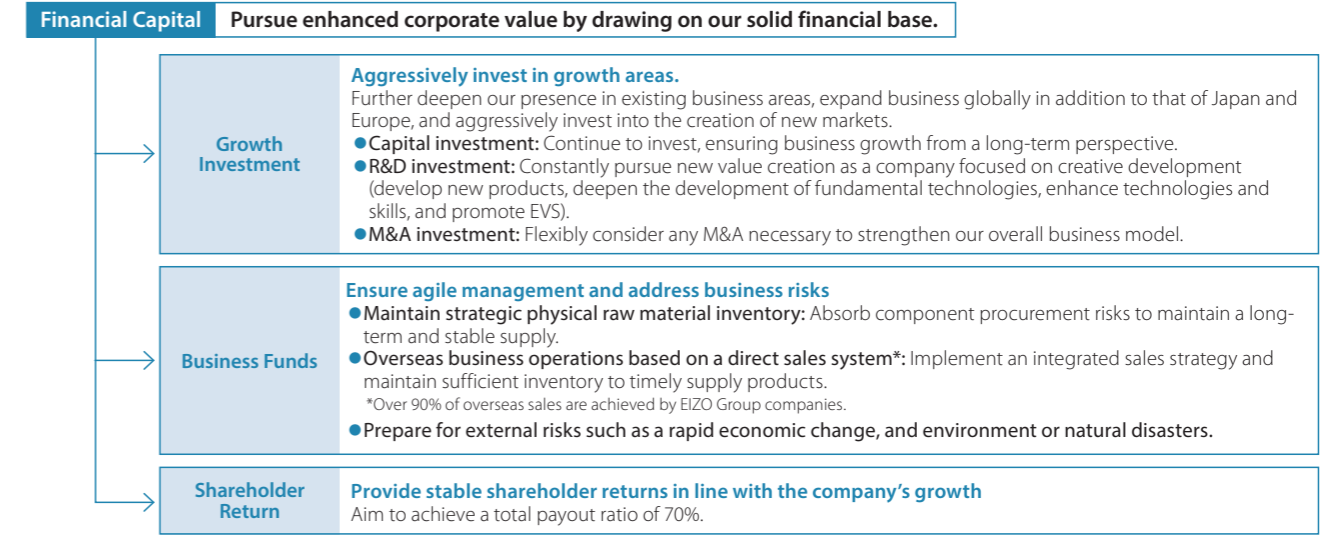
Two other companies

Financial Information

Drawing on Our Solid Financial Base to Achieve Sustainable Growth by Aggressively Investing in Promising Areas

Our key management objective is to achieve sustainable growth through business expansion and performance improvement while maintaining financial soundness and providing returns to shareholders. We will increase the profitability of capital as we progress toward an ROE of at least 8%. To attain our goal of 15% in operating margin, as laid out in the 7th Mid-Term Business Plan, we will improve profitability by investing in highly profitable growth areas to expand businesses, particularly in the Healthcare and V&S markets.

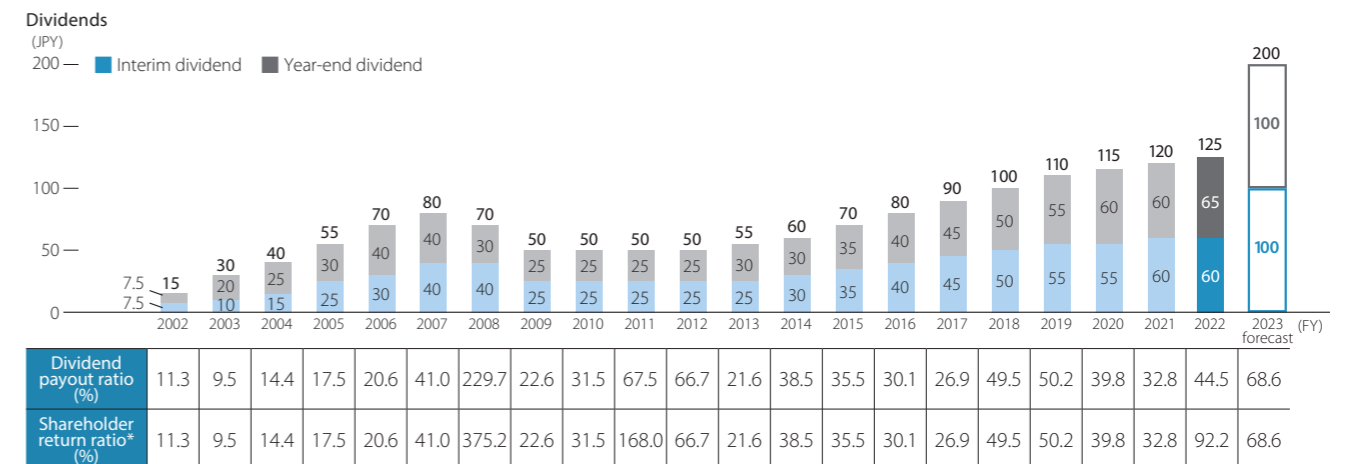
Approach to Financial Capital Allocation



Retained Earnings and Shareholder Returns

Shareholder Return Policy (New Policy Applied from FY2023)

On the basis of an overall consideration of securing sufficient retained profit for capital investment and R&D expenditure necessary for business expansion, financial status, and future performance, we have set a target level of shareholder return ratio (total payout ratio) at 70% of consolidated net income. We will dynamically determine the shareholder return ratio for each fiscal year, based on our business performance and environment and capital needs. To stay abreast of a rapidly changing economic environment and technological innovation, we will use retained earnings to implement measures in the mid-term business plan, strengthen our business model, including M&A, and invest for future growth, and also make strategic inventory investments that take advantage of our strength in stable long-term supply. Through these measures, we aim to substantially increase corporate value through business expansion and performance improvement while distributing the results to shareholders.



\*The shareholder return ratio reflects the share buybacks totaling JPY996 million in FY2008 and JPY1,661 million in FY2011, and also JPY2,821 million in FY2022.

Tenth Consecutive Dividend Increase

We paid a JPY125 annual dividend per share in FY2022, resulting in the tenth consecutive dividend increase. In addition, we implemented share buybacks totaling JPY2.8 billion, which resulted in a shareholder return ratio of 92.2%. In FY2023, we plan to increase dividends for the eleventh consecutive year under our new shareholder return policy.

Corporate Information

Consolidated Financial Data

(JPY million) (USD thousand)

Fiscal Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2022
<b>Financial Results</b>												
Net sales	58,270	73,641	72,576	74,878	78,284	84,057	72,944	76,480	76,565	86,789	80,849	607,893
Operating income	2,056	6,833	4,472	5,081	7,033	8,554	5,370	6,441	7,935	11,299	5,002	37,609
Profit attributable to owners of parent	1,598	5,437	3,321	4,202	5,661	7,138	4,308	4,671	6,155	7,794	5,862	44,076
Research and development expenses	5,323	5,797	6,049	5,387	5,625	5,908	5,932	5,993	5,642	5,834	6,142	46,180
CAPEX	2,115	1,383	1,414	4,814	2,512	2,163	4,125	4,346	3,563	3,033	3,163	23,788
Depreciation	1,353	1,687	2,017	2,052	2,367	2,604	2,751	2,986	3,033	2,612	2,316	17,419
<b>Financial Status</b>												
Total assets	79,367	92,931	106,519	104,792	115,160	119,497	121,423	125,284	150,061	155,459	155,935	1,172,450
Shareholders' equity	61,431	69,201	79,293	78,011	85,280	91,521	94,924	95,979	114,453	118,582	120,580	906,619
<b>Cash Flows</b>												
Operating activities	2,137	4,685	1,445	6,772	10,533	4,829	5,348	8,157	6,600	8,429	(7,592)	(57,086)
Investing activities	(2,191)	(1,208)	(3,426)	(3,033)	(4,157)	(6,567)	(8,713)	(3,717)	(3,333)	(2,394)	853	6,418
Financing activities	(1,067)	(1,066)	923	(1,386)	(1,598)	(2,772)	(796)	(2,433)	(2,648)	(2,899)	(6,351)	(47,758)
Net increase (decrease) in cash and cash equivalents	(576)	2,942	(1,057)	2,198	4,573	(4,399)	(4,295)	1,842	940	3,505	(12,830)	(96,472)
Cash and cash equivalents, end of year	16,138	19,080	18,022	20,221	24,794	20,394	16,099	17,942	18,882	22,387	9,557	71,858
<b>Per Share Information</b>												
Earnings per share (EPS) (JPY)	74.96	255.05	155.80	197.10	265.54	334.82	202.09	219.13	288.71	365.61	280.97	2.11USD
Book value per share (BPS) (JPY)	2,881.26	3,245.70	3,719.08	3,658.95	3,999.89	4,292.63	4,452.27	4,501.78	5,368.29	5,562.01	5,861.22	44.06USD
Cash dividends per share (JPY)	50	55	60	70	80	90	100	110	115	120	125	0.93USD
Total payout ratio (%) <sup>*1</sup>	66.7	21.6	38.5	35.5	30.1	26.9	49.5	50.2	39.8	32.8	92.2	
<b>Financial Indicators</b>												
Operating margin (%)	3.5	9.3	6.2	6.8	9.0	10.2	7.4	8.4	10.4	13.0	6.2	
ROE (%)	2.7	8.3	4.5	5.3	6.9	8.1	4.6	4.9	5.9	6.7	4.9	
ROA (%)	4.0	9.3	4.7	5.4	6.5	8.1	4.7	5.3	6.4	7.9	3.9	
EBITDA	4,247	9,702	6,723	7,753	9,474	12,113	8,465	9,442	11,622	15,164	10,422	
Equity ratio (%)	77.4	74.5	74.4	74.4	74.1	76.6	78.2	76.6	76.3	76.3	77.3	
<b>Exchange Rate (Average for Period)</b>												
USD/JPY	82.92	100.17	109.76	120.16	108.34	110.85	110.93	108.70	106.10	112.39	135.50	
EUR/JPY	106.78	134.22	138.69	132.60	118.74	129.66	128.45	120.81	123.76	130.55	140.99	
<b>Net Sales Information by Market<sup>*2</sup></b>												
Business & Plus (B&P)	9,504	13,777	15,585	17,991	16,822	18,111	17,787	16,409	16,864	17,544	18,583	139,722
Healthcare	16,554	21,632	20,793	23,408	26,097	29,780	30,408	29,390	26,924	31,905	34,713	261,005
Creative Work	4,171	5,212	5,548	6,355	5,470	5,749	5,971	5,345	5,485	6,278	6,746	50,724
Vertical & Specific (V&S)	3,659	5,083	6,649	6,870	6,956	7,885	7,419	10,403	8,665	8,337	9,269	69,695
Amusement	18,074	21,966	15,127	15,279	18,408	15,233	8,583	9,607	14,446	18,141	6,498	48,857
Other	6,305	5,969	8,872	4,973	4,527	7,297	2,772	5,324	4,179	4,581	5,039	37,888
<b>Total</b>	<b>58,270</b>	<b>73,641</b>	<b>72,576</b>	<b>74,878</b>	<b>78,284</b>	<b>84,057</b>	<b>72,944</b>	<b>76,480</b>	<b>76,565</b>	<b>86,789</b>	<b>80,849</b>	<b>607,893</b>

\*1 Total payout ratio for fiscal year 2022 includes JPY2,821 million in share buybacks.

\*2 The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥133 to \$1, the approximate rate of exchange at March 31, 2023.

Corporate Information

Performance Data

Environment

Overview of the Environmental Impact

Environmental Impact by Area

Area	EIZO Corporation Headquarters (Japan)	EIZO MS Corporation (Japan)		EIZO Display Technologies (Suzhou) Co., Ltd. (China)	EIZO GmbH (Germany)	EIZO Technologies GmbH (Germany)	Other sales offices and group companies	Total
		Hakui	Nanao					
Operations	Development and Manufacturing of Monitors	Production of Circuit Boards	Assembly of Monitors	Development and Manufacturing of Monitors	Development and Manufacturing of Monitors	Development and Manufacturing of Monitors		
Total Energy Use (MWh)	6,393	2,805	737	289	1,382	642	5,324	17,572
Fossil fuel (MWh)	1,703	7	2	94	14	350	1,408	3578
Electricity and heat (MWh)	4,690	2,798	735	195	1,368	292	3,916	13,994
GHG emission (t-CO <sub>2</sub> e)*1	1,311	572	150	142	294	64	1,643	4,176
Water usage (m <sup>3</sup> )*2	23,095	3,847	3,319	1,073	792	476	—	32,602
Industrial waste (t)	253.3	63.4	145	3.4	82.4	7.9	57.4	612.8
General waste (t)	9.6	2.7	1.3	0.2	1	2.5	12.8	30.1
Waste paper (t)	281	86.9	196.2	12.2	28.1	10.4	11.2	626.0
Recycling rate of industrial wastes*3	99.1	97.4	99.9	N/A	N/A	N/A	N/A	N/A

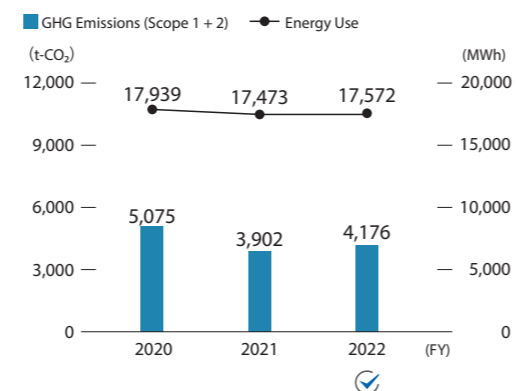
\*1 Total of Scope 1 and Scope 2 (market-based) \*2 Scope: Other sales offices and group companies \*3 Scope: EIZO Corporation Headquarters (Japan), two factories of EIZO MS Corporation (Japan)

Greenhouse Gas Emissions

Greenhouse Gas Emissions by Scope (FY2022)

Scope and Category	Emissions (t-CO <sub>2</sub> e)	Composition (%)
Scope 1	782	18.7
Scope 2	3,394	81.3
Total (Scope 1 + 2)	4,176	100
Scope 3	411,207	100
1. Purchased products and services	194,687	47.3
2. Capital goods	7,898	1.9
3. Fuel and energy-related activities not included in Scope 1 or 2	1,318	0.3
4. Upstream transportation and distribution	4,722	1.1
5. Waste generated in operations	381	0.1
6. Business travel	329	0.1
7. Employee commuting	1,137	0.3
11. Use of sold products	189,990	46.2
12. End-of-life treatment of sold products	1,183	0.3
13. Downstream leased assets	220	0.1
15. Investments	9,342	2.3

GHG Emissions (Scope 1+2) and Energy Use



Note: Calculations of GHG emissions associated with power consumption are based on the conversion factor and the calculation methods of each country.

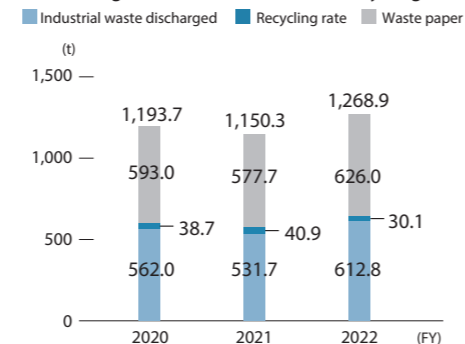
Resources Recycling

End-of-Life EIZO Monitors Collected and Recycled (FY2022, Japan)

	Product category	Quantity (units)	Volume in weight (kg)	Recycled volume (kg)	Recycling ratio (%)**
Business monitors	CRT	11	201.2	150.2	74.7
	LCD	232	1,538.4	968.6	63.0
	Total/Average	243	1,739.6	1,118.8	64.3
Home monitors	CRT	196	3,700.0	2,872.6	77.6
	LCD	2,989	21,520.8	16,591.3	77.1
	Total/Average	3,185	25,220.8	16,591.3	77.2

\*\*Weight ratio of recycled parts and resources with respect to the processing volume of end-of-life products

Discharge of Industrial Waste and Recycling Rate



Social Data

Employees

		Boundary	FY2020	FY2021	FY2022
Number of employees* (including the average number of temporary staff)	Male	EIZO Group	1,375	1,370	1,390
	Female		1,094	1,098	1,140
	Total		2,469	2,468	2,530
	Male	Overseas Group	359	364	371
	Female		190	191	190
	Total		549	555	561
Male	Domestic Group	1,016	1,006	1,019	
Female		904	907	950	
Total		1,920	1,913	1,969	
Number of employees by function* (including the average number of temporary staff)	R&D	EIZO Group	758	742	743
	Sales		490	493	505
	Manufacturing		875	887	929
	Administration		197	196	210
	Other		149	143	143
Average length of service* (year) (excluding the average number of temporary staff)		EIZO Corporation	16.1	16.6	16.5
Average age* (excluding the average number of temporary staff)		EIZO Corporation	40.1	40.6	40.4
Number of employees by age group*	18-29	Male	121	116	116
		Female	263	267	285
		Total	384	383	401
	30-39	Male	251	236	226
		Female	175	190	205
		Total	426	426	431
	40-49	Male	280	277	265
		Female	203	189	186
		Total	483	466	451
	50-59	Male	235	245	254
		Female	141	154	153
		Total	376	399	407
60-	Male	32	42	48	
	Female	4	5	14	
	Total	36	47	62	

\*As of March 31

Corporate Information

Employment and Diversity

		Boundary	FY2020	FY2021	FY2022
Number of full-time employment	New graduates	Domestic Group	43	46	42
	Mid-career		16	28	69
	Total		59	74	111
	Percentage of mid-career employees (%)		27.1	37.8	62.2
	New hire turnover rate (within the first year) (%)		3.45	0	4.35
Number of managers*	Male	EIZO Group	176	181	179
	Female		25	23	24
	Total		201	204	203
	Male	Overseas Group	65	70	74
	Female		21	19	20
	Total		86	89	94
	Male	Domestic Group	111	111	105
	Female		4	4	4
	Total		115	115	109
	Number of mid-career employees (%)		57 (49.6%)	53 (46.1%)	47 (43.1%)
Ratio of female managers (%)	EIZO Group	12.4	11.3	11.8	
	Overseas Group	24.4	21.3	21.3	
	Domestic Group	3.5	3.5	3.7	
Number of employees with disabilities* (%)	Domestic Group	4.0	4.5	5.5	
Percentage of employees with disabilities	EIZO Group	30	34	36	
	Overseas Group	8	6	6	
	Domestic Group	22	28	30	
Percentage of employees with disabilities (%)	Domestic Group	1.60	1.94	2.09	

\*As of March 31

Work Style

		Boundary	FY2020	FY2021	FY2022
Annual average work hours Omit	Domestic Group		1,904	1,912	1,908
Paid leave taken (%)		77	81	85	
Number of employees who took childcare/nursing care leave		47	67	70	
Male acquisition rate of childcare/nursing care leave (%)		20.0	21.7	63.9	
Number of employees who used shortened work hours due to childcare/nursing care		43	54	93	

Health and Productivity Management

		Boundary	FY2020	FY2021	FY2022
Rate of regular health checkups (%)	Domestic Group		100.0	100.0	99.9
Stress check rate (%)		85.0	98.0	95.1	
Implementation rate of specific health guidance (%)		24.0	38.0	27.1	
Health Support App user rate (%)		Downloaded	N/A	64.0	72.8
		Continuous use	N/A	29.0	11.3

Occupational Safety and Health

		Boundary	FY2020	FY2021	FY2022
Number of workplace fires		Domestic Group	9	7	5
	Lost work accidents		4	2	2
	Fatal accidents		0	0	0
Frequency rate			1.09	0.55	0.57
Severity rate			0.008	0.002	0.001

Governance

		Boundary	FY2020	FY2021	FY2022
Number of directors	Regular	EIZO Group	4	4	4
			Female	0	0
	Independent external		3	3	4
			Female	0	0
	Total		7	7	8
Percentage of female directors	EIZO Group	0	0	12.5	
Number of internal reports	EIZO Group	3	7	2	
	Domestic Group	1	5	1	
	Overseas Group	2	2	1	

Boundary

**EIZO Group** ..... EIZO Corporation and 6 domestic and 10 overseas companies (consolidated)  
**EIZO (non-consolidated)** ..... EIZO Corporation  
**Domestic group** ..... EIZO Corporation, EIZO MS Corporation, Irem Software Engineering Inc., EIZO Support Network Corporation, Carina System Co., Ltd., EIZO Engineering Corporation, EIZO Agency Corporation (7 companies)  
**Overseas group** ..... EIZO GmbH, EIZO Technologies GmbH, EIZO Rugged Solutions Inc., EIZO Display Technologies (Suzhou) Co., Ltd., EIZO Inc., EIZO Nordic AB, EIZO AG, EIZO Limited, EIZO Europe GmbH, EIZO Austria GmbH (10 companies)

Third-Party Assurance

The environmental performance indicators in the EIZO Integrated Report 2023, which have received third-party assurance from SOCOTEC Certification Japan, are indicated by

Scope:

Data from April 1, 2022 to March 31, 2023

- CO<sub>2</sub> emissions: Scope 1, Scope 2 (location-based and market-based), Scope 3 (categories 1, 2, 3, 4, 5, 6, 11, 12, and 15)
- Energy usage
- Water resource consumption: EIZO Corporation Headquarters, EIZO MS Corporation Hakui and Nanao

Third-Party Assurance Reports (Japanese only)



GHG Emissions, Energy Usage, and Water Resource Usage  
[https://www.eizo.com/ir/library/integratedreport/eizoreport2023\\_iar.pdf](https://www.eizo.com/ir/library/integratedreport/eizoreport2023_iar.pdf)

GRI Content Index

EIZO Integrated Report 2023 references the GRI Standards 2016 and 2018.



GRI Content Index  
[https://www.eizo.com/ir/library/integratedreport/eizoreport2023\\_gri.pdf](https://www.eizo.com/ir/library/integratedreport/eizoreport2023_gri.pdf)