

EIZO INTEGRATED REPORT

2024

Visualizing a better tomorrow for all



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Editorial Policy

The EIZO Integrated Report provides shareholders, investors, and other stakeholders' insights on our 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 shareholders.

Reference Guidelines

IFRS Foundation "International Integrated Report Framework"
 Ministry of Economy, Trade and Industry (Japan) "Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation 2.0"
 TCFD "Recommendations by the Task Force on Climate-related Financial Disclosures Final Report"
 GRI "GRI Sustainability Reporting Standards"
 Ministry of the Environment (Japan) "Environmental Reporting Guidelines 2018"

Date of Publication

September 2024 (Previous: September 2023 / Next: September 2025)

Scope of the Report

Reporting Period
 April 1, 2023 to March 31, 2024
 (Time periods are provided for events and activities that fall outside the reporting period.)

Organizations Covered

EIZO Group: EIZO Corporation and 6 Japanese and 11 overseas companies (consolidated)
 EIZO (unconsolidated): EIZO Corporation
 Group companies in Japan: EIZO Corporation, EIZO MS Corporation, Irem Software Engineering Inc., EIZO Support Network, Carina System Co., Ltd., EIZO Engineering Corporation, EIZO Agency Corporation (7 companies in total)
 Overseas group companies: 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, EIZO Private Limited (11 companies in total)

Exceptions to the scope of coverage are explained in the relevant sections.

Market Categories

Market categories correspond to the following names or abbreviations
 B&P (Business & Plus) / HC (Healthcare) / V&S (Vertical & Specific) / CW (Creative Work) / AMU (Amusement)


Related Websites

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

Sustainability Website
<https://www.eizoglobal.com/sustainability/>

GRI Content Index/SASB Index
<https://www.eizoglobal.com/ir/report/integratedreport/>

Third-Party Assurance

Among the environmental performance indicators published in the "EIZO Integrated Report 2024," the following has received third-party assurance from SOCOTEC Certification Japan Inc.: Environmental performance indicators that have received third-party assurance are indicated by 

Scope:

Data is from April 1, 2023 to March 31, 2024
 •GHG Emissions: Scope 1, Scope 2 (location-based and market-based), Scope 3 (categories 1, 2, 3, 4, 5, 6, 7, 11, 12, 13 and 15)

Third-Party Assurance Report

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



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.



Disclaimer on Forward-Looking Statements

Any statements 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 regarding the future are not intended to guarantee future performance and actual results may differ materially because they involve known and unknown risks and uncertainties, including exchange rate fluctuations, demand fluctuations, procurement risks, and other known and unknown risks and uncertainties. Actual results may differ materially from these forecasts.

EIZO Corporation
 153 Shimokashiwano, Hakusan, Ishikawa, 924-8566, Japan
 [Contact]
 Investor Relations Office
 Phone: +81-76-275-4121

At a Glance

ESG data
<https://www.eizoglobal.com/sustainability/esgdata/>

Business Activities and Performance (FY2023)

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.

In-House Development and Production

100% Reference > PP.37-40

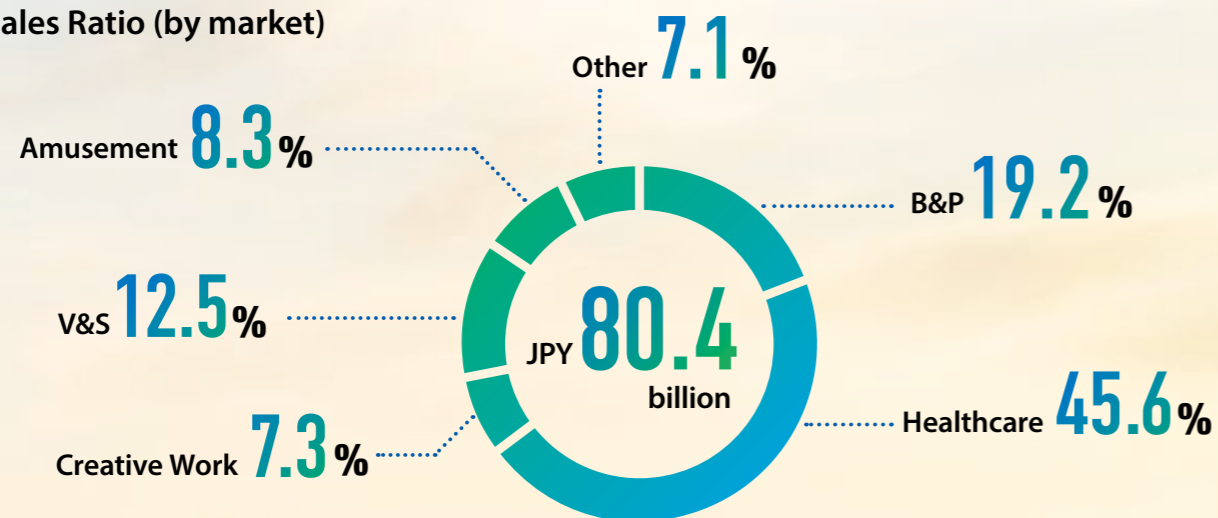
Overseas Net Sales Ratio

64.0%
(excluding amusement market)

Ratio of R&D Expenses to Net Sales

7.8%

Net Sales Ratio (by market)



Operating Income

JPY 3,908 million

Equity Ratio

78.5%

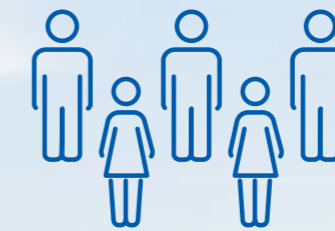
Consecutive Dividend Increase

11th fiscal year

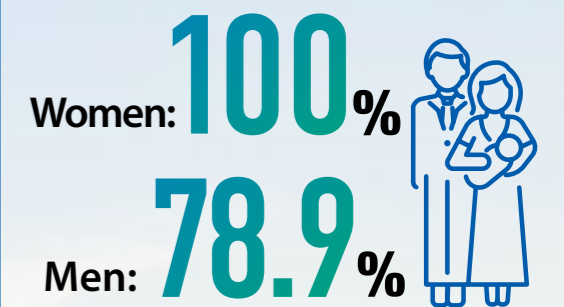
Diversity, Work Environment, and Governance (As of March 31, 2024)

Number of Employees (consolidated)

2,497



Acquisition Rate of Childcare Leave (domestic group) *FY2023



Employee Nationalities (consolidated)

34 countries and regions



Ratio of Independent External Directors * As of June 21, 2024

37.5%

Ratio of Women in Leadership Positions* (Group companies in Japan) * Includes managers

5.3%



Ratio of Female Managers (consolidated)

11.7%



Environment (FY2023)

Responding to Climate Change Reference > PP.67-70

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES



A score on the climate change questionnaire



Certified as a Supplier Engagement Leader

Reduction of GHG* emissions (Scope 1 + 2) Compared to FY2019

Down **46.2%**

*GHG: Greenhouse Gas

Goal of Achieving Net Zero GHG Emissions

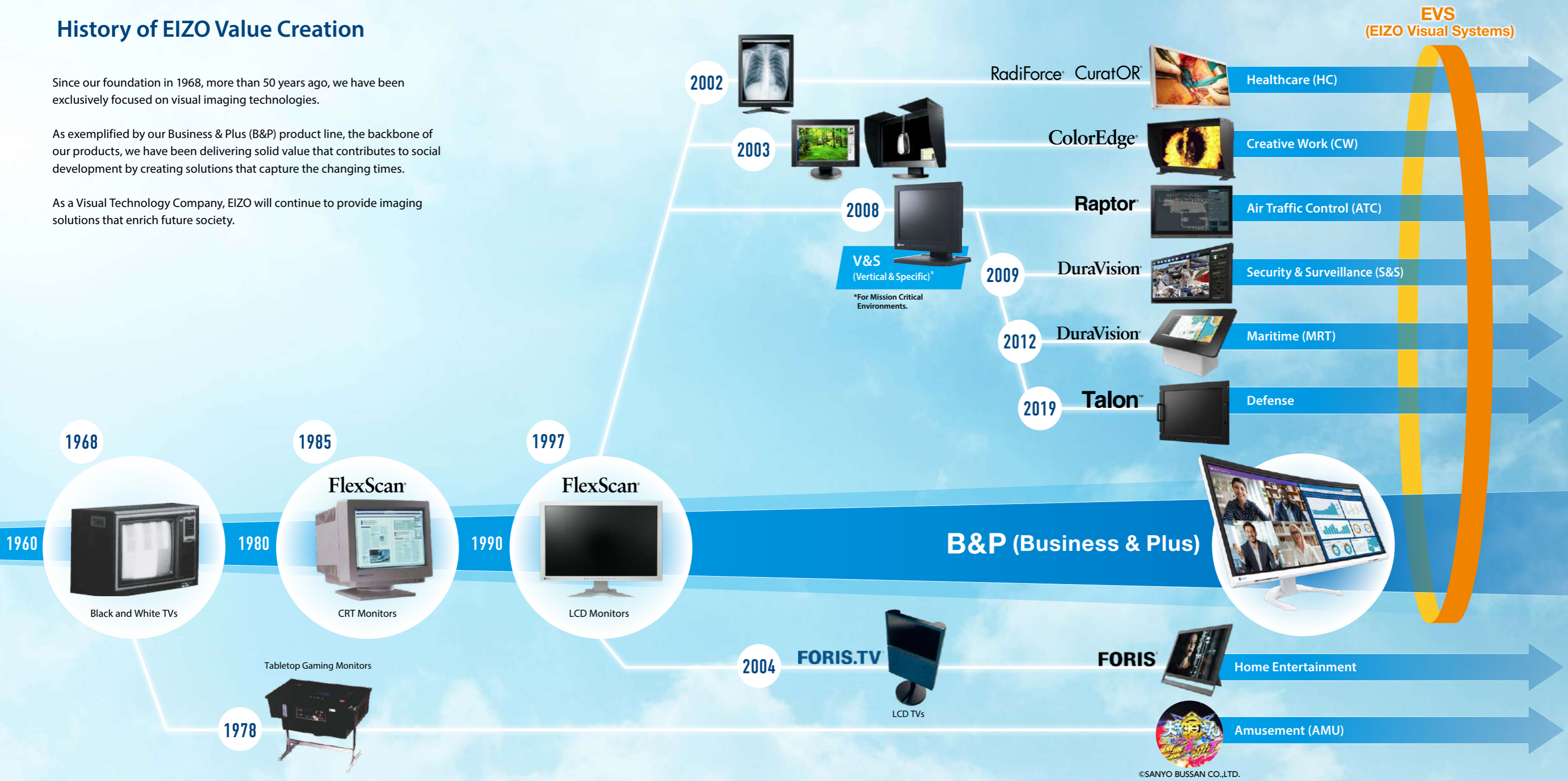
By **2040**

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



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.

Creating the Brand



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.

From CRT to LCD



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.

Business Expansion (Key Vertical Markets / Sales Structure)



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

Toward Further Growth

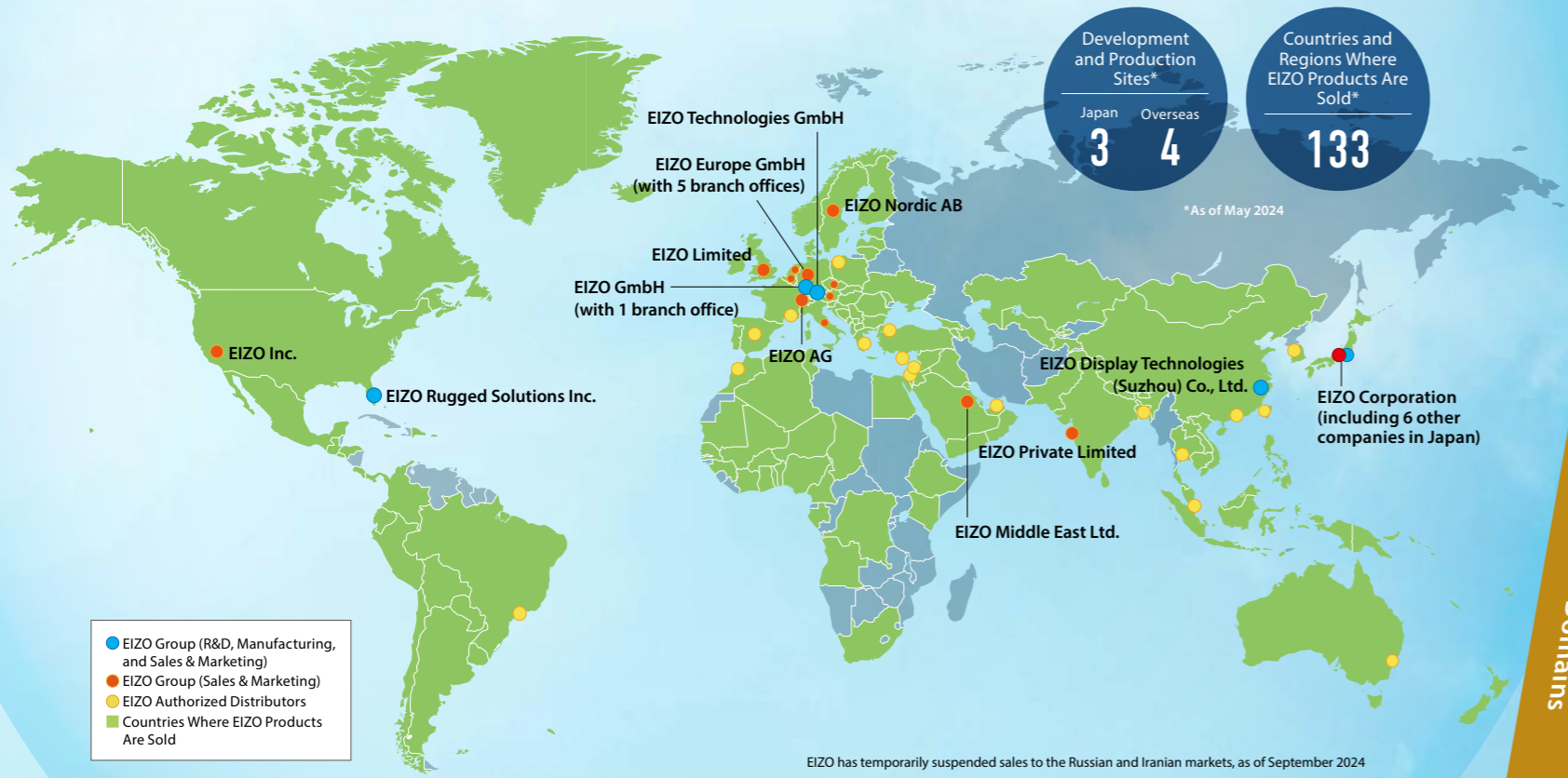


In 2013, the company name was changed from EIZO Nanao Corporation to EIZO Corporation. The new name embodies our continued commitment to "EIZO" (Japanese for "Image") - Visual Imaging Technologies. We are further expanding our scope of business with EVS (EIZO Visual Systems), systems that combine monitors with cameras, recorders, and other imaging products to promote the effective use of video images.

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.



EIZO Middle East Ltd. (established in 2024)

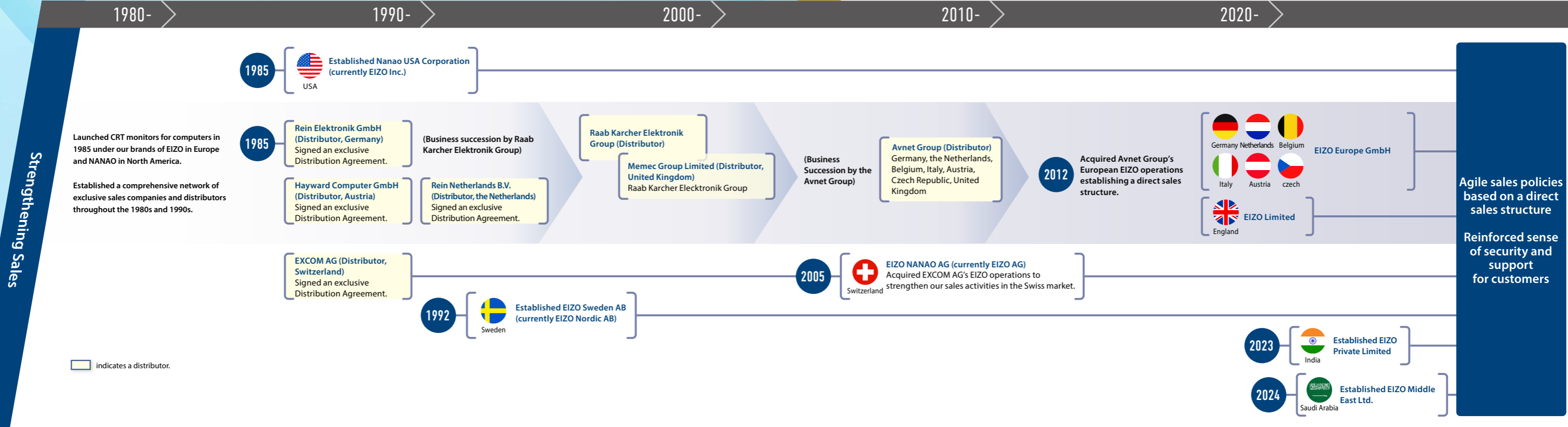
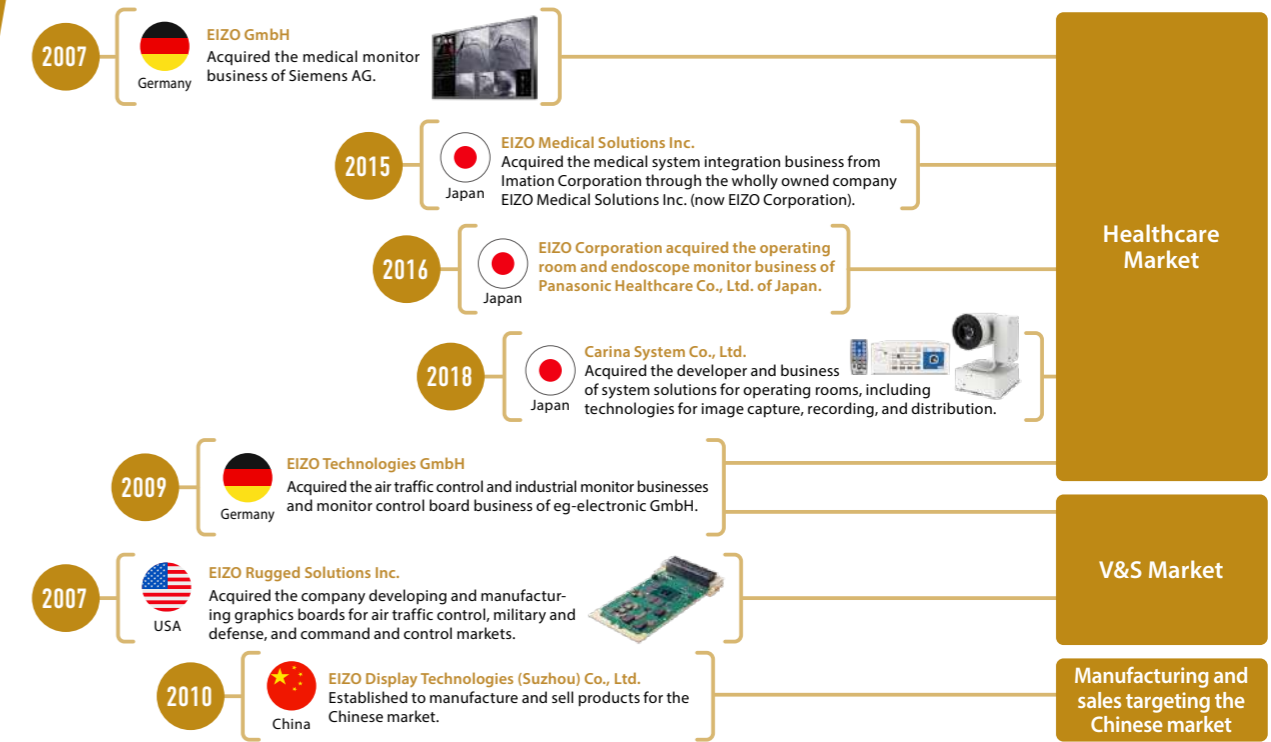


At a healthcare exhibition in the Middle East



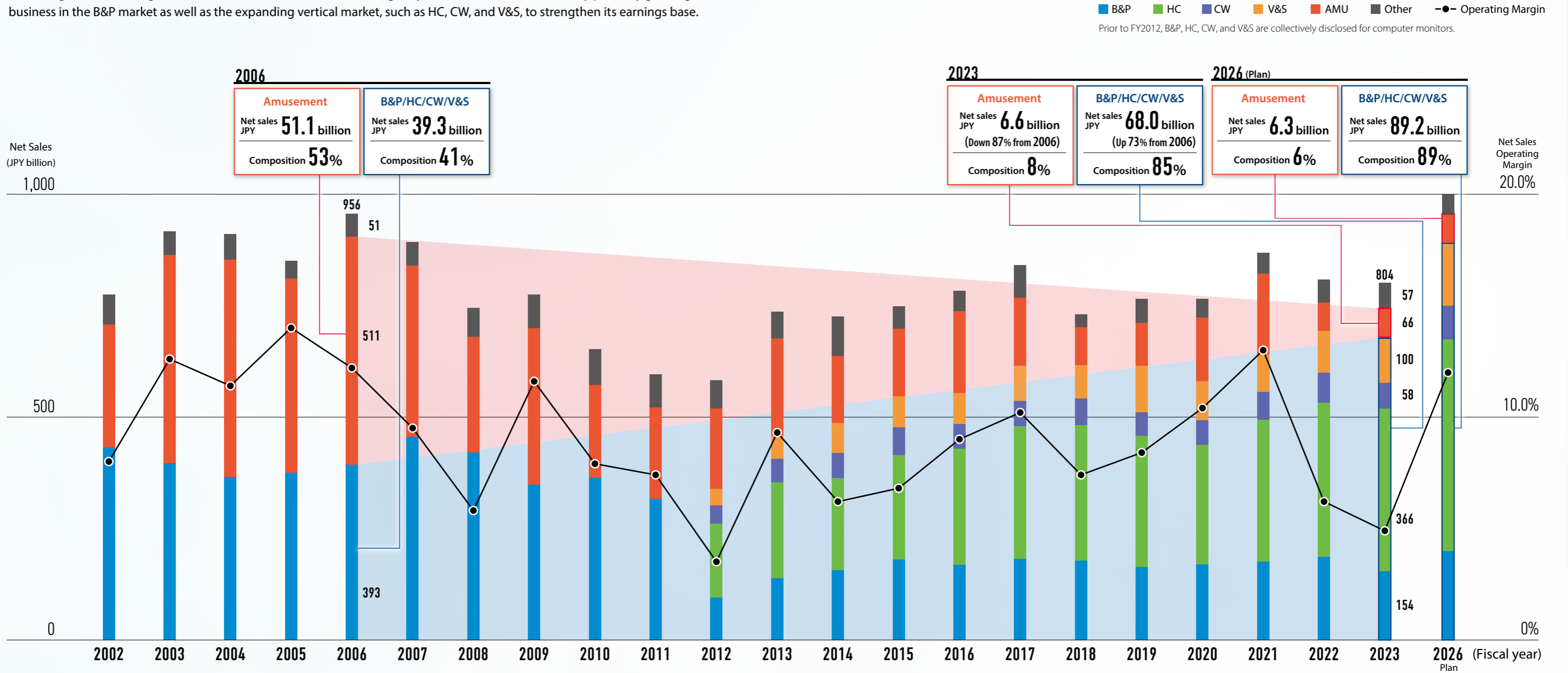
At the EIZO Technology Showcase

Expand and Reinforce Business Domains



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.



<p>Entry to Key Vertical Markets</p> <ul style="list-style-type: none"> Diagnostic monitors for the HC market Color management monitors for the CW market 	<p>Strengthened Business for Key Vertical Markets through M&A</p> <ul style="list-style-type: none"> Enhanced monitors for the HC and Industrial markets Entered into the Air Traffic Control market 	<p>Progressed Globalization</p> <ul style="list-style-type: none"> Transitioned to direct sales/distribution model in Europe Commenced operation of manufacturing and sales in China 	<p>Strengthened Business for the Healthcare Market</p> <ul style="list-style-type: none"> Entered into visual solutions for operating rooms Enhanced monitors for surgery and endoscopy Acquired technology for capturing, recording, and distributing 	<p>Start of EVS (EIZO Visual Systems) Deployment</p> <ul style="list-style-type: none"> Expanded business areas with total solutions by capturing, recording, distribution, and displaying 	<p>Expanded Direct Sales Structure</p> <ul style="list-style-type: none"> Direct sales in India Direct sales in Saudi Arabia
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Products and Services	Increased products line-up and services and expanded business domain <small>Reference: History of EIZO / Value Creation ▶ PP.05-08</small>
Sales Structure	Expanded direct sales/distribution model to meet customer needs and provide solutions <small>Reference: EIZO's Expansion ▶ PP.07-08</small>
Business Environment	Digitalized image → Increased demand for networking and visual technology
	Expansion of DX, response to climate change, renewal of infrastructure, decline in workforce

CEO Message

Looking Ahead to the Next 10 Years

Chairman & CEO, EIZO Corporation

Yoshitaka Jitsumori



Looking Back on FY2023

One major event was the Noto Peninsular earthquake on January 1, 2024. EIZO was able to recover extremely quickly, weren't you?

We have major manufacturing facilities in both Nanao and Hakui Cities, which are near the earthquake's epicenter. Both these factories suffered damage, including water outages. Additionally, many of our employees faced total or partial loss of their homes. Despite this, and facing other harsh conditions, such as disrupted transportation and access routes, these employees voluntarily came to the factories to help with cleaning and restoration efforts. I am so incredibly proud of the employees' 'EIZO spirit'. This visualized the bond between our employees and the company, which has developed over the years and is an invaluable asset to us all.

Furthermore, by working together as one on the recovery effort, we were able to achieve 100% operation in Hakui by February and Nanao by March, far exceeding our expectations.

Could you share the key points of your FY2023 performance?

We experienced a decline in both revenue and profit. This was due to decreased sales in our main market, Europe, which faced economic stagnation. Also, the Creative Work market is still affected by the lingering impact of the earlier strikes in Hollywood, USA.

Additionally, SG&A expenses increased due to wage raises, including those at overseas group companies, strengthened R&D activities, and participation in exhibitions. While we recorded a special loss due to the Noto Peninsular earthquake, we managed to minimize its impact on our overall performance. On the other hand, sales in the Healthcare market, which we are focusing on, reached a record high, and sales in the V&S market increased, particularly in Air Traffic Control, Security & Surveillance, and Defense applications.

In the field of Media & Entertainment, we have secured a solid position, supported by professionals. We continue to maintain a leading market share in Healthcare and Air Traffic Control in Japan and Europe. Moreover, in key areas such as Healthcare in the U.S. and China, we are steadily increasing our market share. While the macroeconomic environment deteriorated in FY2023, we believe that there is latent potential for a rapid recovery in demand for our products and revenue growth when the market recovers.

Further Evolution & Growth

What are your thoughts and intentions behind the Mid-Term Business Plan, announced in May 2024

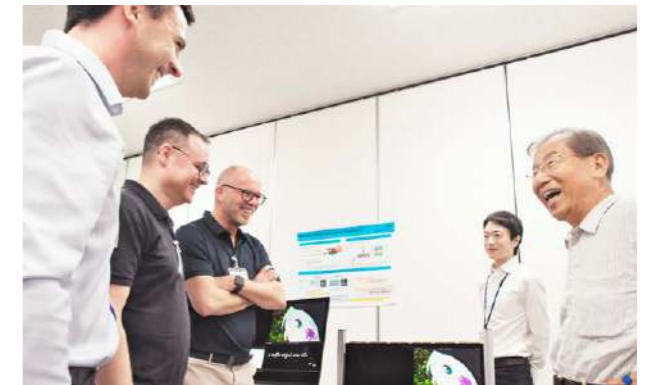
Since our establishment in 1968, we have continually evolved our business model around the core of imaging technology. This will remain unchanged moving forward too. Our Mid-Term Business Plan outlines our vision for EIZO, which involves integrating our world-leading imaging hardware technology with software to enhance the convenience of imaging and address various societal challenges with our unique value. This will help us expand our business areas. For example, we plan to support medical safety and team-based medical care through surgical field imaging systems, enable remote operation of construction machinery, and improve labor environments and address labor shortages through systems for remote infrastructure maintenance like overhead lines and hydropower plants.

Maximizing Human Resources

Please share your thoughts on human resources

We recognize that the most important factor in growing our business is our 'people.' We focus on securing and keeping diverse talent with varying perspectives, nurturing them with the EIZO mindset, and creating an environment where they can work with responsibility and pride. Our broadminded corporate culture, which is one of our strengths, supports this. Through flexible interactions and discussions across different positions and departments, we create new value and produce the best 'imaging' in the world.

In pursuing the empowerment of women, the ratio of female Managers is still not high enough. This is partly due to the nature of the electronics business and social background where fewer women study this field in the education system, which has led to fewer women with extensive work experience compared to men. However, we are steadily growing many potential leaders within our organization. We are actively strengthening our support systems and making various efforts in education and policies. We are committed to maintaining and evolving an environment where all employees can thrive and fully utilize their abilities regardless of their ethnicity or gender.



Challenging the Next 10 Years

Since April 1, 2024, you have a new management structure. What are your thoughts on this?

We see the management structure with a CEO and COO as the first step towards challenging the next 10 years. We are committed to building a robust management system to which we can confidently entrust the future of EIZO.

Meeting Shareholders' Expectations

In the Mid-Term Business Plan, the enhancement of shareholder returns has been clearly emphasized, hasn't it?"

In the rapidly changing electronics industry, we operate in markets such as Healthcare and Industrial markets, which can be considered social infrastructure, and we have a responsibility to supply our products consistently over the longer-term. To fulfill this responsibility, we need sufficient equity to prepare for procurement and make growth investments. While maintaining financial health, we will make growth investments to strengthen our business model.

Taking these factors into account, as well as our financial foundation, performance outlook, and funding requirements, we raised our target shareholder return ratio from the previous 40-50% to 70% in FY2023. Starting in FY2024, we will further increase this to 70% or more, continuing to enhance shareholder returns. We also plan to increase dividends in FY2024, marking the 12th consecutive year of dividend increases.

We will continue to strive to meet the expectations of our shareholders and hope for the continued support of all our stakeholders.

Sustainability Management

EIZO has always been proactive in your efforts to consider the environment, haven't you?

Considering the environmental impact in our product development is part of our DNA. Early on, we established a group company in Sweden, a country known for its advanced environmental awareness, to gather such information and keep abreast of regulatory trends. Through this company, we have been able to quickly respond to societal needs and have consistently strived to adopt the latest environmental measures ahead of the curve.

Our corporate philosophy is to contribute to a prosperous future society through imaging. Beyond addressing circular economy and climate change, we aim to tackle social issues through our unique 'imaging' products and services. We also prioritize human rights, diversity, and sustainability efforts across our supply chain.

We continuously ask ourselves what we can do and what we should focus on to sustain the environment, society, and economy as a unified whole. We have identified seven key areas of materiality in social, environmental, and governance aspects. We have set medium- and long-term goals for these areas, accelerating our sustainability management efforts.

COO Message

Preserving the 'Create the Best in the World' EIZO Mindset

President & COO, EIZO Corporation
Masaki Ebisu



About the New Management Structure

You were appointed President & COO in April 2024. What are your thoughts on this?

I joined EIZO in 2004 and have been involved in various departments such as Accounting & Finance, Strategic Business Development, Production Control, General Affairs, Procurement, and Investor Relations, while also participating in the establishment of overseas group companies and executing M&A activities. Since the 2000s, we have expanded into specific areas such as Healthcare, Creative Work, and V&S for industrial applications, undergoing continuous change and evolution. Being involved in many turning points in this process has broadened my perspective and thinking.

My role as COO is to firmly uphold our corporate philosophy of aiming to be the overwhelming number one in specific markets and the EIZO mindset of 'Creating the Best in the World,' while working with all employees to turn our various initiatives into tangible results and sow the seeds for future evolution and growth.



Maximizing Imaging Value Through EVS

How do you perceive your business environment?

In our key market of Europe, the surge in energy prices and persistently high interest rates following the Russian invasion of Ukraine have dampened investment appetite, also impacting the overall monitor market. Additionally, in the field of Media & Entertainment, purchasing activity remains sluggish due to the lingering impact of the Hollywood strike. However, we do not view this situation with pessimism, as we believe there is still latent demand building up.

From a mid-to-long-term perspective, major social challenges include the declining labor force and the need to improve working conditions, with automation and unmanned systems becoming crucial keywords. Our EIZO Visual Systems (EVS) is focused on maximizing the value of imaging for users by developing systems that cover the 'Imaging Chain' - Capture, Recording, Distribution, and Display. Addressing automation and unmanned systems is also a key theme for EVS.

As a member of the 'MEGURI2040' unmanned vessel project led by the Nippon Foundation, we announced our participation in the project's second stage in August 2023. Our involvement since the project's first stage, which started in 2020, has been through the development of technologies for autonomous navigation systems in the field of imaging, including capture, transmission, recording, and display. This is a concrete example of our direction to solve social issues through EVS.

As a company that provides 'comprehensive professional imaging environments', we will continue to evolve and advance.

EIZO's Responsibility for Performance & Quality, and Stable Supply

What are your thoughts on EIZO's competitiveness and strengths?

In the electronics industry, particularly among companies engaged in assembly production, it is common to outsource production to OEMs or production and development to ODMs. However, we are committed to 100% in-house development and manufacturing. This belief stems from our conviction that this approach is the only way to ensure responsible performance, quality, and reliable supply to our customers and users.

Additionally, we strategically maintain substantial inventories of components and finished goods, which contributes to our competitive edge by ensuring stable supply. During the fiscal year ending March 2024, for instance, export routes from Japan to Europe had to shift from the Suez Canal to the Cape of Good Hope, extending transportation times. Moreover, production was temporarily halted due to the Noto Peninsula earthquake. Despite these challenges, we were able to continue supplying our customers without causing any inconvenience.

Our strength also lies in our diverse market presence across B&P, Healthcare, Creative Work, V&S, and Amusement markets. Unlike other companies, we do not operate with separate divisions for each market. We utilize shared internal resources for development, quality control, production, and procurement, fostering synergy and ensuring flexibility and efficiency. Furthermore, our ability to cross-sell products developed for the B&P market as hospital medical terminals or as auxiliary monitors for Air Traffic Control highlights our unique strength in meeting a wide range of customer demands with our broad product lineup.

Achieving the Mid-Term Business Plan

How will you implement the 8th Mid-Term Business Plan, which starts this financial year?

I will explain from three perspectives: 1) development, 2) production, and 3) regional strategy.

First, in terms of development, we will further enhance collaboration and cooperation within our group companies to improve overall efficiency and speed. For instance, the EIZO headquarters will manage the core platform for imaging display engines, while our overseas group companies will focus on product development tailored to specific customer and regional needs.

In terms of production, we will further advance our investment in automating manufacturing lines. At EIZO headquarters, we have launched a new Manufacturing Execution System (MES) this summer as part of our 'Digital

Manufacturing' project. This MES will integrate with our Product Lifecycle Management system to reduce the burden on production sites related to specification management and enable rapid semi-customization to meet customer needs.

In terms of regional strategy, we are accelerating marketing activities through our newly established group company, EIZO Private Ltd. (India). Additionally, we have set up EIZO Middle East in Saudi Arabia this year. Saudi Arabia is aiming to enhance its nationwide healthcare system as part of its Vision2030 economic plan. We already hold a significant market share in Healthcare monitors through distributors and anticipate further growth in this sector.

Additionally, EIZO Display Technologies (Suzhou) Co., Ltd., which handles development, manufacturing, and sales in China, has steadily expanded its performance in the Healthcare and Air Traffic Control markets, since starting operations in 2010. Within this financial year, we will relocate to a new office and factory building, which will double our production capacity.

Enhancing Emotional Capital

Lastly, could you share what you consider important for future business operations?

Unquestionably, the base of our activities is our 'people.' Our progress to date has been achieved because of the loyalty and strong sense of mission each employee has towards our products, brand, and company. Additionally, the EIZO mindset of relentlessly pursuing what others cannot - being 'Cutting Edge,' so to speak - has been a hallmark of our approach.

In this VUCA era, unexpected challenges continue to arise. We face these difficulties together, celebrate our achievements, and enhance our emotional capital. Although it might sound a bit cliché, we aim to build a 'Passionate Collective' by harnessing the enthusiasm of our employees. In doing so, we will strive to create products that surprise and inspire our users, in line with our corporate philosophy of 'Enriching people in their professional and personal lives through the pursuit of imaging solutions with advanced technologies' and meet the expectations of our stakeholders.

EIZO Value Creation

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

FY2023 (Consolidated)

Management Resources

Business Activities (Business Model)

Value Proposition

INPUT

Financial Capital

Total Assets **164.8 B JPY**
 Equity Ratio **78.5%**
 Operating Margin **4.9%**

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

Manufacturing Capital / Company Capital

In-House Development and Manufacturing **100%**
 R&D Company **Global 7 Companies**
 Manufacturing Locations **Global 7 Locations**
 R&D **6.3 B JPY**
 CAPEX **2.3 B JPY**

- All products are manufactured in-house in Japan, Germany, China, and the United States
- Our Development, Quality Control, and Manufacturing departments collaborate closely to ensure stringent quality control
- Advantage in procurement of components and stable supply of products to customers

Human Capital

Number of Employees (as of March 31, 2024) **2,497**
 Number of employee nationalities **34 Countries and Regions**

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

Social and Relationship Capital

Countries and Regions Where EIZO Products Are Sold **133 Countries and Regions**
 Number of Suppliers (Primary) **186 Companies**

- Global sales network, supply chain
- Sustainability with suppliers

Natural Capital

Usage Rate of Renewable Energy **48.4%**

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

Visual Technology Evolution

Innovating Imaging Value That Only EIZO Can

Globalization & Visual Technology Company

Establishing a Profitable Foundation Despite AMU Decline

Expansion of Vertical Markets

Monitor Specialist

Monitor & Amusement Synergies

Establishing Business & Financial Bases

In-House R&D-Production-Sales-Support

Mid-Term Business Plan

Reference > P.17-18

Materiality

Reference > P.35-36

EIZO Group Principles of Conduct

Reference > P.02

Corporate Philosophy

Reference > P.02

OUTPUT

Economic Value

Net Sales **80.4 B JPY**
 Operating Margin **4.9%**
 ROE **4.4%**

Social Value

Open and respectful corporate culture

Ratio of female managers **11.7%**
 Ratio of women in leadership positions* **5.3%**
 Human Resource training cost and time* **47,600 JPY / 38 hours**

2024 Certified Health and Productivity Management Organization (large enterprises category)

*Group Companies in Japan

Responding to Climate Change

CDP "A" rating

Reduction of scope 1+2: **46.2%**(vs FY2019)
 Reduction of scope 3: **29.5%**(vs FY2019)
 (Category 1 + Category 11)

Open and Fair Governance

Ratio of independent external directors **37.5%**
 Female Directors **1** (independent external)
 Foreign Directors **1**
 Number of serious non-compliance incidents **0**
 Number of serious security incidents **0**

OUTCOME

Customers

- A visual environment supporting improved operational efficiency
- Suppliers that contribute to our sustainability promotion system

Shareholders / Investors

- Long-term enhancement of corporate value
- Consecutive dividend Increases: 11 periods

Business Partners

- Partnerships based on mutual prosperity
- Promotion of sustainability throughout our supply value chain

Employees

- A work environment where everyone can thrive
- Enhancing employee engagement

Local Communities

- Contribute to resolving social issues through products
- Social contributions of volunteer activities, activity support, etc.



The 8th Mid-Term Business Plan

Visual Technology Evolution -Innovating Imaging Value That Only EIZO Can-

Overview of the 8th Mid-Term Business Plan (FY2024-2026)

Basic Policy

In implementing our 8th Mid-Term Management Plan, we will expand our business domains by providing customers with products and services that deliver the Imaging Value that only EIZO can achieve. We will also broaden our business scope by dynamically addressing evolving societal challenges. Building on our unique visual technology, we will strengthen our proposition while accelerating the expansion of EVS (EIZO Visual Systems), which laid the foundation for our business outlined in the previous Mid-Term Business Plan. In this way we will further develop our business in key markets such as Healthcare and V&S (Vertical & Specific). Furthermore, we will expand our regional strategy from Europe, North America, and China to include the fast-growing markets of India and the Middle East. Through these initiatives, we will continue to develop and strengthen the overall EIZO business model.

Key Business Strategy

- Pursuing world's No.1 "Imaging"**
Lead the market with 'Highest-Quality', 'Highest-Reliability'
Fusing hardware & software for maximizing imaging value
Strengthen product & service through global & localization structure
- Production advancement**
Automation as labor shortage solution
Increase flexibility in semi-customization and small batch production
Optimize EIZO group's production structure
- Increase competitiveness & expand business domains with EVS**
Combining hardware & software to maximize imaging value
Convenient & easy image utilization through fusing hardware & software
Delivering imaging chain that addresses societal challenges
- Global expansion**
In addition to Europe, USA, & China, EIZO established 100% sales companies, EIZO India & EIZO Middle East, with sales targets of 5B JPY Each by 2030
- Strengthening efforts in target markets**
Bolster group synergy by leveraging local strength to drive growth in HC & V&S

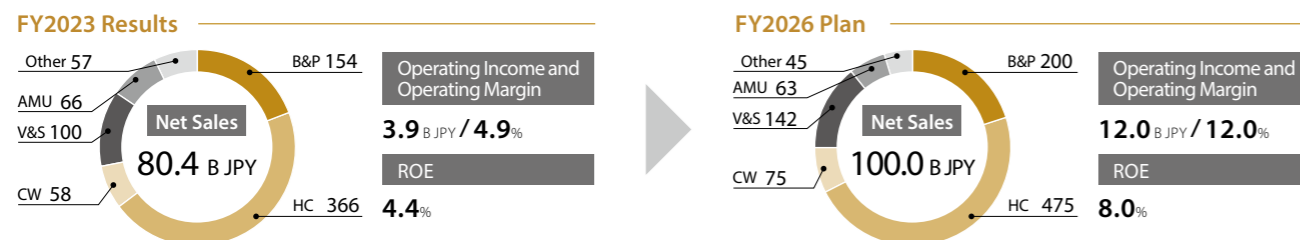


Key business strategy by market

- B&P**
Offer cutting-edge products in both performance and sustainability
Expand our lineup of large-sized products
Promote cross-selling, a strength of EIZO
- Healthcare**
Diagnostic applications: Provide the world's best imaging quality to expand digital imaging diagnostic
Surgical applications: Support issue resolution and image usage employed in healthcare centers by using EVS
Aim to have the No. 1 market share in North America, China, and India
- Creative Work**
Further evolve the world's top display technology, the recipient of the Academy Scientific and Technical Award
Offer the latest and best HDR display monitor to support creators
Offer monitor color management that can support digital workflows
- V&S**
Security & Surveillance: Contribute to the digital transformation (DX) of social infrastructure by using the unique imaging management technologies of EVS and EIZO
Air Traffic Control: Strengthening our sales structure and manufacturing system for the Chinese market to become the unrivaled No. 1
Defense: Leverage the strength of our domestic integrated development and manufacturing, and accelerate product development with agile development
- Amusement**
Lead the amusement industry together with our partners
Heighten value with the development capabilities of our hardware and software
Enhancement of contents development capacity

Financial Targets

In the final year of the plan, FY2026, we aim to achieve Consolidated Net Sales of 100.0B JPY, Operating Profit of 12.2B JPY, an Operating Profit Margin of 12%, and ROE of 8%.



Enhance competitiveness and expand business areas through EVS

One of the key drivers of EIZO's business growth is EVS. EVS supports the resolution of various social issues such as the declining labor force, infrastructure updates, and ensuring the quality and safety of healthcare. We will accelerate our support for solving diverse social challenges and expand our business areas by leveraging successful cases in Japan and deploying them internationally.

EVS Deployment Examples

Supporting working environment improvement through remote operation of construction machinery



Supporting medical safety and team-based healthcare through surgical field imaging recording systems

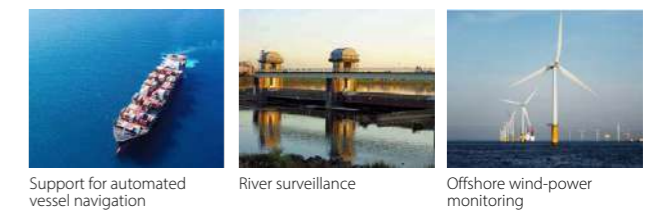


Support measures to address labor shortage using infrastructure maintenance image diagnosis



In addition to this, we support the resolution of a wide range of challenges

- Telemedicine support
- Real-time monitoring of rivers
- Offshore wind-power monitoring
- Automated navigation support for vessels



Sustainability, human capital, and financial strategy

We are committed to strengthening the foundation of our activities by focusing on sustainability and enhancing our management infrastructure, with the goal of achieving the objectives outlined in our Mid-Term Business Plan.

For the human resources we consider most critical, we will develop and implement plans aimed at maximizing human capital.

Sustainability

Strive for the materiality we have identified and the achievement of the corresponding KPIs, and contribute to a sustainable society by offering image quality that only EIZO can provide

Reference Sustainability initiatives > PP.33-82



Human Capital

- As a leader in visual technology, investing in human resource acquisition and development
- Maximize human capital value to deliver EIZO's unique value



Financial Strategy

Reference Financial Strategy > PP.21-22

The 8th Mid-Term Business Plan

We spoke with the Operating Officers leading the business to discuss the direction, progress, and efforts toward achieving the goals outlined in this plan.



Achieving the competitive edge unique to EIZO through EVS and becoming the undisputed No. 1 in each market

Kazuhide Shimura

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

The 8th Mid-Term Business Plan, “Visual Technology Evolution,” aims to clarify our business development plan for the next three years building on the EVS (EIZO Visual System), undertaken in the 7th Mid-Term Business Plan, “Amplifying Imaging Value.”

We have conducted market research to identify areas where we can contribute to solving the many challenges currently faced by society through the power of “visual technology.” We have selected and evaluated partners, and carried out numerous proof-of-concept tests. Through these efforts, we realized that we could contribute to solving problems by enhancing the value of visuals with our visual technology. EVS aims to realize the value and utilization of visuals that only EIZO can provide. As the name suggests, “EVS” is a system, which may be perceived as software-based, however EVS is hardware at its core and cannot be realized without our unique hardware. Therefore, in the 8th Mid-Term Business Plan, our goal as a hardware manufacturer is to further refine our development capabilities, while also focusing on strengthening production and expanding our sales capabilities. These efforts, combined with EVS, will help us achieve a competitive edge that only EIZO can offer globally.

In April 2023, we established EIZO Private Limited (India), followed by EIZO Middle East Ltd. (Middle East) in 2024. By adding these to our existing locations in Japan, North America, Europe, and China, we have expanded our global sales network to six bases, further strengthening our direct sales system. One of the reasons for strengthening of our direct sales system is EVS. To successfully develop EVS, not only do our sales staff require advanced product knowledge, but it also requires long-term activities such as partner selection and proof-of-concept testing before receiving an order. This is something that traditional distributors can fully address, making it essential to have our own sales network.

India and the Middle East not only hold potential for market expansion in the future, but are also advancing rapidly in digitalization, presenting many areas where EVS can contribute. We will be expanding our offerings beyond only monitors to include EVS in these markets as well.

EIZO contributes to solving social issues through EVS in vertical fields such as Healthcare & Industrial markets. We will continue to expand our business with the aim of further strengthening our leadership in markets where we already have number one market share and aim to become leader in markets where we currently do not have the top market share.

Provide the world’s best “Imaging” from “Display” to “Capturing”

Masaki Kita

EIZO Corporation
Operating Officer, Senior Manager of Visual Products Development Department and Senior Manager of Visual Systems Development Department



In the 8th Mid-Term Business Plan, we have adopted the slogan “World’s No. 1 ‘Imaging’” in terms of development. In the “display” field, we have been able to meet the diverse needs of our customers with a wide range of monitor lineups, and we will continue to pursue the best “display” and manufacture the world’s leading products.

In addition, as the scope of utilization of visuals expands and their importance increases, including telemedicine, remote operation, and telecommuting, we are expanding the scope of development to encompass the entire “imaging” process of “capturing, recording, distributing, and displaying” based on the technology we have cultivated in the “display” field. Our product lineup now includes cameras, encoders, recorders, decoders, and monitors. We aim to become the world’s leader not only in the field of “display” but also in the field of “imaging technology” as a whole. To realize this goal, the most important step is to create “high-quality and highly reliable” visual hardware developed in-house.

The role of software is to link these visual hardware components together to build an imaging chain of “capturing, recording, distributing, and displaying,” and to make the utilization of imaging more convenient and easier.

For example, for the 4K Imaging Chain for operating rooms, we have developed a software that can centrally manage all imaging within the operating room. This not only enables real-time live streaming, but also simplifies post-procedure viewing and secondary use, allowing for the maximum utilization of images with ease.

EIZO’s strengths are both complex and multifaceted. First, each individual hardware component offers unique features as well as “high quality and high reliability.” In addition, the high level of convenience that can only be achieved through our Imaging Chain is exclusive to EIZO. Furthermore, the ability to provide a one-stop solution for such professional imaging environments is itself a significant advantage.

To achieve this, we are focusing on enhancing development agility through a global framework and localization. By standardizing core technologies and leveraging the strengths of each development group company, we aim to significantly improve our ability to deliver products and services on a global scale.

As announced in a variety of news releases, we are taking concrete steps to solve various social issues, focusing on labor-saving and unmanned operations, such as participation in unmanned ship projects, introduction of systems for infrastructure-smart maintenance, and realization of remote-control solutions for construction machinery.

We believe that these activities themselves will not only help us respond to the rapidly changing world but will also lead to the creation of new technologies and innovations. Moving forward, we will further develop these capabilities to create value and enhance competitiveness that only we can achieve, leading to the expansion of our business domains.

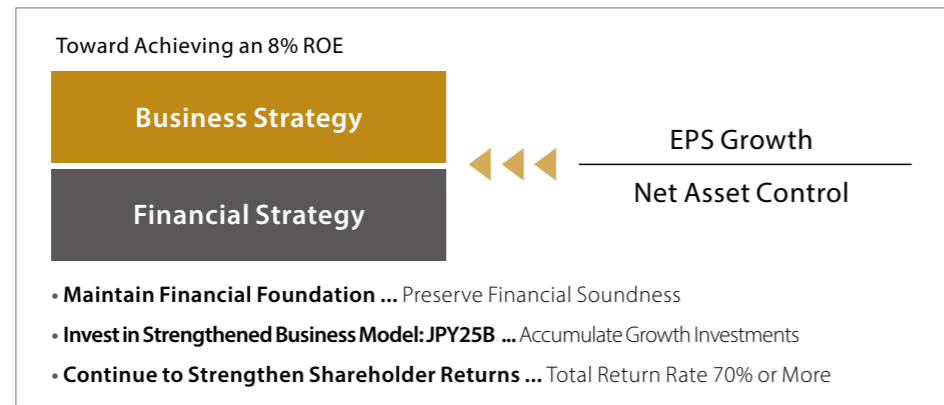
Financial Strategy

Our Solid Financial Base to Achieve Sustainable Growth

We maintain a robust financial foundation in the rapidly changing electronics industry and allocate management resources strategically and flexibly to enhance corporate value. This approach is our fundamental financial strategy.

In the 8th Mid-Term Business Plan, we have set targets of Consolidated Net Sales of 100B JPY, Operating Profit of 12B JPY, an Operating Profit Margin of 12%, and an ROE of 8%. To achieve these goals, we will invest in high-profit growth areas and focus on expanding our business in the Healthcare and V&S markets to improve profitability.

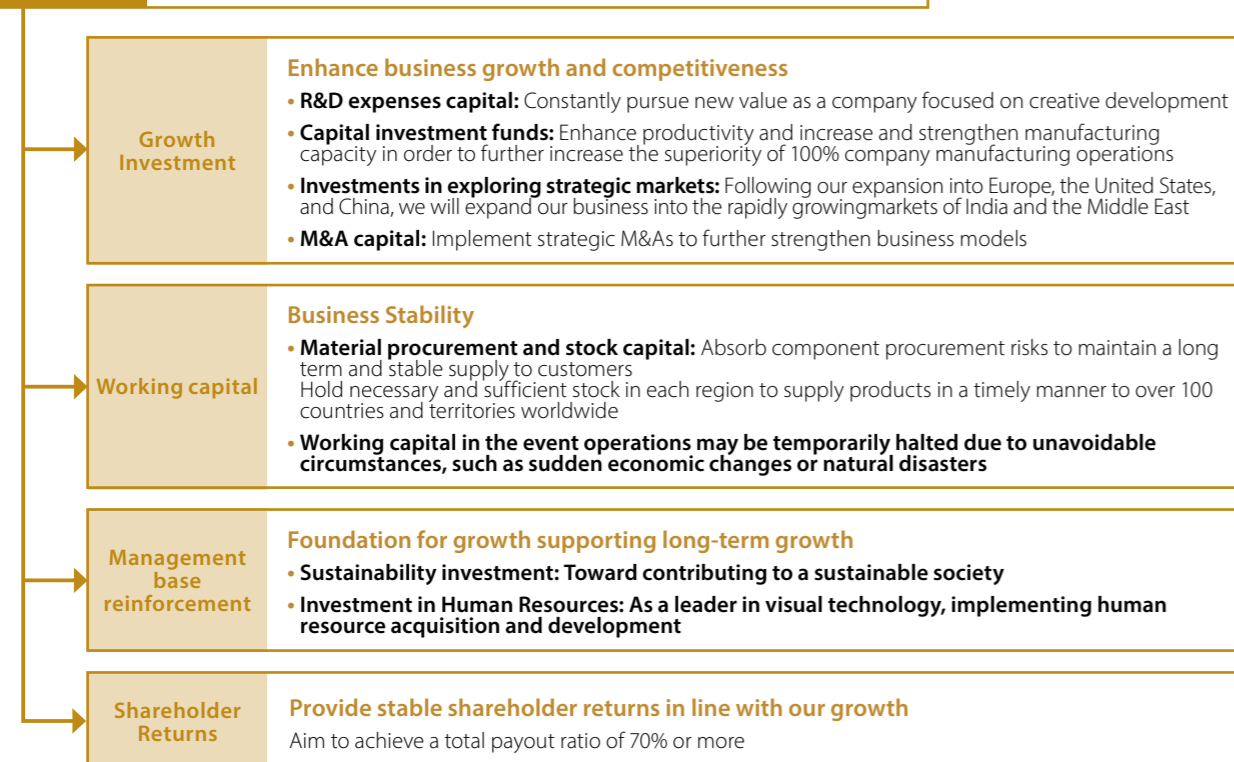
To achieve an ROE of 8%, in addition to expanding profitability by our business strategy, we will control net assets and increase the profitability of our capital.



Financial Capital Allocation

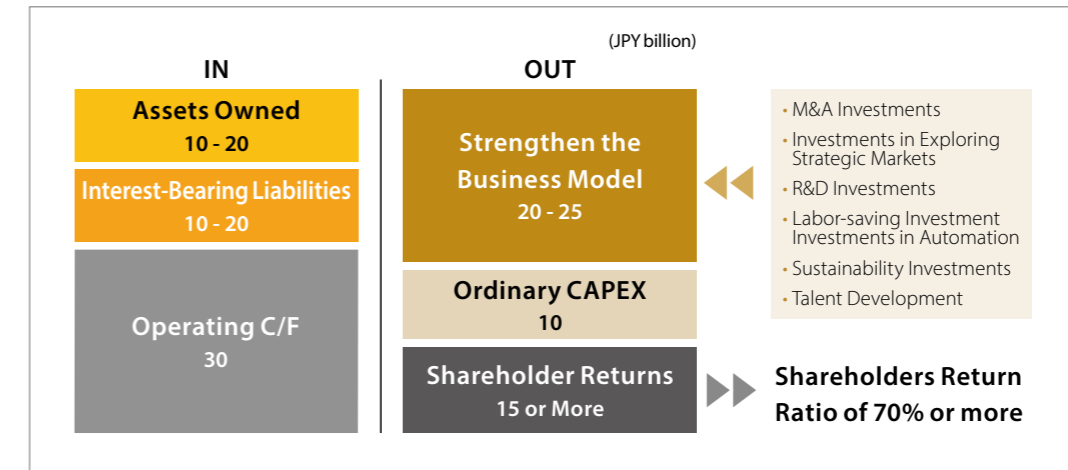
We will advance a financial strategy that achieves balance among three areas: (i) maintain financial soundness, (ii) investing to strengthen business models and (iii) enhancing shareholder returns. To maintain financial health, we will ensure adequate preparedness for potential risks and secure necessary funds for long-term sustainable growth. This will involve making growth investments to strengthen our business model and providing shareholder returns.

Financial Capital Pursue enhanced corporate value by drawing on our solid financial base.



Capital Allocation 3-year Plan (FY2024-2026)

We execute long-term growth investment and shareholder returns aimed at improving corporate value over the medium-to-long term. Funding will be secured based on operating cash flow, considering factors such as the amount of required funds, timing, and exchange rates. Depending on the situation, we may also consider raising funds through means other than own funds. If necessary, we will explore the sale of investment securities to ensure we have the required funds.

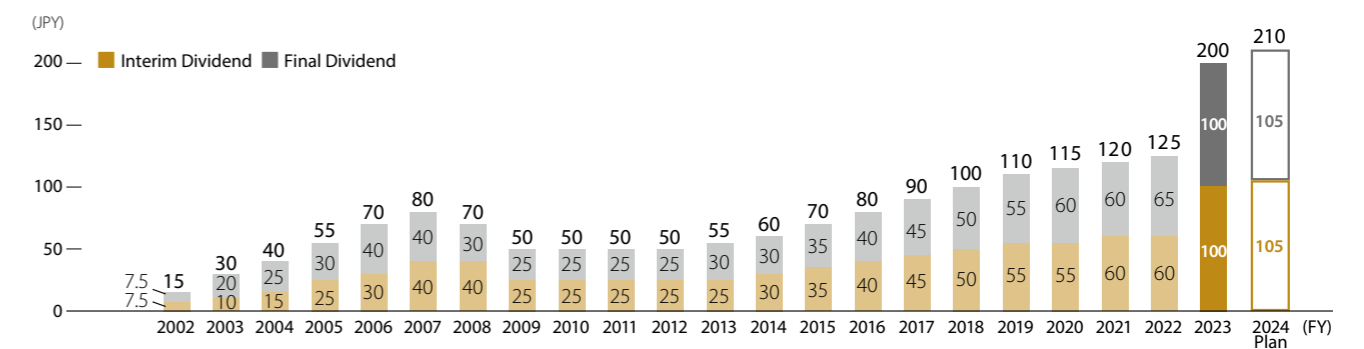


Shareholder Return Policy

Our key management objective is to achieve sustainable growth through business expansion and performance improvement, while maintaining financial soundness and providing returns to shareholders. As of FY2023, we have strengthened our shareholder returns by setting a target level for the shareholder return ratio at 70% of current net income (previously 40 - 50%). We plan to continue the trend of increasing dividends for the 11th consecutive term as of FY2023.

During the period of the 8th Mid-Term Business Plan (24F - 26F), we will continue to strengthen shareholder returns. The target level for the rate of return will be set at 70% or more of consolidated current net income and we will flexibly determine the rate of return depending on performance, the business environment, and funding requirements for growth investments.

Dividend Changes



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Plan
Dividend Payout Ratio (%)	11.3	9.5	14.4	17.5	20.6	41.0	229.7	22.6	31.5	67.5	66.7	21.6	38.5	35.5	30.1	26.9	49.5	50.2	39.8	32.8	44.5	75.4	86.4
Return Ratio (%)	11.3	9.5	14.4	17.5	20.6	41.0	375.2	22.6	31.5	168.0	66.7	21.6	38.5	35.5	30.1	26.9	49.5	50.2	39.8	32.8	92.2	75.4	86.4

* The shareholder return ratio includes share buybacks: 996M JPY in FY2008, 1,661M JPY in FY2011, and 2,821M JPY in FY2022.

Achieved 11 consecutive years of dividend increases

In FY2023, we implemented an annual dividend of JPY200 per share, marking the 11th consecutive increase. For FY2024, we plan to raise the annual dividend to JPY210 per share (an increase of JPY10 year-on-year), aiming for the 12th consecutive increase.

* The dividend per share stated above does not reflect the share split effective from October 1, 2024.

Business Overview by Market

B&P (Business & Plus)

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



Now, find your workstyle.

Our environmentally responsible and ergonomic monitors are widely adopted for a variety of applications, including financial institution dealing rooms, offices, and educational facilities. The FlexScan series not only excels in basic features such as high image quality and reliability but also offers outstanding TCO (Total Cost of Ownership) performance. Additionally, these business monitors are the result of EIZO's long-standing commitment to environmental performance and ergonomics, including efforts to reduce eye fatigue.

EIZO's energy-saving designs that contribute to reducing GHG emissions and improvements in recyclability achieve industry-leading environmental performance. Additionally, the frameless design allows for smooth eye movement even with multi-monitor setups, and features like screen brightness and reflection control ensure comfort during long hours of work. Furthermore, the USB Type-C compatible models, which pair well with laptops, contribute to increased productivity whether in the office or working remotely.

Management Environment

The trend towards larger, higher-definition, and higher-resolution monitors is advancing to improve performance and work efficiency. Additionally, with the growing awareness of sustainability, we anticipate an increasing demand for environmentally friendly products. Furthermore, the diversification of lifestyles and work styles triggered by COVID-19 has led to a rising need for advanced functionalities, including enhanced compatibility with notebook PCs through USB Type-C connectivity.

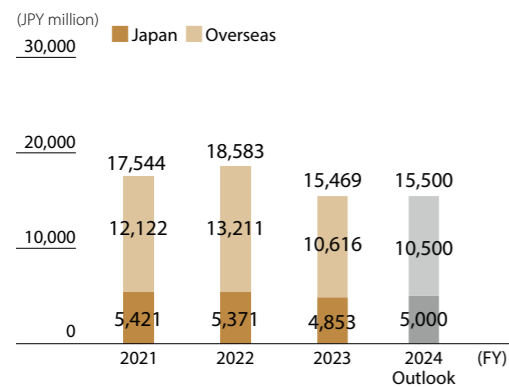
Performance Highlights

Net Sales

JPY **15,469** million

year-on-year
Down **16.8%** ↓

Consolidated Net Sales Trends



FY2023 Results

Overseas

- Due to the economic stagnation in Europe, a key market, which has led to the postponement of IT investments and a decline in PC sales, sales have fallen below the previous fiscal period.

Japan

- Inventory adjustment in the distribution stage continued through the second quarter, resulting in lower sales than the previous fiscal year.

FY2024 Outlook

We will expand sales by developing products that pursue environmental advancement. While the economic stagnation in Europe is expected to continue, leading to a persistent and severe market environment, sales are projected to be on par with the previous fiscal year due to the anticipated increase in demand following the end of support for Windows 10 in 2025.



Case Study

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

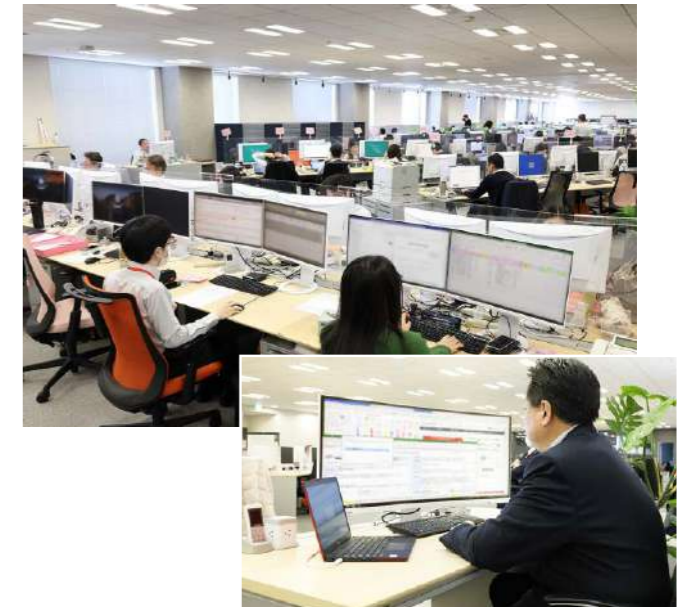


Japan

EIZO Monitors Contribute to Improved Work Efficiency and Enhanced Office Aesthetics

Mitsubishi UFJ Morgan Stanley Securities has been using EIZO monitors for many years. Between 2023 and 2024, they newly installed 777 units of the 23.8-inch FlexScan EV2480 monitor and 20 units of the 37.5-inch FlexScan EV3895 ultrawide curved monitor.

Their reasons for choosing EIZO include high image quality and reliability. To create a bright and open feeling in the office, all the monitors were unified in a white cabinet color. The EV2480 is space-saving, easy to use, and has been installed as the office standard throughout the company. The EV3895 can display multiple documents at the same time on a large screen, making work tasks more efficient. The company is committed to reducing its environmental impact, so the high percentage of recycled plastic used in the monitors' production and their overall energy-savings were key reasons for their selection.



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

VOICE



Marcel Lundstad
Key Account Manager
EIZO Nordic AB

EIZO's exceptional adherence to quality standards, coupled with value-added features that enhance the end-user experience, particularly in terms of environmental requirements and sustainable display solutions, is pivotal in maintaining and strengthening our customer and reseller relationships.

In a market with rigorous sustainability demands, the pressure on us is immense. I am confident in our ability to provide the most appropriate and sustainable visual solutions to our customers. I take pride in being part of EIZO, an organization steadfast in its commitment to sustainability standards, ensuring we deliver high-quality products and aftermarket services throughout the Nordic, the Baltic regions and rest of the world.

As we navigate a changing world, we remain optimistic about the future. Innovations and new products in the EIZO portfolio will further bolster our position as a reliable and professional partner in display and technology solutions, meeting new sustainability standards. This commitment to sustainability is a driving force for our EIZO team in the Nordics, motivating us to excel in our business and uphold EIZO values in all our interactions.

Business Overview by Market

Healthcare

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



Making Each Life Visual

In modern medical settings, the importance of the 'visual environment' has increased with the evolution of medical devices. For example, in team-based surgery, it is necessary to simultaneously share patient information, a vast amount of numerical data, images, and videos with multiple medical staff, not just the doctors.

Additionally, surgical footage may also be used for research and education as well as documenting medical treatments.

To achieve this kind of effective imaging operation, we provide consulting services to propose comprehensive visual solutions and soundly address user needs that encompass imaging 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 imaging environment in hospitals, including operating rooms.

Case Study Japan Anti-Tuberculosis Association Fukuji Hospital



EIZO Monitors and Software Create an Optimal Environment for Enhanced Image Diagnosis

In 2022, more than 100 high-definition EIZO monitors and the network-based monitor quality control management software RadiNET Pro were installed at Fukuji Hospital in Japan. The implementation has made it possible to evaluate fine lesions necessary for accurate diagnosis, contributing to improved quality of diagnostic imaging in the reading room, outpatient clinic, ward, and conference room. The installed monitors include 3 RadiForce RX1270s, 6 RX660s, 4 GX560s, 82 RX370s, and 12 RX360-ARs, all of which are high-resolution models with over 3 megapixels for displaying diagnostic images. The hospital has also implemented AI reading support tools and 3D workstations for CT. Because the 3D workstation displays in color, high-definition color monitors are an essential part of the hospital's diagnostic imaging. In addition, the built-in calibration sensors and RadiNET Pro software allow operators to efficiently perform quality control on the monitors to maintain their accuracy.



[Case Study https://www.eizoglobal.com/solutions/casestudies/](https://www.eizoglobal.com/solutions/casestudies/)

VOICE



Carol Tiernan
Business Development Manager
EIZO Inc.

My goal has been two-fold: 1) Make EIZO the standard in the top university and teaching hospitals in the USA, and 2) Sell and convert top hospital systems to standardize to EIZO across radiology, surgical and security for a total system solution.

Over the past two years, we have successfully converted some of the largest health systems in the Houston Texas metro area to EIZO RadiForce diagnostic displays. Through demonstrations and showcasing EIZO's superior image quality, advanced Work-and-Flow features and our remote Quality Assurance platforms, I converted these prestigious institution to EIZO.

The breadth of our portfolio gives me, as a Business Development Manager, the opportunity to offer a total solution to the largest Hospital systems in the region. By switching to EIZO RadiForce solutions, our customers delivery the quality care to patients.

Management Environment

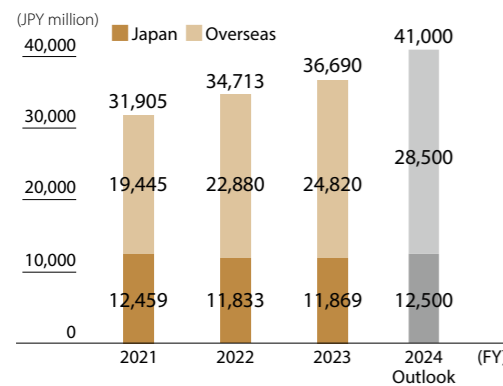
For diagnostic purposes, there is a growing demand for high-resolution monitors aimed at improving reading environments in advanced countries such as Europe, the U.S., and Japan. In addition, demand is also expected to rise in China and emerging countries along with advances in medical technologies. Teleradiology, which are being increasingly adopted in Europe and the U.S., are also anticipated to expand to other regions. For endoscopy and operating room applications, there is an increasing need for advanced medical procedures such as minimally invasive surgeries. This is expected to drive demand for high-resolution surgical monitors, surgical field cameras, and video recording and distribution systems.

Performance Highlights

Net Sales

JPY **36,690** million year-on-year
Up **5.7%** ↑

Consolidated Net Sales Trends



FY2023 Results

Record-high net sales achieved.

Diagnostic Applications

- Sales decreased both in Japan and overseas due to a drop of demand that had increased during the COVID-19 pandemic in the previous fiscal year

Operating Room Applications

- Increased sales in Japan and Europe

Endoscope Applications

- Strong sales in Europe, U.S., China and Japan

FY2024 Outlook

In terms of regions, we anticipate growth mainly in North America, China, India, and the Middle East. For diagnostic applications, we expect solid demand and plan for stable sales. Sales for endoscope applications is expected to continue to expand in a wide range of regions. In addition to monitors, demand for cameras and recorders for operating room applications is projected to grow.



Business Overview by Market

Creative Work

- 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 Media & Entertainment by achieving and maintaining accurate color monitor. 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 monitor throughout the entire workflow, from production to referencing, even when finishing a product with remote work environments, including Media & Entertainment at multiple sites, which boosts the work efficiency of the monitor administrator.

Management Environment

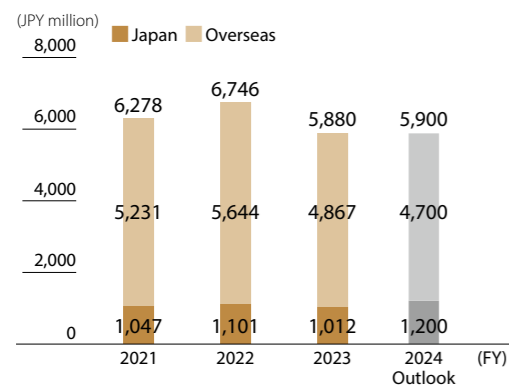
In the still image field, which includes photography, design, and printing, there is a steady demand for photography and printing applications, where color reproducibility is important. In the moving image field, such as the production environment for 4K and HDR is spreading, demand especially in areas of Media & Entertainment is growing. In addition, demand for 4K and HDR is expected to increase in the game production field as CG technology becomes more sophisticated. It is expected to increase.

Performance Highlights

Net Sales

JPY **5,880** million year-on-year
Down **12.8%** ↓

Consolidated Net Sales Trends



FY2023 Results

Overseas

- Sales declined from the previous year due to the economic downturn in Europe and the strike in Hollywood, U.S., with no signs of sales recovery in sight

Japan

- Sales decreased as a result of strong sales of new products in the previous fiscal year

FY2024 Outlook

We will offer a wide range of products and services, from high-end models with outstanding display and color management performance to basic models with improved usability. Later this year, we plan to introduce a new HDR-compatible reference monitor for Media & Entertainment. On the other hand, we expect sales to remain at the same level as the previous fiscal year because the economic stagnation is expected to continue in Europe.



Case Study Tanja Brandt



Capturing Natural Beauty: The Emotional Journey of an Animal Photographer

Tanja Brandt is a German animal photographer, best known for her photos of owls and dogs. She originally ran a trucking company, but after suffering a stroke, she turned to photography. Her work is supported by many people, with about 400,000 followers on Instagram and over 220,000 followers on Facebook. Her photos capture the natural state of animals, and especially the intimate relationship between her own pet dogs and owls. This has moved many people. She uses EIZO's ColorEdge CG2700X and CS2740, which provide high-definition 4K resolution and accurate color reproduction. As a result, her photos are consistently high quality with a beautiful finish.



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

VOICE



Dominic Gaughan
Business Development Manager
EIZO Limited

"The UK boasts a globally recognised legacy in film production, particularly in post-production, special effects, and visual effects. With major studios and streaming platforms establishing production bases in the UK, the industry's long-term growth is undeniable. Our strong relationships with key customer and technology partners in this sector, alongside our channel-first strategy allow us to actively participate in solution-oriented discussions between our channel partners and their clients, solidifying our position as part of their creative toolbox.

A monitor is where the final look of a project is determined, whether it is a motion picture or an advertising campaign. Our customers choose EIZO because they trust the accuracy of our monitors. Our meticulous manufacturing, award-winning calibration, and comprehensive after-sales service ensure that our users can confidently deliver exactly what their customers expect, every time. This is the EIZO advantage, and it is why we are trusted by the world's leading studios to bring their creative vision to life."

Business Overview by Market

V&S (Vertical & Specific)

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



Quality That Brings Peace of Mind to This City.

We provide visual environment solutions used in specialized applications and environments in areas such as ATC, maritime, S&S, 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 imaging technologies and know-how we have accumulated over the years.

Management Environment

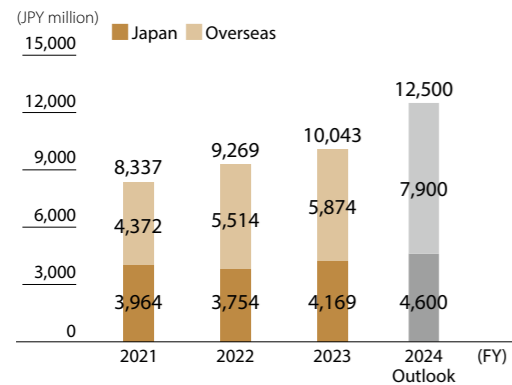
We anticipate a wide range of demand in a variety of industries and fields. We expect further demand for touch monitors that can be installed in various types of equipment and devices. We maintain the top position in terms of worldwide market share in the ATC market. Demand for value-added, high-resolution monitors is expected to increase due to equipment upgrades and the construction of new airports around the world. 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 systemization of ship bridges. Additionally, the market has diversified in such a way that there is an increasing need for surveillance both inside and outside the ship and research activities aimed at realizing automated navigation systems. For defense market, we anticipate a certain level of demand for highly reliable and durable monitors due to rising geopolitical risks.

Performance Highlights

Net Sales

JPY **10,043** million ↑
 year-on-year
 Up **8.4%**

Consolidated Net Sales Trends



FY2023 Results

ATC

- Recovery of sales from the fourth quarter of this fiscal year along with a recovery in demand

Maritime

- Increase in domestic sales due to demand for new shipbuilding

S&S

- Sales increased due to delivery of surveillance solutions developed as EVS (EIZO Visual Systems) for Japan.

Other

- Increase in sales of defense

FY2024 Outlook

In S&S, we expect to expand sales of visual systems and IP monitor solutions deployed as EVS. As demand for ATC recovers, sales are expected to expand across a wide range of regions. For defense, we plan to increase sales of customized products that meet customer demands in the U.S. and Europe.

Case Study SBB Operations Centre



EIZO Monitors Support the Safe Operation of Swiss Railways

At the SBB Operation Center in Olten, Switzerland, 350 operators at 100 workstations, equipped with eight EIZO monitors each, monitor and control more than 10,000 passenger and freight trains every day. Thanks to the ultra-thin bezel, the eight monitors appear as one giant screen. These monitors display a railway network spanning 750km, 188 stations, 2,850 switches, and 3,050 signals. This supports the safe operation of the Swiss railways, which are used by 1.25 million travelers every day. For SBB, ergonomics, reliability, and image quality are top priorities for the equipment used in such important tasks. EIZO monitors not only meet these demands with various features, but also offer a five-year product warranty.



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

VOICE



Koichiro Miyata
 Manager
 Sales & Marketing Section
 Business Enterprise Department
 EIZO Corporation

By creation of the EVS business allows us a front seat to the moments where society changes. EIZO is implemented as an imaging system in IT infrastructure, including high-quality hardware and flexibly semi-customizable software. By utilizing imaging technology, our users can change how they work.

For over 20 years, our company has offered special-purpose, and unmistakably valuable monitors for Healthcare and V&S market applications. With EVS, we take a free-thinking approach in applying the market experience and technologies we have cultivated to create imaging systems that bring out the maximum performance of EIZO monitors. We came together to form the team leading the development of imaging technology capable of resolving social issues. And we will push the role of EIZO to even greater heights on the world stage.

Amusement

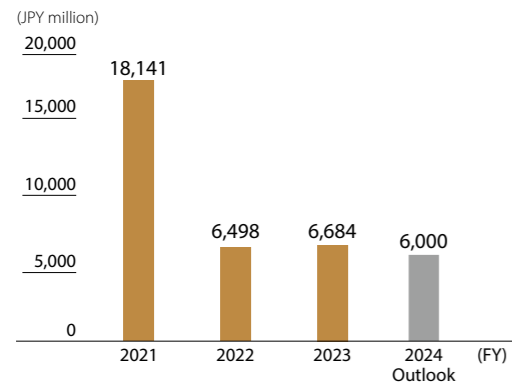
LCD-mounted pachinko and slot machines

Performance Highlights

Net Sales

JPY **6,684** million year-on-year
Up **2.9%** ↑

Consolidated Net Sales Trends



FY2023 Results

- Sales Remain on Par with the Previous Year
- The market situation remains severe as the entire industry continues to contract due to declining player and parlor numbers

FY2024 Outlook

Although this market will continue to face a difficult environment due to a decline in the number of players, we will strive to maintain our position as the leading manufacturer in the market by providing attractive products in terms of both hardware and software.

VOICE



Issei Fukuzaki
Main Programmer
Production Management Department
Irem Software Engineering Inc.

As a programmer, I am involved in the development of software for pachinko machines. Leveraging the company's unique development environment, we work on the production development of fascinating products with a high entertainment value applications spanning not only imaging products, but also background music, sound effects, and performance lighting effects. With the goal of bringing joy to our customers. I believe that executing detailed designs and creating a more realistic sense of speed is how we show our skills as creators. For that very same reason, we obviously communicate actively not only with our internal development teams, but also with our partner companies as well. Going forward, we will continue to come together as a single team and continue to pursue image expression that is even more fascinating and to create products that bring joy to many.

Providing Comprehensive Capabilities by Combining EIZO Hardware with IREM Software

We entered the business in the early days of pachinko machines equipped with LCD monitors, and for many years, as an important business partner of the industry's largest amusement machine manufacturer, we launched the "Sea Story" series and the "Hammerin' Harry" series, among other blockbuster series. Our aim has been to create "overwhelmingly interesting LCD monitors" and pachinko machines that make players want to "play again." This success is supported by the comprehensive strength 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.



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



Content Production Technology by IREM Software Engineering Inc.

We have established a unique presence in the digital entertainment industry by developing arcade and console games as well as imaging software for pachinko and slot machines.

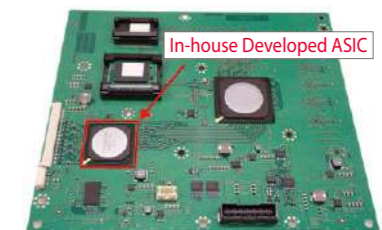
We are very familiar with amusement machine technologies and therefore able to produce a diverse array of high-quality products in any genre, including visuals for 3D real time rendering and 2D movies.



Irem Software Engineering Inc.
<https://www.irem.co.jp/>

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

The high-quality, highly reliable LCD monitors that meet the demands of ever-evolving amusement machines, are equipped with image processing ASIC developed in-house. 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

Visualizing a better tomorrow for all

We contribute to enriching people in their professional and personal lives through the pursuit of imaging solutions with advanced technologies resulting in sustainable growth together with society.


Sustainability Policy

EIZO has as our corporate philosophy the creation of a prosperous future society through imaging technologies. The basic concept and policies aligned with this are made clear in our basic policy on sustainability the "EIZO Group Principles of Conduct – Seven Promises –".

These include implementing our advanced environmental commitment to both our products and business activities, conducting business activities with consideration for human rights and ethics, building and maintaining trust relationships with our stakeholders, and maintaining a work environment where everyone can actively demonstrate their abilities. In addition, we aim for sustainable development with society

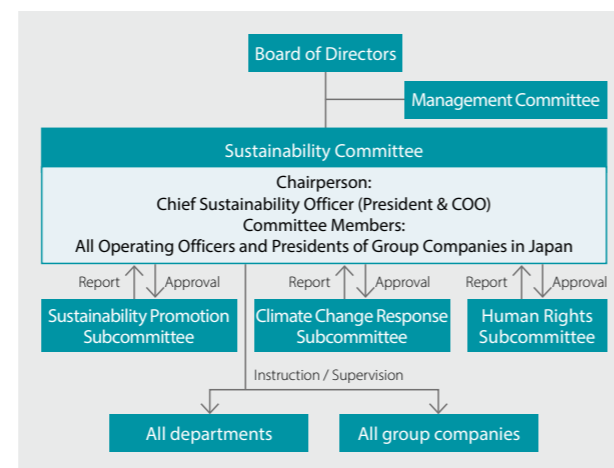
through our contributions to resolving social issues using our products, systems, and services.

In addition, in the 8th Mid-Term Business Plan we aim to expand our business areas as well as to evolve and strengthen our business models even further through the maximizing of imaging value to resolve social issues. Looking forward, we will continue to contribute to a sustainable society by providing the imaging quality that only EIZO can deliver.

 **EIZO Group Principles of Conduct**
<https://www.eizoglobal.com/company/code/>

Sustainability Promotion System


The Sustainability Committee was established directly under the Board of Directors to promote our sustainability efforts. It is chaired by the President & COO, who is also the Chief Sustainability Officer, with its membership comprising all operating officers and the presidents of group companies. The committee responsible for formulating policies and mid-term goals of sustainability, and monitoring, evaluating, and verifying the progress of sustainability promotion activities in each department. The purpose of the committee is to drive sustainability throughout the entire group under the supervision of the Board of Directors and with the involvement of top management.



Sustainability Management

We have identified the materiality (key issues) for our group and established KPIs and targets for each materiality. These are linked to your company-wide goal management system and integrated into the objectives of each department to drive specific initiatives.

Through PDCA management, we ensure the steady advancement of efforts towards realizing a sustainable society, while aiming to enhance long-term corporate value.

 **EIZO materiality, steps taken to identify materiality** > P.35-36

Participation in External Initiatives

The UN Global Compact

We have been participating in the UN Global Compact (UNGC) since September 2012. The UNGC is a voluntary effort involving participation in the creation of a global framework for sustainable growth. Participating companies act as good members of society by demonstrating responsible and creative leadership.


As a participant in the UNGC, we are committed to upholding the 10 fundamental principles related to the protection of human rights, the elimination of unfair labor practices, environmental responsibility, and the prevention of corruption. Under the direct commitment of top management, we continue to make efforts toward realizing these principles.

WE SUPPORT



Responsible Business Alliance (RBA)

We have been a member of the Responsible Business Alliance (RBA), which drives sustainable value for workers, the environment and business throughout the global supply chain since January 2020. We support the vision and mission of the RBA, and we are committed to ensuring that our business activities follow the RBA code of conduct on human rights, occupational health and safety, the environment, and ethics. We also promote adherence to the RBA Code of Conduct throughout our supply chain with the understanding and cooperation of our business partners.

 **Supply Chain Management** > P.59-60




Responsible Business Alliance
 Affiliate Member

Endorsing TCFD Recommendations

Since the launch of our brand, we have been consistently working on cutting-edge environmental initiatives. In May 2021, we announced our support for the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD). Under our sustainability promotion framework outlined in the left column, we continuously analyze the risks and opportunities posed by climate change to our business, implement necessary measures, and strive to enhance the transparency when disclosing relevant information.



 **TCFD Disclosure** > P.67-70

VOICE



Xuqing Jin
 Manager
 Sales & Marketing
 EIZO Display Technologies (Suzhou) Co., Ltd.

In recent years, the Chinese government has proposed to promote the healthy and sustainable development of global trade in services, which has set further requirements for enterprises to carry out "green innovation". Some project documents that we submit in bidding require medical equipment not only to meet performance criteria, but also the criteria for ergonomics and environmental protection.

EIZO medical monitors not only has the advantage of accurate color, excellent 3D performance, stable performance and perfect QC quality control system, but is also benefits from investments ahead of competitors in ergonomics, with features such as eye protection, anti-flicker, and "Work-and-Flow" technology.

These features are great advantages in a competitive market and pave the way for further increasing customer loyalty.

Foundation for Sustainable Growth

EIZO's Materiality

We have identified the materiality of our Group as follows, set KPIs and targets, and are working on promotion activities.

Key Focus Points	KPIs	Targets	FY2023		FY2024	FY2026	FY2030	Related SDGs
			Results	Results	Targets	Targets		
Contribute to the creation of a prosperous society through imaging solutions								
<ul style="list-style-type: none"> Providing high-quality, highly reliable products, systems, and services based on the development and application of cutting-edge technologies Providing an Imaging Chain, which supports social infrastructure Contributing to the improvement of the quality and safety of healthcare and welfare Providing an imaging environment that contributes to the advancement of healthcare around the world Contributing to the creation of safe and secure communities 	Contribution to the safety and quality of healthcare	<ul style="list-style-type: none"> Contribute to DX in healthcare by providing systems that streamline workflows Spread monitor quality control that supports a safe image interpretation environment 	<ul style="list-style-type: none"> Supporting doctor work style reform Launch of a healthcare monitor suitable for remote teleradiology at home Contribution to healthcare safety Launch of an imaging recorder for healthcare video recording 	<ul style="list-style-type: none"> Strengthen the worldwide development of products that contribute to healthcare safety and workflow efficiency Raise awareness of monitor quality management to support a safe teleradiology environment 	—	—	<ul style="list-style-type: none"> Deliver the highest image quality in the expanding field of digital imaging diagnostics Contribute to solving healthcare safety and team healthcare issues through the effective utilization of imaging 	<div style="display: flex; flex-direction: column; align-items: center;"> <div style="display: flex; gap: 5px;"> 3 6 </div> <div style="display: flex; gap: 5px;"> 9 11 </div> </div>
	Contribution to the development of an inspiring entertainment industry	<ul style="list-style-type: none"> Expand products to improve HDR¹ production environment solutions Promote introduction of networked color management solutions 	<ul style="list-style-type: none"> Digital workflow reform Release of API² that enables color management and calibration from third-party applications Launch of new models equipped with video signal quantification/visualization functions to ensure accurate color settings 	<ul style="list-style-type: none"> Expand products for establishing HDR production environments Reforming digital workflows through introduction of network-base color management solutions 	—	—	<ul style="list-style-type: none"> Provide the highest quality production environment with proprietary imaging technology and color management 	
	Providing visual technology to support infrastructure safety and maintenance	Expand products with improved visibility/image recognition technology that contributes to automatic vessel navigation and CBM ³	<ul style="list-style-type: none"> Strengthen the development system for camera products Developed a vessel safety assurance system for unmanned navigation Participated in and successfully completed a demonstration experiment (DFFAS+⁴ project) Released image optimization software for infrastructure maintenance and incident/accident analysis 	<ul style="list-style-type: none"> Providing total solutions that contribute to the advancement and efficiency of social infrastructure, including remote monitoring and operation, starting with CBM 	—	—	<ul style="list-style-type: none"> Strongly support the advancement and streamlining of infrastructure in line with societal changes through imaging solutions 	
	Providing products with consideration for the health of users and preservation of the environment	<ul style="list-style-type: none"> Enhance functions that are less stressful on the eyes and body Provide products that drive ethical consumption 	<ul style="list-style-type: none"> Launched two 4K monitors certified with the highest rating from the US environmental standard EPEAT FlexScan EV series attained the new EPEAT Climate+ certification Established collective packaging specifications for 11 models in the FlexScan EV series, reducing packaging material volume by 40% (31.5" model x 4 pieces) 	<ul style="list-style-type: none"> Continue to promote sustainable products Enhance functions that reduced strain on eyes and body 	—	—	<ul style="list-style-type: none"> Deliver advanced products using industry-leading low power consumption and green materials (materials with low environmental impacts) Expand functions that reduced strain on eyes and body 	
Broadminded corporate culture that encourages free and creative activity								
<ul style="list-style-type: none"> Respect different cultures and values Maximize the value of human resources Enhance employee engagement Promote health management Build and maintain a safe and secure work environment 	Ratio of female managers	5.0% (consolidated: 15.0%)	2.2% (consolidated including overseas group companies: 11.7%)	5.0%	7.0%	15.0%	<div style="display: flex; flex-direction: column; align-items: center;"> <div style="display: flex; gap: 5px;"> 3 4 </div> <div style="display: flex; gap: 5px;"> 5 8 </div> </div>	
	Ratio of women in leadership positions (Including management)	7%	5.3%	7.0%	10.0%	15.0%		
	Number of employees with disabilities	2.3% (statutory 2.5%)	2.0% (statutory 2.3%)	2.5% (statutory 2.5%)	2.7%	2.8%		
	Number of training courses per person	8.9 courses	6.5 courses	10.0 courses	15 courses	20 courses		
	Training cost / hour	JPY30,000 / 50 hours	JPY47,600 / 38 hours	JPY60,000 / 50 hours	JPY80,000 / 60 hours	JPY100,000 / 70 hours		
	Engagement Score (Based on responses to the Vitality and Pride in Work survey item)	2.7 out of 4.0 points	2.4 out of 4.0 points	2.7 out of 4.0 points	3.0 out of 4.0 points	3.2 out of 4.0 points		
	New graduate turnover rate	5.0% or less	8.2%	5.0% or less	5.0% or less	5.0% or less		
	Percentage of Paid leave taken	85%	86.5%	90%	95%	100%		
	Percentage of employees taking childcare leave	Female: 100% Male: 85%	Female: 100% Male: 78.9% (3 months or more: 26.3%)	Female: 100% Male: 90% (3 months or more: 40%)	Female: 100% Male: 100% (3 months or more: 50%)	Female: 100% Male: 100% (3 months or more: 65%)		
	Percentage of employees taking mental health leave	0.8%	0.7%	0.6%	0.4%	0.3%		
Number of serious accidents (Fatalities and disabilities that result in permanent disability)	None (including overseas)	None (including overseas)	None (including overseas)	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	0	0	0	0			
Respect human rights and diversity								
<ul style="list-style-type: none"> Respect for the human rights of all persons involved in our business Prohibit inappropriate labor (child labor, forced labor, bonded labor) Prohibit all forms of discrimination and harassment 	Number of internal and external whistle-blowing reports of human rights violations	<ul style="list-style-type: none"> Establish, disseminate, and operate an external whistle-blowing/consultation desk Implement human rights due diligence 	<ul style="list-style-type: none"> Zero reports received Preparations for the establishment of an external whistle-blowing and consultation desk completed Conducted educational training on business and human rights 	<ul style="list-style-type: none"> Establish and promotion of an external whistle-blowing and consultation desk Implementation of human rights due diligence and information disclosure 	<ul style="list-style-type: none"> Reduce human rights risks in the value chain 	<ul style="list-style-type: none"> Reduce human rights risks in the value chain 	<div style="display: flex; flex-direction: column; align-items: center;"> <div style="display: flex; gap: 5px;"> 8 10 </div> <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">16</div> </div>	
Supply Chain Management								
<ul style="list-style-type: none"> Build partnerships based on mutual prosperity Stable supply initiatives Promotion of sustainability initiatives throughout the supply chain Initiatives related to climate change, biodiversity, and water resources 	Percentage of suppliers who agree with EIZO Supplier Code of Conduct	100%	100%	100%	100%	100%	<div style="display: flex; flex-direction: column; align-items: center;"> <div style="display: flex; gap: 5px;"> 12 13 </div> <div style="display: flex; gap: 5px;"> 14 15 </div> <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">17</div> </div>	
	Efforts to respect human rights in the supply chain	Percentage of response to human rights items in the SAQ: 100%	87.5%	90%	100%	100%		100%
	Responsible Minerals Initiative survey response rate	100%	92.7%	100%	100%	100%		100%
	3TG smelter verified by third-party (RMAP compliance rate)	75%	66%	75%	80%	90%		90%
	Collaboration with suppliers to develop products with low environmental impact	Conduct collaborative review meetings	<ul style="list-style-type: none"> Conducted with 7 major suppliers Changed packaging materials of components to paper materials 	<ul style="list-style-type: none"> Expand the number of targeted suppliers for collaborative review meetings Adopted products with low environmental impact devices 	<ul style="list-style-type: none"> Strengthen collaboration with suppliers Expansion of products with low environmental impact 	<ul style="list-style-type: none"> Strengthen collaboration with suppliers Expansion of products with low environmental impact 		
	Engagement in measures to combat climate change	Promote suppliers' acquisition of SBT	Conducted sustainability meetings to explain our sustainability initiatives to 130 suppliers	<ul style="list-style-type: none"> Continue to conduct sustainability meetings Obtained SBT certification / Supplier support for climate change measures 	<ul style="list-style-type: none"> Continue to conduct sustainability meetings Obtained SBT certification / Supplier support for climate change measures 	<ul style="list-style-type: none"> Continue to conduct sustainability meetings Obtained SBT certification / Supplier support for climate change measures 		
Promoting sustainability initiatives in line with the RBA Code of Conduct	Undergo VAP audits at three major production sites	Our company underwent a VAP audit at one location (Audits at 2 other locations were postponed due to earthquakes)	<ul style="list-style-type: none"> Ensure supplier understanding of RBAs Establishment of a Human Rights grievance desk 	<ul style="list-style-type: none"> Ensure supplier understanding of RBAs 	<ul style="list-style-type: none"> Ensure supplier understanding of RBAs 			
Supporting a Recycling-Oriented Society								
<ul style="list-style-type: none"> Advanced environmental management Creating products that are friendly to people and the environment Shift to materials with less impact on the environment and human body 	Expanding use of halogen-free materials	Use of halogen-free materials: 75%	Use of halogen-free materials: 82%	Use of halogen-free materials: 83%	Use of halogen-free materials: 85%	Use of halogen-free materials: 90%	<div style="display: flex; flex-direction: column; align-items: center;"> <div style="display: flex; gap: 5px;"> 6 7 </div> <div style="display: flex; gap: 5px;"> 12 14 </div> </div>	
	Use of green materials (materials with low environmental impact) in products	Use of recycled plastics: 70% (2030)	<ul style="list-style-type: none"> Investigation of high recyclability plastics and their use in new models Use of recycled plastics: 19.3% 	<ul style="list-style-type: none"> Use of high recycled content plastics in newly developed models Use of recycled plastics: 25% 	<ul style="list-style-type: none"> Use of recycled plastics: 45% 	<ul style="list-style-type: none"> Use of recycled plastics: 70% 		
	No use of virgin plastics derived from fossil fuels in packaging materials	Increase the use of paper material packaging	<ul style="list-style-type: none"> Changed specifications for models currently on sale Paper packaging adoption rate: 21.2% 	<ul style="list-style-type: none"> Use of paper packaging in newly developed models Paper packaging adoption rate: 25% 	<ul style="list-style-type: none"> Paper packaging adoption rate: 55% 	<ul style="list-style-type: none"> Paper packaging adoption rate: 80% 		
Respond to Climate Change								
<ul style="list-style-type: none"> Provide products and systems that contribute to climate change action Reducing GHG emissions throughout the product life cycle Reducing our environmental impact in business activities 	Reduction of Scope 1 and 2	-40.0% (compared to FY2019)	-46.2% (compared to FY2019)	-58% (compared to FY2019)	-61.5% (compared to FY2019)	-70% (compared to FY2019)	<div style="display: flex; flex-direction: column; align-items: center;"> <div style="display: flex; gap: 5px;"> 7 11 </div> <div style="display: flex; gap: 5px;"> 12 13 </div> <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">14</div> </div>	
	Reduction of Scope 3 (Category 1 and 11)	-10.0% (compared to FY2019)	-29.5% (Category 1 and 11) (compared to FY2019)	-12.5% (Category 1 and 11) (compared to FY2019)	-17.5% (Category 1 and 11) (compared to FY2019)	-27.5% (Category 1 and 11) (compared to FY2019)		
	Percentage of renewable energy used (Consolidated)	46%	48.4%	67%	78.8%	Japan: 100% All group companies including overseas: 92%		
Open and Fair Governance								
<ul style="list-style-type: none"> Appropriate information disclosure Strengthen resilience Strengthen information security Enforce business ethics 	Percentage of participation in compliance training (consolidated)	100%	100%	100%	100%	100%	<div style="display: flex; flex-direction: column; align-items: center;"> <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">16</div> </div>	
	Number of serious non-compliance incidents	None	None	None	None	None		
	Percentage of employees with information security training	100%	100%	100%	100%	100%		
	Number of serious information security incidents	None	None	None	None	None		
External assessment of ESG initiatives	Achieving the high rating in CDP/EcoVadis/RBA VAP	<ul style="list-style-type: none"> CDP A List EcoVadis Bronze RBA Gold status (EIZO Corporation) 	<ul style="list-style-type: none"> Achieve a higher rating in CDP/EcoVadis/RBA VAP certification 	<ul style="list-style-type: none"> Maintain high ESG ratings from external organizations 	<ul style="list-style-type: none"> Maintain high ESG ratings from external organizations 			

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.

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 API (Application Programming Interface): Interfaces (protocols) that connect software and programs. ³ CBM (Condition Based Maintenance): It refers to conducting maintenance before failure by monitoring the condition of equipment and machinery using IoT and AI. ⁴ DFFAS+ (the Designing the Future of Full Autonomous Ship) project: A project sponsored by the Nippon Foundation (Japan) which aims to conduct the world's first successful crewless autonomous ship demonstration.

Enriching Society through Visuals

Development

—Development Capabilities Ensuring the World’s Best—

The EIZO Group will continue creating products that are “the best in the world”. 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.



Overwhelming technological capabilities to produce “high-quality, highly reliable” imaging hardware

We have accumulated a wide variety of imaging technologies by meeting the stringent high requirements of vertical markets such as Healthcare, Creative Work, and V&S (Vertical & Specific) based on developments incorporated in monitors for the B&P (Business & Plus) market.

For the key display devices in monitor development, we conduct device development with a strong focus on display performance in partnership with each device manufacturer. Furthermore, by integrating visual optimization technologies using our proprietary algorithms, we achieve overwhelming differentiation in all markets, including B&P, Healthcare, Creative Work, and V&S. In response to specific applications and demands requiring ultra-reliability, such as those for defense applications, we develop and produce specialized products in-

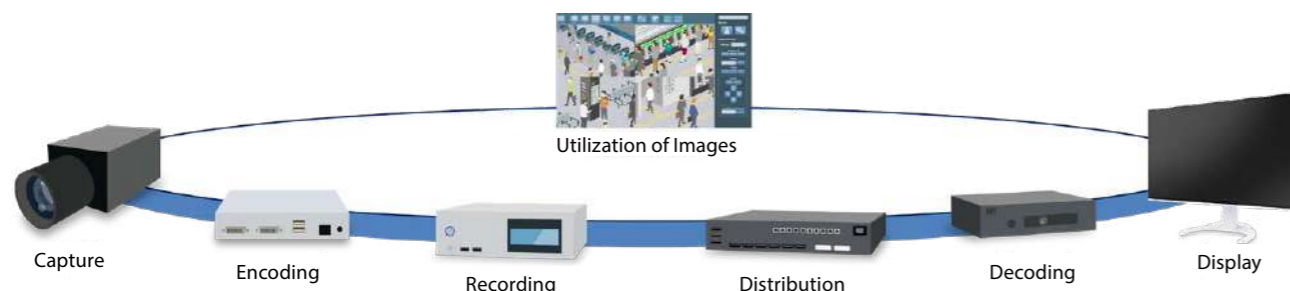
house using our own technology and production methods, as well as specialized processing for display devices.

In addition, we develop computing technology that implements our proprietary algorithms on ASICs, FPGAs, and state-of-the-art GPUs to realize application-specific processing; develop video codecs that enable reliable video transmission in mission-critical markets that require high reliability; and develop technologies that reduce environmental impact, such as the use of recycled materials, that contribute to sustainability. Through these efforts, we produce high-quality, high-reliability imaging hardware for the entire range of imaging-related activities, including shooting, recording, distribution, and display.

Maximizing Image Value by Integrating Hardware and Software

Software technology plays a major role in building the imaging chain of “shooting, recording, distribution, and display” by interconnecting imaging hardware. There is a wide range of software available, including application software that enables centralized management of images flowing through the imaging chain, application software that enables quality and asset management of imaging hardware, network distribution technology that enables reliable distribution of images, and cyber security technology that enables safe operation of

various devices and systems. Further expansion of its use will be required in the future. In addition, the range of utilization of images is expanding, including telemedicine, remote control, and working from home, making it increasingly important. By integrating “high-quality, highly reliable” imaging hardware and the software that links them together, we will further strengthen the imaging chain that only we can provide, making the utilization of images more convenient and easier.



Further Reinforcement of Global Development System

The EIZO Group has a global network of development and production bases, and in order to create “the best in the world,” the Group companies responsible for development are working together and collaborating to standardize core technologies and horizontally develop the strengths of each base, thereby promoting the efficiency and speed of overall development. To promote collaboration and cooperation, in addition to regular online meetings, an in-house exhibition, “EIZO Technology Showcase,” is held annually at our headquarters to mutually introduce technologies of each base and deepen understanding. This serves as a valuable opportunity not only for engineers to exchange information, but also for sharing EIZO’s future strategy and vision with sales, planning, and production staff from around the globe.



VOICE



Kazuya Murata
Group Leader
Display Device Technologies Section
Sustainable Design Department, R&D
EIZO Corporation

The development of display technology has accelerated as new devices are created one after another. In my work on image device development, I coordinate with our partner companies to investigate the latest devices from the research stage and perform the unique development of correction technology adapted to the traits of each device. In doing so, we guarantee EIZO quality while offering our customers an unprecedented imaging experience that matches the needs of the market. In the image production field, where EIZO monitors enjoy a high market share, the post-production processes in any country of the world will split a movie into sections in order to produce it. In the course of this process, professionals demand color consistency, and our ability to continue to respond to these in-demand requests with high-tech quality has gained us people’s trust. EIZO’s dedication supports the work of professionals who stir emotions of people around the world; this is what I am most proud of.

Our EIZO GmbH (Germany) R&D team members have seen many benefits from collaborating with one another and with our counterparts in Japan. Among the benefits are direct improvements in productivity and quality. These in turn result in both customer and team member satisfaction. As part of my work on monitor controller board firmware, my joy and responsibility are translating customer requirements into firmware solutions and clearly presenting them through the user interface. The benefits from collaboration can be even greater when R&D from Germany and Japan work closer together. The R&D departments are particularly suited for this where digitalization facilitates enable pooling of resources, using the same standards and tools despite the distances between us. Even more exciting, though, is the cooperation using the same hardware developing a common base for the global EIZO monitor product range. This will allow cross-support of our products from both Germany and Japan. I am looking forward to even deeper collaboration.



Florin Dumitrache
Research & Development
Software team
EIZO GmbH

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 production of electronic circuit boards to assembly and inspection of finished products. Close alignment among all the teams and their united pursuit of ever improved production 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 Production 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 production process regardless of ever-changing market demand and material availability.

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

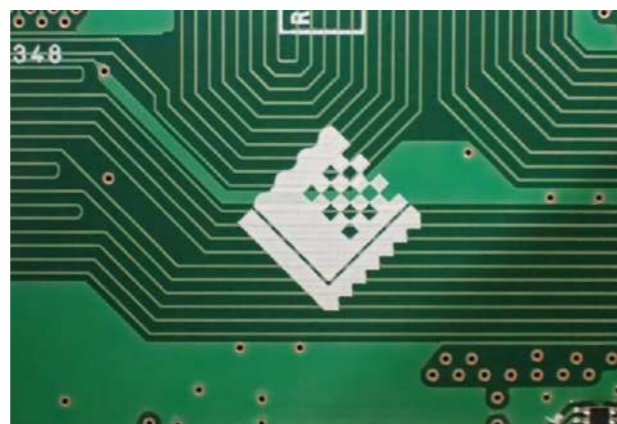
The Spirit of Production and Technologies

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 for micron-level adjustments of mounting positions. X-ray inspection is performed to check areas not visible to the human eye, and automated optical inspection (AOI) is used to confirm the mounting status of all components, preventing defective parts from being released. The EIZO logo is firmly printed on all circuit boards produced, 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 various data in real time, such as production progress, operation status of equipment and measuring instruments, and adjustment status of products, and analyzes the collected big data to further improve product quality and processes. In addition, we have achieved the digitization of production records using electronic paper and tablet terminals 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 vertical 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) Fully Automated Production is Possible for 2/3 of Processes
Master production	Products with our uniquely customized panels (mainly V&S) Large Clean Rooms and Special Facilities

Introduction of State-of-the-art Automated Production Equipment - Dramatic Improvement in Productivity

The strength of our "100% in-house development and production" is deployed in our production process, the front line of production. For example, the "automated function validation process" and "automated unit assembly process" at the Hakui Factory of EIZO MS Co., Ltd. The board assembly for B&P products, which handles high volume production, is automatically performed in these processes. This will significantly improve the production efficiency of assembly and inspection work, which previously relied on manual labor, and contribute to increasing production capacity. The evolution of this production system is the result of the concerted efforts between the teams of production and development related to standardization of circuit board specs and circuit designs and reflects the competency of EIZO's factories.



Hybrid production



Automated Unit Assembly Process

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. This is because monitors are products constantly viewed by people, and we believe that inspection by the "human eye" is crucial to maintain high quality standards.



VOICE



Takano Nozaki
Manufacturing Section 2
Manufacturing Department
EIZO MS Corporation

As the person in charge of worker training on our finished products manufacturing line, I work in human resources training. My work is linked to the improvement of quality and production efficiency of our factories through programs ranging from new employee education to multi-functional education. Teaching manufacturing basics and know-how to our workers is linked more than anything to my own personal skills upgrade, and everyday I feel fulfilled working at our vibrant and bright workplace. On the January 1, 2024, our Nanao factory suffered significant damage in major earthquake that halted our operations for approximately 20 days. However, thanks to the cooperation and warm support of the EIZO Group, we have now recovered to the level of how daily life was before the quake, and we are now able to perform production work, something for which I am grateful. I myself would like to encourage employee upskilling one step further in order to contribute to the development of the EIZO brand.

Enriching Society through Visuals

Quality

—Premier Quality Assurance Creating the World's Best—


To enhance the convenience and value of our customers' imaging environments, we deliver high-quality products, systems, and services without any compromise on quality.



The EIZO Group Quality Basic Policy — Commitment to Quality —

We have established a commitment to quality as the "EIZO Group Quality Basic Policy" in order to propose and provide high-quality products, services, and solutions, continuously earning the trust of our customers. This policy is implemented across all group companies, both in Japan and internationally, ensuring that quality assurance activities are carried out under a consistent approach throughout our entire Group.

 **The EIZO Group Quality Basic Policy**
https://www.eizoglobal.com/company/information/quality_policy/

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

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

Leveraging the advantage of having all functions—planning, development, procurement, manufacturing, sales, and service—within the Group, we can accurately and meticulously capture user requests and underlying needs. This allows us to quickly reflect the required performance and quality standards in our products and services. Our thorough commitment to building quality into our products is a significant strength.

To achieve uncompromising quality, the quality assurance department works closely with the design and development teams, as well as the manufacturing departments involved in production. Together, they carry out systematic and consistent quality assurance activities, ensuring that high-quality standards are achieved in the most optimal manner.

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 as defined by the U.S. Department of Defense. Passing the test means that the products are certified for such harsh environments.

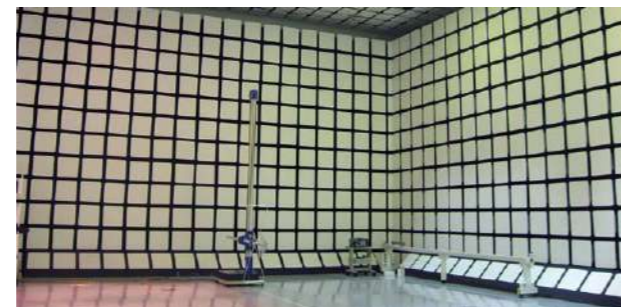


Also, it effectively conducts comprehensive quality assurance activities to achieve uncompromising results. In order to ensure the high quality and performance demanded by users, we also have our own equipment to perform EMI and EMS tests as well as other safety and reliability tests, including high-temperature, low-temperature, vibration, and drop tests.

In addition to compliance with laws, regulations, and various certification standards around the world, we conduct thorough risk assessments for each market and application, conduct international standard quality tests based on our own reliability standards reflecting various events and cases, and provide smooth feedback to the Design and Production Departments, thereby supporting the solid quality and high reliability of EIZO products.

● **10m Anechoic Chamber**

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



Ensuring Quality in Procurement

We procure more than 10,000 types of components from around the world.

Ensuring the quality of procured components is essential to provide stable products. We clearly present our procurement policies and guidelines to our suppliers and work with them from the initial development stage to achieve the quality we require. In addition, as a continuous effort to maintain and improve the quality of the products, we also audit the

manufacturing sites of procured components and monitor their quality status. To prevent "silent changes" that could seriously affect quality, we have established our own change-point management guidelines and are working to strengthen our management system. We also conduct quality enhancement activities such as defect analysis and Kaizen (Continuous Improvement) in close cooperation with our suppliers.

Ensuring Quality in Production

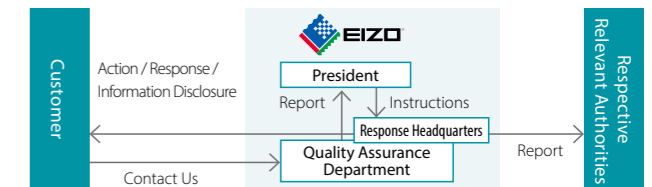
In each production process, critical monitor parameters such as brightness and contrast are automatically recorded and stored. These parameters are then analyzed from various perspectives, allowing for real-time quality monitoring. Additionally, this

big data is utilized for quantifying quality control standards, improving the efficiency of production processes, and providing feedback for new product development.

Ensuring Quality in Sales and After-Sales Service

The EIZO Group provides sales and after-sales services from 12 bases in Japan and 50 countries worldwide (as of June 2024) through Japanese and overseas group companies and distributors, realizing a globally unified, high-level, and reliable after-sales service and timely response to market demands. In the unlikely event of a problem concerning safety, quality, or cyber security, we have systems in place that allow us to respond promptly and precisely (e.g., cause investigation, free product repairing, information disclosure). By quickly and accurately

reducing various post-purchase risks, we maintain and strengthen long-term relationships built on trust with our customers.



Strengthening of Support System in Focused markets

In India, where business expansion is expected under the Eighth Med-Term Business Plan, we are accelerating efforts to strengthen our product repair and customer support systems. The Technical Manager of our local group company, established in 2023, was invited to the headquarters for product education and hands-on repair training. In addition, the repair environment has been improved through continuous web conferencing, and we began product repairs locally starting in March 2024.



COLUMN

VOICE



Shota Asano
 Field Support Section
 Field Solutions Department
 EIZO Support Network Corporation

In order to add value to high-quality and high-performance EIZO products, we established a dedicated service unit. I feel that our work has an important role in EIZO's dedication to quality. We offer a service that is close to our customers so that after they purchase one of our products, they can use it more easily and for longer. Listening to our customers from the vantage point closest to them encourages us and stimulates product manufacturing that further responds to our customer's needs. Going forward, I would like to contribute to EIZO's quality through service and work in order for our customers to be even more satisfied.

Enriching Society through Visuals

Intellectual Property

—Intellectual Property Initiatives Vital to Business Growth—

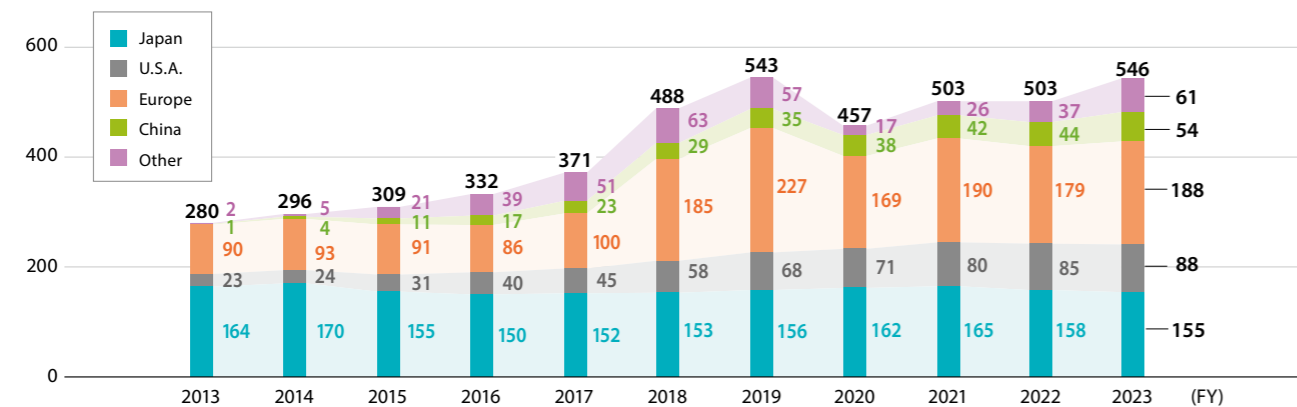
We believe technology and design created in the process of product development to be one of the most important assets for EIZO and actively seek to obtain patents and design rights to protect them. We also strive to obtain and maintain trademark rights in order to protect and enhance EIZO brand value.



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.

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.

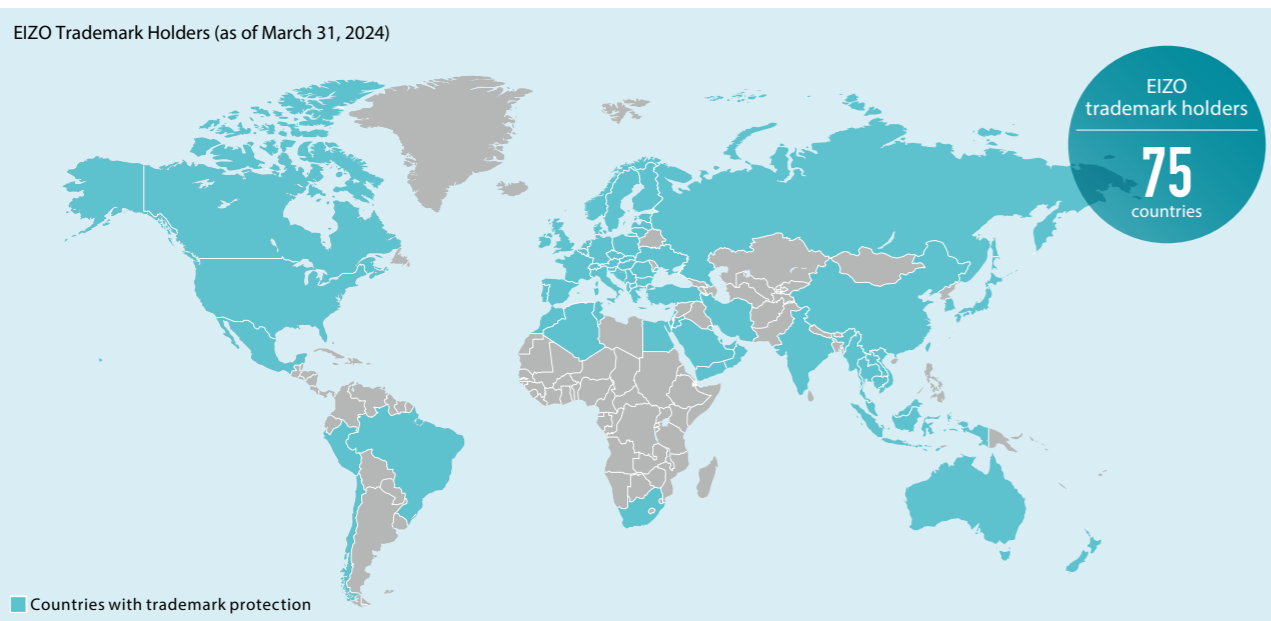
Respecting Third-Party Intellectual Property Rights

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 22 Consecutive Years Since FY2002 -

The Chubu Regional Invention Awards, organized by the Japan Institute of Invention and Innovation, honor engineers and researchers who have created outstanding technologies contributing to regional industry. We have been consistently applying for these awards since 2002 and have received awards every year.

In FY2023, our patent (Patent No. 6992176) received the Invention Encouragement Award. This patented technology automatically distinguishes between monochrome and color pixels within the same monitor and performs hybrid display with optimal gradation for each. This technology is expected to enhance the efficiency of reading tasks on Healthcare monitors equipped with it.

Enriching Society through Visuals

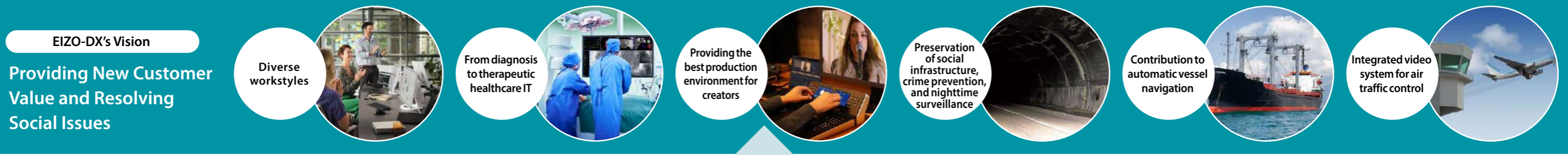
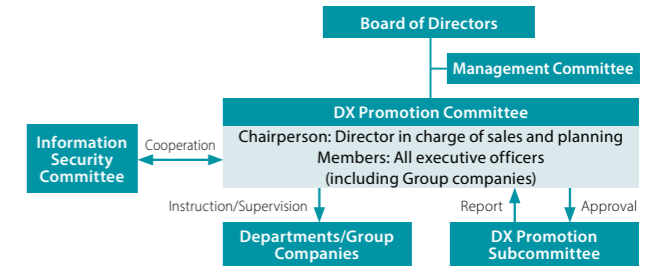
Promoting EIZO-DX

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* era.

*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 decisionmaking body for promoting the Group's DX and built a system to promote DX across the Group.



DX Promotion Case Study

Supporting Remote Control Systems with IP Solutions

Contributing to Improved Safety in Container Cargo Handling Operations

At large port facilities where more than 2,000 containers are loaded and unloaded per day, remote crane operation systems that utilize numerous camera images are expected to be widely used as part of efforts to improve the working environment. EIZO's IP solution solves many imaging-related issues, such as increased communication load and data quality degradation due to the increased number of images from cameras mounted on cranes, and strain on the eyes caused by prolonged remote operation. Improved working conditions will contribute to increased cargo handling capacity, which in turn will improve the productivity and safety of port facilities as a whole.



Circuit Board Visual Inspection Technology Using Artificial Intelligence (AI)

Contributing to More Efficient Circuit Board Production

EIZO MS Co., Ltd., produces several thousand electronic circuit boards for EIZO monitors every day, and each one is subjected to visual inspection for any irregularities, such as solder defects. Previous visual inspection equipment often misjudged good products as defective, creating a burden on visual inspectors who had to re-inspect the products. In response, we developed our own AI visual inspection technology for circuit boards, which excels in detecting even the most minute of solder irregularities. This technology has improved the judgment accuracy of visual inspections, which not only reduces the workload of inspectors, but also contributes to the efficiency of the entire circuit board production process.



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.



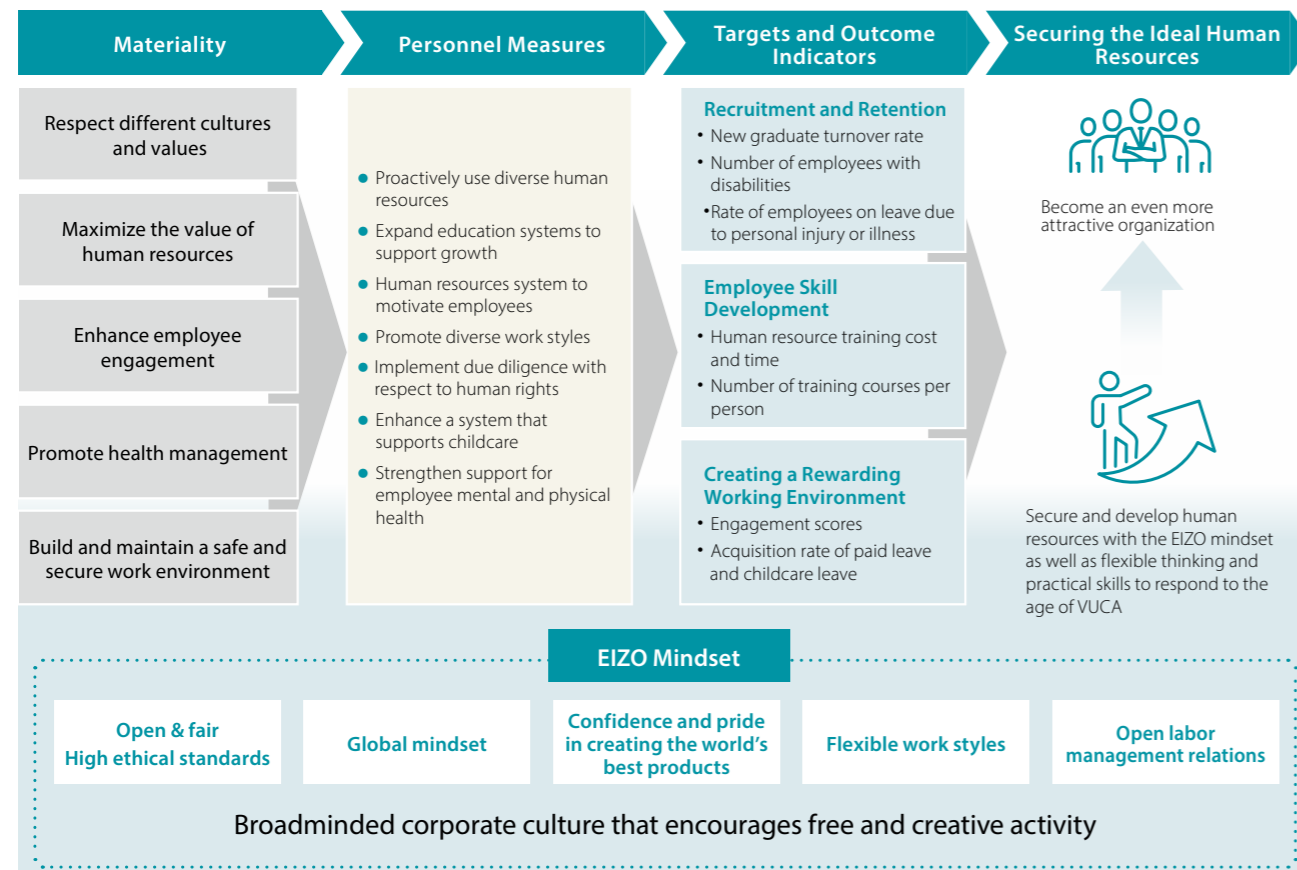
EIZO Group Process for Improving Organizational Capability

We believe that one of our Principles of Conducts, “a broadminded corporate culture that encourages free and creative activity” is the key to the growth of both our employees and the company. We have been cultivating a transparent corporate environment where communication between departments is flexible and active, allowing for open exchange of ideas regardless of job title. 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 them to quickly contribute to the development and provision of better products and services and to improve our workplace 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.

In addition, in the 8th Mid-Term Business Plan, we have positioned our human resources strategy as a key theme to support and enhance our business model, clarifying its alignment with our management strategy. In doing so, we are integrating management and human resources strategies, aiming to increase corporate value and accelerate our investment and efforts in human capital. This will help us achieve our vision of a rich future society through imaging technology, establishing ourselves as a leading player in the field.

Human Resources Strategy Concept Map



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 that encourages free and creative activity. 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/sustainability/social/human/>

Enhancing the Education System

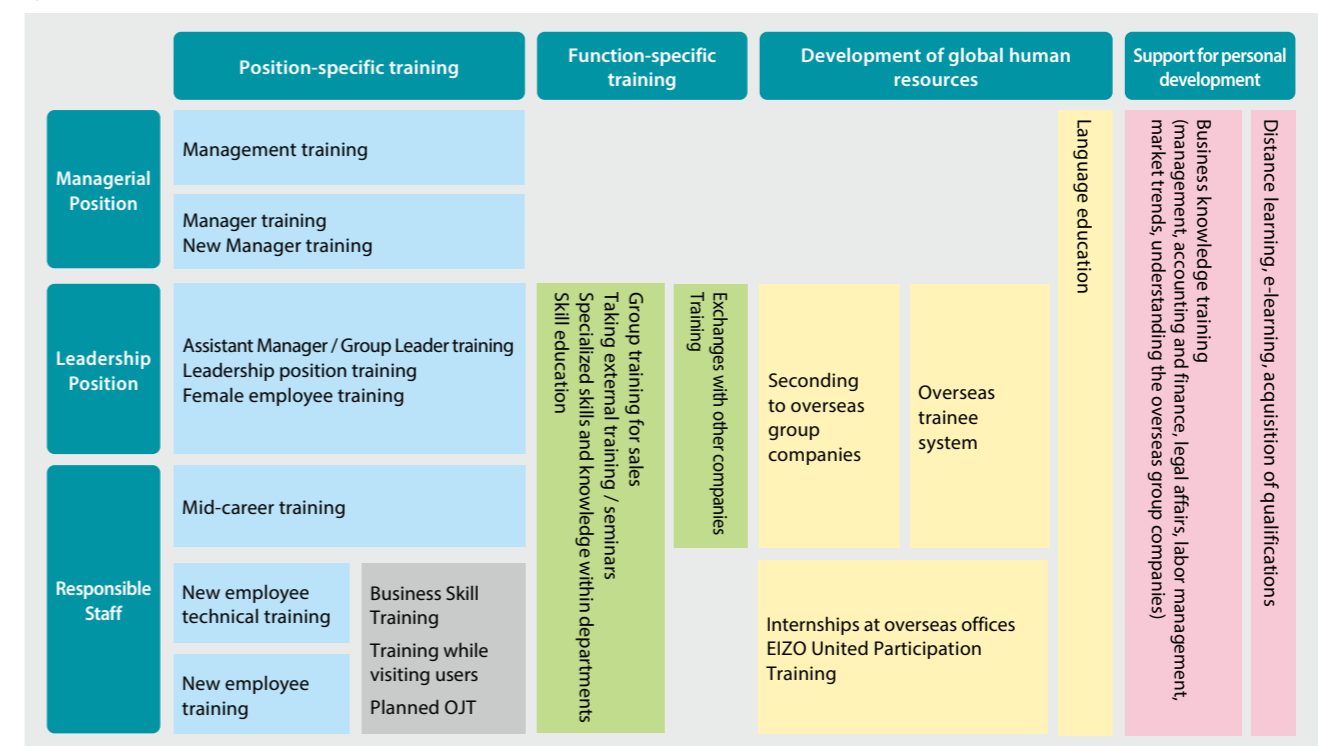
To develop the next generation of human resources for the EIZO Group, we are committed to employee education both in Japan and overseas. This includes not only departmental training aimed at acquiring specialized knowledge, but also participation in industry-academia collaboration projects and academic conferences. Through these efforts, we will continuously engage with the latest technologies.

Particularly for the group companies located in Japan, we have a range of training programs tailored to meet various educational and qualification needs. These include hierarchical and functional training, global human resource development,

and support for self-improvement. For our overseas group companies, we also implement comprehensive and individualized training plans suited to the specific skills required for development and sales functions. We utilize on-the-job training (OJT) and external training opportunities to enhance skills.

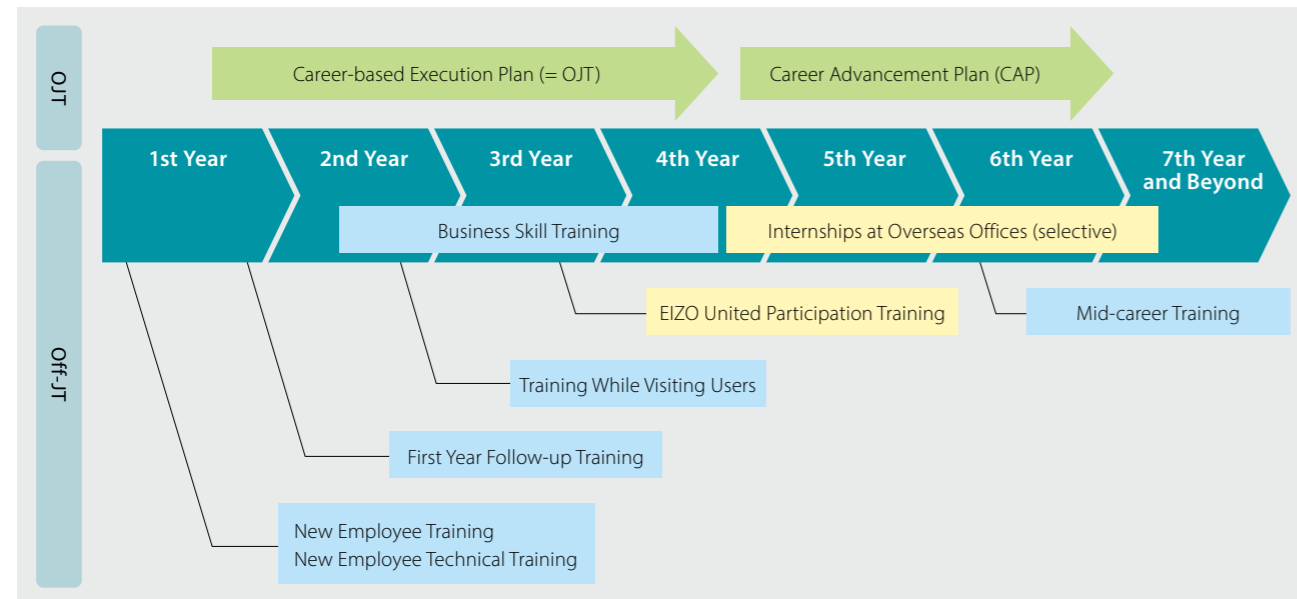
For the FY2024, we have increased our educational investment target to 60,000 JPY per person (126% of the previous year’s amount) and our training time target to 50 hours per person (132% of the previous year’s amount). This enhancement in educational investment aims to strengthen our business model and invigorate our training programs.

System of Training and Education (Japan)



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

Training concept for staff in positions of responsibility



Training while visiting users

We collaborate with EIZO Support Network Inc., which handles field support, to provide training that includes visiting users for product installation, setup, and after-sales support. This training aims to acquire a perspective that not only focuses on hardware but also on delivering services and solutions by directly engaging with customers on-site.



Equipment work during training

Fostering a Global Mindset

Leveraging our strength of having group companies around the world, we foster the “global mindset” that is fundamental to the overall EIZO mindset through the following initiatives.

Transfers to overseas group companies and internships at overseas offices

We promote mutual exchange within our group companies in Japan and overseas through activities such as the dispatch of engineers for several years and short-term training for young employees. These activities facilitate understanding of overseas market needs and the sharing of design and development know-how. Additionally, by engaging with different cultures and deepening mutual understanding, we aim to foster a greater sense of unity and increase the number of employees capable of managing business from a global perspective.



Interns attending an exhibition

EIZO United Conference

Each year, our group hosts “EIZO United” at the EIZO headquarters (Japan), where approximately 100 participants from our overseas group companies and authorized distributors gather. This event includes an internal technology exhibition and various meetings to deepen understanding of our business direction, technologies, and products, as well as to share our vision and enhance unity. Additionally, we provide opportunities for employees from various departments to explain our technologies, products, production activities, and departmental initiatives, reinforcing their development as essential members of the global EIZO group.



Event held in 2023

Initiatives to enhance engagement

We have implemented a variety of initiatives to improve employee engagement. In doing so we have been able to maintain a high retention rate and have contributed to human resource development and business activities over the medium-to-long term.

Career formation support

We have established personnel and education systems tailored to each organizational level to support employees’ career development. For example, new employees have a three-year OJT plan and undergo regular meetings with their supervisors to enhance their skills and motivation while supporting their integration. For mid-career employees and above, we implement a role-based grading system to clearly define the roles expected by the company, ensuring thorough sharing of goals and vision. Additionally, we actively promote the appointment of specialized roles that leverage unique skills and expertise in various job functions.

Permission to hold a secondary job

Starting in 2023, we permitted secondary and multiple job holdings for our Japanese group employees. In FY2023, 27 such arrangements were approved. By expanding the scope for utilizing personal time, we support employees’ self-fulfillment and are dedicated to creating an environment where each employee can maintain high level of motivation and express their individuality while working.

ENOL (EIZO Next Operation Leaders)

To develop the next generation of leaders at EIZO, we conduct the “ENOL” (EIZO Next Operation Leaders) project biennially. This initiative selects young to mid-career general employees and focuses on preparing them for future key roles by having them propose suggestions for improving EIZO (such as office environment enhancements and internal event ideas) to senior management.

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

Respect different cultures and values

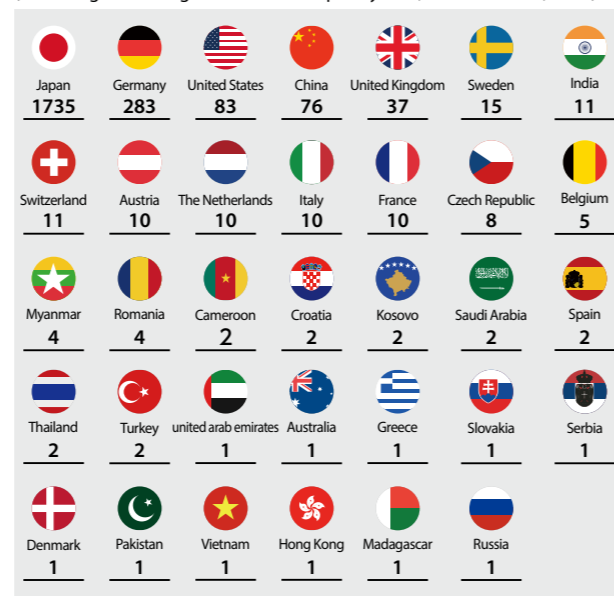
Promoting Diversity, Equity, and Inclusion

National Diversity

EIZO comprises 19 companies globally (as of August 2024), with our diverse workforce contributing to our success. While respecting the human rights of each employee and promoting a mutual understanding of different cultures, the entire group works cohesively to develop our business.

Top management at each group company are local nationals, who leverage the diversity of local conditions, cultures, and practices in our economic activities, making EIZO even stronger. They work diligently to create great workplace environments for employees.

Number of employees by country or territory (excluding the average number of temporary staff, as of March 31, 2024)



Promotion of Women's Advancement

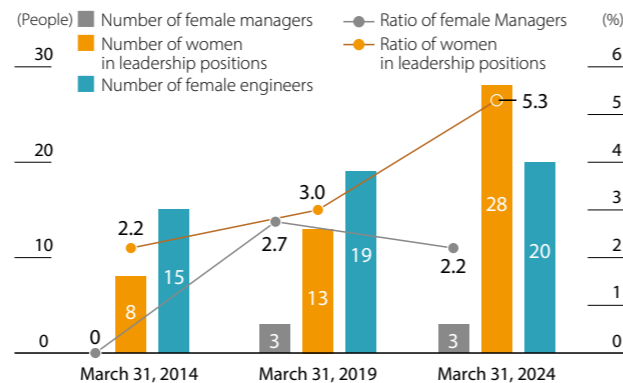
We ensure fair and impartial evaluations in hiring and promotions, regardless of gender. In our group companies in Japan, we have developed and published an "Action Plan for Promoting Women's Participation" to improve the ratio of female Managers. One of the challenges we face is the low number of women in technical and development roles. To address this, we are strengthening our recruitment efforts by actively involving female employees to promote career vision and increase the number of female engineers.

In addition, we make an effort to establish a work environment where female employees can take on leadership roles. We do this by raising awareness with selection training for management work and mid-career employees.

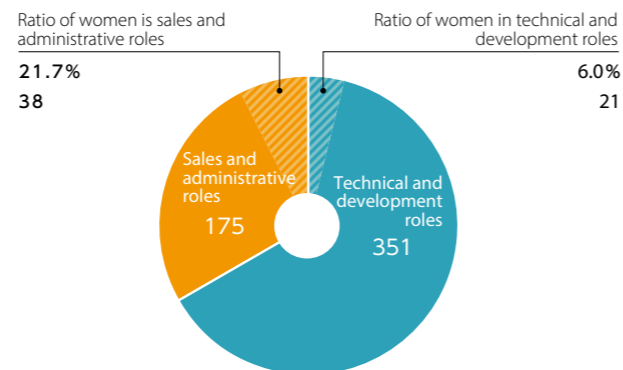
Composition of Managers (as of March 31, 2024)

	Men	Women	Total	Ratio of female Managers (%)
Group companies in Japan	132	3	135	2.2
Overseas group companies	79	25	104	24
Total	211	28	239	11.7

Shifting status of women's active participation (at group companies in Japan)



Ratio of men and women by job type (EIZO unconsolidated, total positions) (as of March 31, 2024)



Employment of Persons with Disabilities

We strive to ensure fair employment and develop inclusive, worker-friendly environments for persons with disabilities while also considering the laws of each country. These employees are actively contributing their talents in a variety of work environments. In Japan, we actively engage in recruitment efforts such as participating in joint company information sessions for people living with disabilities and accept internships. While we have established a work environment tailored to the traits of each employee, people living with disabilities themselves actively work to upgrade their skills, and we support creating an environment where anyone can thrive regardless of whether they have a disability or not.

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

	FY2021	FY2022	FY2023
Group companies in Japan	28	30	28
Overseas group companies	6	6	6
Total	34	36	34

	FY2021	FY2022	FY2023
Japanese group's rate of employment of persons with disabilities (%)	1.94	2.09	2.00

Promote the activities of senior employees

We believe that promoting the active participation of senior employees is just as important as fostering younger employees to ensure that all generations can fully utilize their abilities. To support this, we have raised the retirement age from 60 to 65 in our group companies in Japan as of April 2024. By continuing to value employees after the age of 60, we aim to create an environment where capable and energetic employees can thrive, and to maintain and enhance employee motivation. Additionally, we plan to systematically pass on the rich experience of senior employees to the next generation, thereby contributing to the continued stability and sustainability of our organization and business.

Secure diverse human resources

To secure a diverse pool of human resources for the next generation within the group, we are actively engaged in recruitment activities. In our group companies in Japan, we offer a range of internships—both short-term and long-term—across various job functions. These internships provide students with an in-depth understanding of our business and company culture, helping to secure new employees and prevent mismatches after hiring. Additionally, we focus on recruiting specialized engineers in line with career aspirations, implementing "comeback hiring" for former employees, and hiring international staff to enhance diversity. Similarly, our overseas group companies are actively involved in securing talent through internships and participation in job fairs.

VOICE



Mami Yamanoshita
Intellectual Property Management Section
General Affairs Department
EIZO Corporation

To take part in an internship at one of our overseas bases, in July 2023, I visited two of our group companies in Germany, both of which have development departments. Through the training process, I feel that I was able to build good relationships in order to advance the centralized management of intellectual property for the entire group as well as product manufacturing that respects the intellectual property of third parties. Being able to experience first-hand each of the tasks that the company handles at group companies of a different scale and cultural milieu than I was used to, I was able to confirm the need for intellectual support for individual cases. Being able to communicate directly with our colleagues in Germany also facilitated collaboration, and I feel like we became able to share our requests and issues in detail. I will continue to support EIZO's signature product manufacturing processes while incorporating the best traits of each of our bases and engaging in mutual cooperation.

Immediately after the birth of my first child, I took childcare leave for a period of six months. Just as I was thinking about taking extended childcare leave, my supervisor also suggested the same idea to me, which gave me the confidence to proceed without worry. Our company also has a structure that is based on regular team work, which was coupled to the sense of security I felt in the seamless handing over of my work duties. The childcare leave available to male employees is comparatively long, and there is a high level of interest among the people who take it. In the discussions with the company leading up to when I took my leave, there were many opportunities for me to talk about the sequence of events that would unfold leading up to my leave and the support systems our company offered. More than anything, thanks to childcare leave, I was able to watch my child's development closely, which, to me, proved to be the greatest asset of all. Once I returned to work, balancing household chores, childcare, and my professional life increased my awareness of work efficiency increased even more, which benefited my work.



Ryuji Goto
Section Leader
Sales & Marketing Section
Business Enterprise Department
EIZO Corporation

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

Build and maintain a safe and secure work environment

EIZO Group's Health and Productivity Management

We uphold established the "EIZO Group Health Declaration", and we are committed to maintaining and enhancing the physical and mental well-being of our employees while creating a comfortable workplace environment.

In the group companies in Japan, we developed a health management strategy map for FY2023. Based on the analysis results, we set KPIs and behavioral change goals for health management. To achieve these goals, we implemented various activities, including health guidance from occupational physicians, promoting exercise through company-wide walking events and participation in local marathons, conducting seminars such as women's healthcare seminars, and improving the workplace environment based on stress check results. These efforts were recognized, and the entire domestic group received the "Health & Productivity Management Outstanding Organization 2024 (Large Company Category)" certification.

In addition, our overseas group companies are also focused on promoting employees' health through various initiatives, such as seminars and events.



Women's healthcare seminar (Japan)



In-house event (Germany)

EIZO Group Health Declaration
(health management strategy map/data regarding health management)
<https://www.eizoglobal.com/sustainability/social/health/>



Occupational Health and Safety Management

At EIZO Corporation and EIZO MS Corporation, which account for 80% of our product manufacturing, we have implemented a labor safety and health management system. We continuously improve safety and health for everyone working on-site and have achieved ISO 45001 certification.

At these facilities, we conduct regular workplace safety and health patrols and hazard prediction training to enhance employee education and safety awareness. We also implement risk assessment methods to investigate and address potential hazards or harmful conditions. For specialized tasks involving chemicals, we carry out chemical risk assessments, verify substances using safety data sheets, ensure proper use of protective equipment, and strive to reduce risks. Additionally, we work on reducing traffic accidents related to work and commuting, and have established systems to respond to emergencies such as fires and earthquakes. We continuously improve based on the results of regular training.

In FY2023, based on the results of our risk assessment, we

implemented physical measures and safety education for high-risk equipment operations. In addition, to reduce traffic accidents, we undertook education regarding accident prevention and driving habits. For disaster prevention, due to continuously implementing measures and drills involving our equipment, when the Noto Peninsula earthquake occurred on January 1, 2024, we were able to minimize damage to our business and were also able to confirm the safety of our employees in a timely manner. In FY2024 we have systematically implemented improvements to further enhance safety.

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.

EIZO Group Occupational Health and Safety Basic Policy
<https://www.eizoglobal.com/sustainability/social/safety/>

Data on Occupational Health and Safety (ESG data)
<https://www.eizoglobal.com/sustainability/esgdata/>

Health and safety initiatives (group companies in Japan)

FY2023		FY2024	
Target	Results	Target	Key implemented items
Health management targets			
<ul style="list-style-type: none"> ● KPI (1) Improve absenteeism Rate of injury or sick leave: Mental health related 1.3% ⇒ 0.8% Other than mental health related 2.3% ⇒ 1.8% 	0.7% 0.9%	Mental health related 0.6% Other than mental health related 0.8%	
<ul style="list-style-type: none"> ● KPI (2) Improve employee engagement Engagement scores: 2.4/4.0 ⇒ 2.7/4.0 	2.4/4.0	2.7/4.0	
<ul style="list-style-type: none"> ● Behavior change target (1) Reduce the number of employees at high risk of lifestyle-related diseases: 9.1% ⇒ 8% 	10.2%	8%	Improvement in rate of requests for follow-up health checkups
<ul style="list-style-type: none"> ● Behavior change target (2) improvement of driving habit rate: 19.6% ⇒ 25% 	18.2%	25%	EIZO Group Health Challenge 2024
<ul style="list-style-type: none"> ● Behavior change target (3) Reduce high aggregate rates of workplace stress seen in the results of stress tests: 29% ⇒ 15% 	23%	15%	Improvement activities based on the results of group (stress) analysis
Occupational health and safety targets			
<ul style="list-style-type: none"> ● Zero serious accidents 	Zero	Zero	Physical measures for machinery and equipment
<ul style="list-style-type: none"> ● Occupational accident frequency rate: 0.00 	0.00	0.00	Measures for reducing physically demanding work
<ul style="list-style-type: none"> ● Reduce risk of workplace accidents 	Equipment improvement/ Safety training	▲11%	Standardization of safety work procedures
<ul style="list-style-type: none"> ● Zero serious traffic accidents resulting in injury or death 	Zero	Zero	Increase in the rate of employees whose driving habit do not cause accidents
<ul style="list-style-type: none"> ● Improve employee driving habits 	Execute safety training	Improve driving habits	
<ul style="list-style-type: none"> ● Complete disaster prevention drills 	Implement disaster prevention drills Increase of 218 paramedic personnel	Complete disaster measures	Construction to improve seismic resistance of buildings Measures to prevent objects dropping from logistics warehouse racks Review of Earthquake Response Procedures ⇒ Conduct Drills

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 our group companies in Japan, we not only comply with legal regulations but also go beyond them by implementing measures such as allowing up to two hours of flexible childcare leave until a child finishes the third grade of elementary school. We also 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 programs and fostering a supportive environment for their use, we have continued to maintain a

100% uptake rate of women taking maternity leave throughout the group in Japan. Furthermore, in FY2023, we achieved a 79% paternity leave uptake rate among male employees.

Usage results of systems involving childcare/nursing care

	FY2021	FY2022	FY2023
Number of employees who took childcare / nursing care leave	67	70	85
Rate of men taking childcare / nursing care leave (%)	21.7	63.9	78.9
Number of employees who used shortened work hours due to childcare / nursing care	54	93	107

Open labor management relations

At group companies in Japan, we established the V-Work Council as a labor-management consultation forum. Council member opinions are used to transform 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 hold a weekly "EIZO Top Meeting" where executives and employees discuss new business initiatives and departmental strategies, and other initiatives. Fostering an environment that encourages the lively exchange of ideas providing each employee a sense of responsibility and commitment to the company's management. This facilitates cooperation across the entire company and drives business forward.

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

Respect for human rights

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.



Our efforts regarding respect for human rights

To date, we have undertaken various initiatives related to human rights and occupational health and safety. These include incorporating a "Respect for Human Rights" provision into the EIZO Group Principles of Conduct in FY2012, signing the United Nations Global Compact, launching conflict minerals investigations in FY2013, obtaining ISO 45001 certification for our occupational health and safety management system in FY2019, and joining the Responsible Business Alliance (RBA).

Since the adoption of the UN "Guiding Principles on Business and Human Rights" in 2011, there has been increasing legislation regarding "respect for human rights," including the supply chain, particularly in Europe and the United States. In Japan, a "National Action Plan on Business and Human Rights" was established in

2020. As international attention on ESG grows, "respect for human rights" has become one of the key sustainability topics alongside environmental and climate change issues, with increasing demands for initiatives and transparency. In response to this, we identified "Respect for Human Rights and Diversity" as one of EIZO's materiality topics in FY2021 and have been advancing the following initiatives in accordance with the UN Guiding Principles.

Initiatives expected of companies in the UN Guiding Principles

- Formulation of a human rights policy
- Implementation of human rights due diligence
- Establishment of a grievance mechanism


EIZO Group Human Rights Policy

In FY 2022, we refined the provisions on respect for human rights in the EIZO Group Principles of Conduct and formalized our commitment to the UN Guiding Principles and other such international standards by establishing the EIZO Group Human Rights Policy through a resolution of our Board of Directors.

All EIZO Group employees adhere to this policy. To that end we have taken steps to spread awareness and understanding of the policy throughout the group, such as by providing

translations in multiple languages.


Furthermore, we seek the support of this policy not only within the EIZO Group but also across the entire value chain, including our suppliers and business partners, to prevent and mitigate human rights risks.

 **EIZO Group Human Rights Policy**
<https://www.eizoglobal.com/sustainability/social/respect/>

Advancement system regarding respect for human rights

In FY2023, we created the "Human Rights Subcommittee," which operates under the Sustainability Committee of the Board of Directors. The Secretariat is established within the Human Resources and General Affairs Departments, and it is composed of a wide variety of members belonging to each of our departments including Design, Development, Procurement,

Manufacturing, Sales, and After-Sales Services. Under this subcommittee, we are advancing initiatives regarding respect for human rights in accordance with international standards including the UN Guiding Principles.

 **Human Rights Advancement System**
<https://www.eizoglobal.com/sustainability/social/respect/#anchor02>

Human Rights Due Diligence

In accordance with the UN Guiding Principles, we are advancing human rights due diligence (HRDD) to prevent and reduce human rights risk throughout our entire value chain.


Human rights due diligence (HRDD) initiatives consist of four steps: (1) identifying and assessing any human rights risks; (2) preventing and mitigating risks; (3) evaluating the effectiveness of prevention and mitigation measures; and (4) disclosing information. Companies engaged in HRDD are required to operate a PDCA cycle based on these four steps and continuously improve their overall human rights initiatives, such as by incorporating the results into their human rights policies.

In FY2023, the first year of our initiative, the Human Rights Subcommittee focused on (1) Identifying and assessing human rights risks. To deepen members' understanding, we conducted a training session on "Business and Human Rights" led by Mr. Hidemi Tomita from LRQA Sustainability Co., Ltd. Following this, we identified stakeholders at risk of human rights violations at each stage of the value chain, along with the nature of those risks, in line with guidelines such as the "Guidelines on Respecting Human Rights in Responsible Supply Chains" by the Ministry of Economy, Trade, and Industry. We then evaluated the severity of these risks and their connection to our company. Based on this, we identified

human rights risks that require priority measures as "critical human rights issues," received an evaluation from Mr. Tomita as an external expert, and discussed the findings at the Sustainability Committee before reporting to the Board of Directors.

We will continue to address the subsequent steps in a phased manner moving forward.




 **Human Rights Due Diligence**
<https://www.eizoglobal.com/sustainability/social/respect/>


Grievance Mechanism (Remedy)

In April 2024, the EIZO Group became a full member of the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) and is working to establish a grievance mechanism as required by the UN Guiding Principles on Business and Human Rights. JaCER provides a non-judicial platform for addressing grievances known as the "Engagement and Remedy Platform" that conforms to the Guiding Principles. Through this platform, the EIZO Group receives complaints and reports from a wide range of external stakeholders, including those in the global supply chain, regarding human rights and responsible corporate conduct. By involving and receiving

support from experts, we aim to improve the effectiveness and efficiency of grievance handling, striving for a reliable grievance mechanism with guaranteed legitimacy and advancing solutions to human rights issues.




 **Internal Whistleblowing System (for EIZO Group employees)** ▶ P.82

 **Japan Center for Engagement and Remedy on Business and Human Rights (JaCER)**
<https://jacer-bhr.org/>

Basic Policy on Customer Harassment

Based on the EIZO Group's Human Rights Policy, and with the aim of respecting, protecting, and not infringing upon the human rights of our customers and employees, we established the "Basic Policy on Customer Harassment" in June 2023. We define customer harassment as complaints or demands from customers where, considering the content of the demands, the means or manner of fulfilling those demands is socially inappropriate and harms the employees' working environment. To address customer harassment, we conduct internal training, set up response channels, provide employee

care, and collaborate with external organizations if necessary. We will respond resolutely to actions recognized as customer harassment and seek understanding. We aim to engage in rational discussions for reasonable resolutions and strive to build better relationships. However, in cases of severe customer harassment or when rational resolution through dialogue is difficult, we may refuse further interaction and support.

 **Basic Policy on Customer Harassment**
<https://www.eizo.co.jp/sustainability/social/respect/#anchor04>

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
Customers	<ul style="list-style-type: none"> Delivering products and services that satisfy customers Providing support in response to requests and inquiries 	<ul style="list-style-type: none"> Consultation points Information provided via websites and other means Showrooms Seminars, exhibits 	P.56
Suppliers	<ul style="list-style-type: none"> Forging long-term partnerships aimed at achieving mutual prosperity 	<ul style="list-style-type: none"> Exchange of information during visits Company presentation for suppliers Supplier Code of Conduct 	P.55-56, 59-60
Employees	<ul style="list-style-type: none"> Respecting each individual and creating a workplace environment in which employees can thrive Fostering a broadminded corporate culture in which employees remain highly motivated and demonstrate their abilities 	<ul style="list-style-type: none"> Formulation of principles of conduct and strict adherence to them Employee education Safe and comfortable facilities and office environments Development of an internal whistleblowing system Support for leisure activities Establishment of a labor management committee 	P.47-56
Shareholders	<ul style="list-style-type: none"> Maintaining sound corporate growth and returning profit Providing fair and accurate information on our management policies, business strategies, and financial performance and maintaining corporate management transparency 	<ul style="list-style-type: none"> General shareholders meeting Timely disclosure Disclosure of earnings materials Company presentation for investors Publication of an integrated report One-on-one meetings 	P.61
Community	<ul style="list-style-type: none"> Fulfilling responsibilities as a member of the community and contributing to its development Striving to forge a favorable relationship with the community 	<ul style="list-style-type: none"> Activities that contribute to the community Collaborations with the community Factory tours Environmental consideration 	P.62

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.

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 fiveyear warranty* for our monitors. Customers can also choose

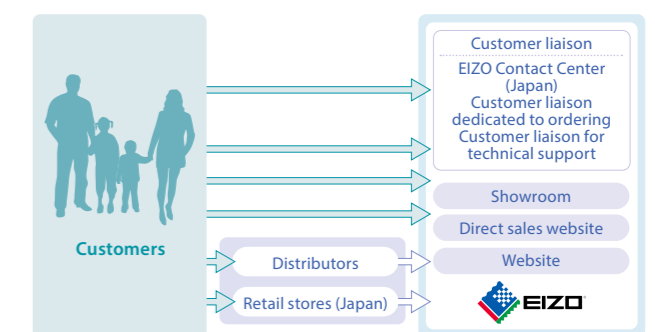
from different repair services depending on the product and user environment, such as product returns for repair or onsite repairs.

* 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.

Procurement Policy
<https://www.eizoglobal.com/sustainability/social/supplychain/>

EIZO Supplier Day (Japan)

In Japan, where over 80 percent of our manufacturing 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

Strong Bonds of Trust to Ensure a Stable Supply

We view 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 services. Accordingly, we take advantage of the mobility of in-house development and manufacturing 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 among our products and procurement from more than one

supplier or different manufacturing locations is implemented for our business continuity plans (BCP).

This requires strong bonds of trust as well as the understanding and cooperation of suppliers. Despite the challenging procurement conditions brought on by disasters and international tensions, supply has remained stable due to the mobility of in-house development and manufacturing 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 the unlikely case of a failure after production, we conduct 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.

Reference Ensuring Quality in Procurement ▶ P.42

Toward Cooperative Sustainability

We ask all suppliers, including material suppliers, personnel agencies, and on-site 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 also asked suppliers for their understanding and cooperation. At EIZO Corporation, we obtain agreement on compliance with our Code of Conduct through our "Supplier Declaration." Major suppliers are required to report their compliance annually via a self-assessment questionnaire (SAQ) once a year or by disclosing the equivalent information. We conduct evaluations based on these reports and perform on-audits periodically or as needed. In FY2023, the response rate of our SAQ (or the disclosure of the equivalent information) was 99%. With the evaluations completed, we next plan to make requests for improvements and to perform on-site audits.

Reference EIZO Group Human Rights Policy ▶ P.55

EIZO Supplier Code of Conduct
<https://www.eizoglobal.com/sustainability/social/supplychain/#anchor03>

Sustainability Policy Committee

It is crucial that our suppliers understand and cooperate with our sustainability activities, especially with our initiatives regarding the environment. In regular briefings with our suppliers, we inform our suppliers of our policies regarding sustainability, our measures regarding climate change and the circular economy, our efforts involving supply chain management, and our targets.

Green Procurement

As part of our guidelines for material procurement activities, we have created "EIZO Green Procurement Standards." At the time of procurement, we not only prioritize quality, cost, deadline, service, and technical know-how, but also suppliers that offer low environmental impact and a proactive environmental response, and we preferentially procure products, components, and materials that meet our requirements for quality, functionality, and cost as well as environmental soundness.

EIZO Green Procurement Standards
<https://www.eizoglobal.com/sustainability/environment/green/>

Responsible Minerals Initiative

EIZO believes that responsible mineral procurement is one of its responsibilities to society and aims to ensure that the minerals used in our products are not procured through involvement

with conflicts or illegal activities. To achieve this, we investigate and verify our entire supply chain to ensure that specific mineral resources (tantalum, tin, tungsten, gold [four minerals defined as "conflict minerals" under the Dodd-Frank Act] in addition to cobalt) are sourced from suppliers not involved in illegal activities. If a risk is identified, we will take corrective actions.

In addition, we are a member of the RMI (Responsible Minerals Initiative), and continue to support responsible procurement activities from conflict and high-risk areas.



Basic Policy Regarding the Responsible Minerals Initiative
<https://www.eizoglobal.com/sustainability/social/supplychain/#anchor02>

Due Diligence process

We disclose our "Responsible Minerals Policy" on our website and also conduct an annual assessment of our entire supply chain based on the Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT) issued by the Responsible Minerals Initiative (RMI). In doing so, we confirm whether the procurement of any of the identified minerals involved conflict or illegal activities.

When responses from our supply chains 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 EMRT upon request from customers of our products.

FY2023 Survey Results

Our conflict minerals survey was completed with a response rate higher than 92%. The survey identified 345 smelters, of which 226 were confirmed as RMAP-compliant operations. Our cobalt and mica survey was completed with a more than 90% response rate. The survey identified 93 smelters, of which 46 were confirmed as RMAP-compliant operations.

Future Activities

In FY2024, we continue to conduct due diligence to further identify smelters and improve the rate of mineral procurement from RMAP-compliant smelters. In addition, we collaborate with our suppliers and industry organizations to realize our goal of using only conflict-free materials.

Strong Bonds of Trust with Our Stakeholders

Deepening Shareholders' and Investors' Understanding of the Company

We conduct SR (Shareholder Relations) and IR (Investor Relations) activities 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 "Rules on Timely Disclosure of Corporate Information by Issuers of Listed Securities" stipulated by the Tokyo Stock Exchange.

Furthermore, we strive to ensure that any other important information that may affect investment decisions is also delivered to all market participants in an equitable manner.

 **IR Information Disclosure Policy**
<https://www.eizoglobal.com/ir/disclosure/>

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 FY2023, as in the previous year, we shared the videos taken on the day of the event on our website.



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

Interaction 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 and information sharing by inviting them to take a factory tour so they can become more familiar with our operations. We also strive to build trust through SR meetings.



Earnings Result Briefings

Company Tours for Institutional Investors

IR/SR Meetings and Events for Institutional Investors

	FY2021	FY2022	FY2023
Earnings Result Briefings	2 times (Participants: 39)	2 times (Participants: 41)	2 times (Participants: 40)
One-on-One Meetings	87 companies in total	89 companies in total	109 companies in total
SR Meetings	10 companies in total	10 companies in total	13 companies in total

Initiatives for Individual Shareholders

Effective October 1, 2024, we will implement a share split. By lowering the price per investment unit of our share, we aim to create a more accessible environment for investors and enhance the liquidity of our shares.

Third-Party Evaluation

SOMPO Sustainability Index

In June 2024, EIZO Corporation was included in the SOMPO Sustainability Index for the fourth consecutive year.



Community Engagement

Each of our group companies around the world is actively engaged in efforts to contribute to the development, revitalization, and creation of better environments in their local communities, as part of their role as members of the region.

Examples of EIZO Efforts



EIZO Corporation (Japan)

We are co-sponsoring the "Mountain Studies Program" in the Hakusan Tedorigawa UNESCO World Geopark. Through activities conducted in natural environments, we aim to raise awareness of nature conservation.



EIZO Private Limited (India)

We participated in sustainability initiatives by Brookfield Properties, including joining their rooftop tree-planting activity in FY2023.



EIZO Technologies GmbH (Germany)

We made donations to a local nursery school and to a church that offers community programs. The funds were used to purchase new swings for the nursery school, while the church used them to fulfill the wishes of those in need during Christmas.



EIZO Europe GmbH (Germany)

We participated in a local charity run. The participation fee was partially donated to a local sports club. In 2023, approximately 5,700 runners from 220 companies participated, including 20 runners from EIZO, contributing to the local community.



EIZO Europe GmbH (Germany)

We participated in the Climate Alliance's "CITYCYCLING" campaign as "Team EIZO," promoting cycling and environmental sustainability. During the campaign, we made cycling our primary mode of transportation in daily life and achieved the top position in the "Company with the Highest Average Distance per Person" category.

EIZO Inc (USA)

We donated to support activities of "Operation Underground Railroad (OUR)," which is a renowned non-profit organization committed to eliminating human trafficking.

EIZO Limited (UK)

We donated to the single-parents and their families in need during holiday season through an organization called SPAS, which helps such families.

EIZO Group Companies

Every year, "Pink Ribbon" activities are held throughout the group to educate employees about breast cancer, and to sponsor or donate to breast cancer-related initiatives.



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

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 established an "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.

*Group companies that have factories have also obtained similar certifications. EIZO MS Corporation has acquired ISO 14001 and ISO 50001 certification, while EIZO GmbH, EIZO Technologies GmbH, and EIZO Display Technologies (Suzhou) Co., Ltd. have obtained ISO 14001 certification.

 **Basic Environmental and Energy Policy**
Energy and Environmental Management Certifications
<https://www.eizo.co.jp/sustainability/environment/emanagement/>

Compliance with Environmental Laws and Regulations and Conformity to Environmental Standards

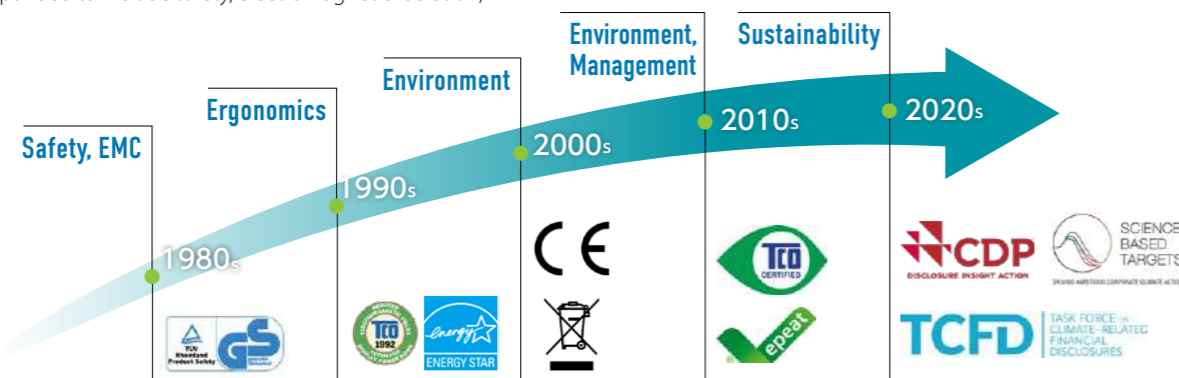
Environmentally sound product development, including the efficient use of resources and energy, has been part of EIZO's core DNA ever since we entered the market with our CRT monitors. Not only do we comply with environmental laws and regulations in Japan and overseas, our main product lines are also in compliance with key environmental standards.

Among these, the Swedish TCO standard, which has become a global benchmark for environmental standards for monitors, has been a cornerstone of our environmental initiatives. We have sought to achieve advanced and effective standardization by being involved from the standard formulation stage. In addition to environmental requirements, the standardization has recently expanded to include safety, electromagnetic radiation,

ergonomics, ESG and corporate governance, thereby evaluating the entire scope of corporate activities.

Examples of Environmental Laws and 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)
- TSCA (management of chemical substances)



Compliance with Environmental Standards

● TCO Certified

The Swedish TCO Certified standard, which has become a global benchmark for IT product environmental regulations, has expanded its requirements with each version upgrade. It has become a comprehensive sustainability standard that includes requirements for overall corporate activities, such as overall sustainability and corporate governance, in addition to safety, electromagnetic radiation, ergonomics, and chemical regulations. We have actively participated in the development of this advanced and effective standard from its formulation stage and were the first to achieve early certification for our monitors in line with the latest TCO Certified standards, setting a global precedent.

● ENERGY STAR

The ENERGY STAR standard that promotes energy conservation in IT products in the United States, has become the global de facto standard for energy conservation in IT products at present. We have been prioritizing energy-conserving designs since the development of our FlexScan CRT monitors, and have consistently promoted the commercialization of products with higher specifications. We were among the first to comply with the ENERGY STAR standard after its establishment, and we have continued the design and development of our products to meet the latest ENERGY STAR standards.

● EPEAT

EPEAT is a standard that certifies IT products in three ranks viz., Bronze, Silver, and Gold, so that consumers can choose products with less environmental impact. It demonstrates energy conservation, chemical management, and recycling of products as well as conformity to corporate greenhouse gas (GHG) emissions and supply chain engagement. In addition to energy conservation in products, addressing climate change, primarily by reducing greenhouse gas emissions, has become an urgent issue. We endorse the recommendations of the TCFD, an international climate change initiative, and have established a "Low Carbon Transition Plan; Transition to NetZero" to reduce GHG emissions with the aim of achieving carbon neutrality. Consequently, we have achieved the highest rank of EPEAT Gold certification for our main product lines, and are among the first to register for EPEAT Climate+ certification, which is the latest standard for evaluating climate change initiatives.

Products that Address Environmental Issues

Enhancing Power-Saving Features

Our monitors 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

We use recycled plastic for the housings of our monitors and the percentage of recycled plastic is more than 80% in most cases. We are also designing lighter and smaller monitors to reduce the amount of plastic used and to improve the efficiency of transportation and delivery to reduce GHG emissions during transportation.



Products and Business Operations that Address Environmental Issues

No Paint on Product Housings

Since paints can contain chemicals that contribute to air pollution, we avoid using paint for the exterior finish by achieving desired colors, gloss, and smoothness solely through the plastic material. We also 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 monitors and are replacing accessory packaging from plastic to paper. We are also advancing the use of pulp molds made of 100% recycled materials for cushioning materials. We are working with our suppliers to reduce packaging materials by eliminating individual plastic packaging at the component procurement stage.

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 components between Japanese and overseas factories.



Minimized Accessories and Reduced Waste Through Special Provisions That Eliminate Waste During Installation

Only a power cable and a minimal number of video signal cables are supplied with our products to prevent wastage of unused cables during installation. For corporate customers, we also offer special options to exclude stands and cables not needed for installation or pack 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 implements and operates product collection and recycling systems to ensure the proper recovery and recycling of used products, fulfilling our responsibility for products even after their use.

Japan


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

Europe

We have established a collection and recycling system in compliance with the WEEE Directive, which aims to reduce waste and promote recycling of waste electrical and electronic equipment. We also conduct appropriate recycling treatment at treatment facilities certified by WEEELABEX and other organizations for products sold in Europe.

United States

Treatment of waste electrical and electronic equipment differs from state to state and does not necessarily require producers to collect and recycle, but we have established a collection and recycling system and we properly dispose of EPEAT-registered products at R2-certified processing facilities for responsible recycling.

 **Data on Resource Recycling**
<https://www.eizo.co.jp/sustainability/esgdata/>

Initiatives for "Environmentally Sound" Procurement

Green Procurement

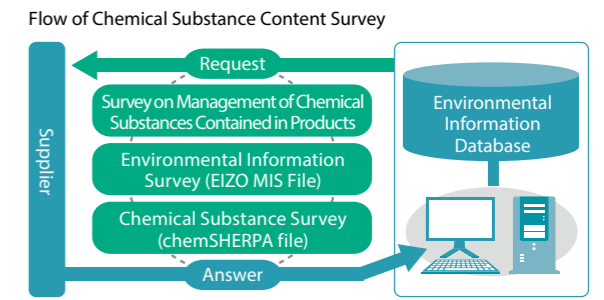
In order to maintain and strengthen our environmental protection initiatives and fulfill our social responsibility, we have established our own "EIZO Green Procurement Standards" as guidelines for material procurement activities. We prioritize business with suppliers that offer a proactive environmental 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 compounds, and PFAS (organic fluoride compounds).



VOICE



Yumiko Masuda
 Certification Standards Section Regulatory Compliance and Safety Department
 EIZO Corporation

As a matter of course, we are charged with conforming to laws and regulations, and we also receive daily requests to strive to be environmentally friendly. Focused on Europe, we sense the growing awareness that people have of the environment on a daily basis. In order to showcase our environmentally friendly nature even further, under the FlexScan series, we have acquired the globally recognized environmental standards of TCO and EPEAT certification regarding IT devices. The acquisition of these certifications is proof of a number of things such as the high level of power-saving performance of our products, our use of recycled materials, and our practice of reducing GHGs as a company. In order to showcase how environmentally friendly our products are, we will continue to acquire the latest third-party certifications to respond to the ever-changing environmental requirements of the market.

Products and Business Operations that Address Environmental Issues

Response to Climate Change

We have identified “supporting a recycling-oriented society”, “response to climate change”, and “supply chain management” as environment related materiality. We have set GHG emission reduction targets for products and services as well as business, and we are actively working towards achieving these targets.

We also provide our products and services globally to more than 130 countries and have established a global supply chain for procurement. We are therefore working worldwide to reduce GHG emissions in Scopes 1, 2, and 3 across all of our business activities in Japan and overseas.

Climate Change-Related Information Disclosure and External Assessment

Response to TCFD Recommendations

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

In May 2022, we disclosed 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 disclosure of information, we identified risks and opportunities related to climate change and analyzed scenarios for these to determine and assess potential future business challenges.

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



Climate Change Initiatives (Response to TCFD Recommendations) <https://www.eizo.com/sustainability/environment/tcfd/>

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 for our scientifically consistent targets. Based on FY2019 standards, we have set a target of a 70% reduction (1.5°C level) in Scopes 1 and 2 by FY2030 and a 27.5% reduction (well below 2°C) in Scope 3 by FY2030.

Received the highest rating of “A” in the CDP Climate Change Survey

In February 2024, we received the highest rating of “A” in the climate change questionnaire for FY2023 conducted by CDP, an international environmental non-profit organization. The questionnaire evaluates the climate change initiatives of each company on an eight-point scale from “A” to “D-,” and our advanced efforts toward the realization of a decarbonized society were highly evaluated.

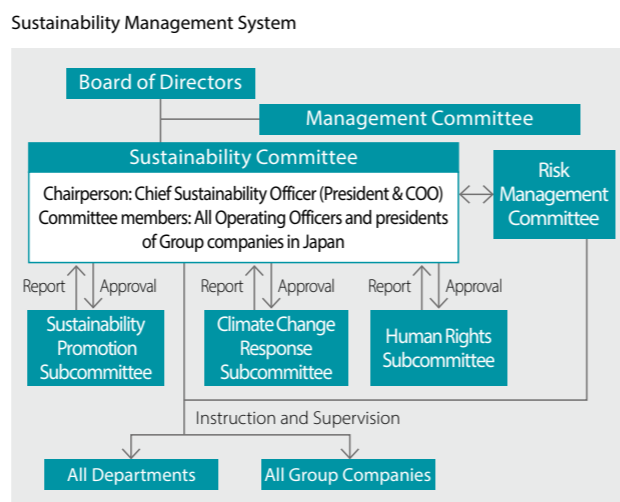
Moreover, in March 2024, we were selected as a “Supplier Engagement Leader,” the highest rating in the “Supplier Engagement Assessment,” which reviews selected items in the questionnaire related to collaboration with suppliers, for the second year in a row.

Response to TCFD Recommendations

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 & COO, who also chairs the committee. In addition, the Climate Change Response Subcommittee has been established to evaluate and respond to risks and opportunities related to climate change from different technical viewpoints.

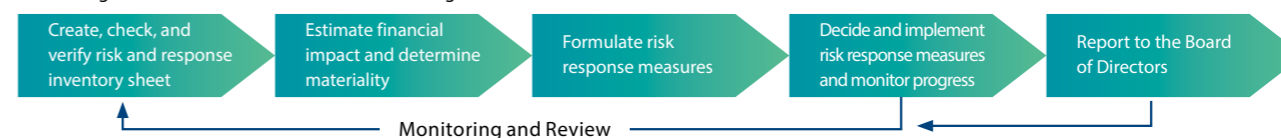
The Board of Directors monitors and supervises the progress of the goals and targets for addressing issues related to climate change through the formulation of strategies for realizing opportunities based on GHG emission reductions and scenario analysis by the Sustainability Committee, and through quarterly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



Risk Management

We believe that the appropriate management of risks surrounding our group is indispensable for achieving management goals and executing business strategies. Therefore, we have established and are operating a company-wide risk management system to manage risks in an integrated and unified manner. In conjunction with company-wide risk management, the Sustainability Committee and the Climate Change Response Subcommittee analyze and evaluate risks and opportunities related to climate change and discuss countermeasures to cover the long-term and specialized responses to risks and opportunities presented by the TCFD.

Risk Management Processes Related to Climate Change



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 covers all our businesses, including group companies in Japan as well as overseas, and the time frame was set in accordance with our medium- to long-term strategy. When identifying materiality related to sustainability, we used the year 2030, which is also the goal of the SDGs, as a long-term period, and we also set the year 2030 as a long-term time perspective for risks related to climate change, which are also highly uncertain in the future. These analyses consider not only direct operations but also the entire supply chain, including raw material procurement and the value chain including customer climate change initiatives (response to TCFD recommendations).

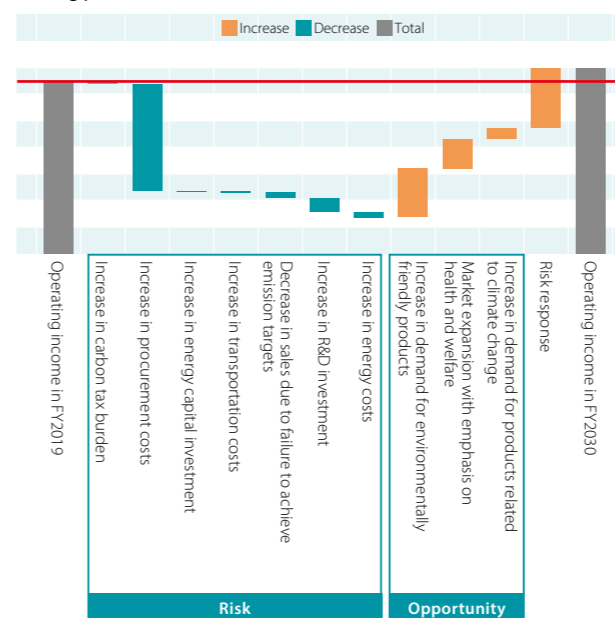
Risks and Opportunities

We identified risks and opportunities related to climate change from a long-term perspective and analyzed the degree of financial impact of the identified risks and opportunities through scenario analysis in the 2°C and 4°C world views.

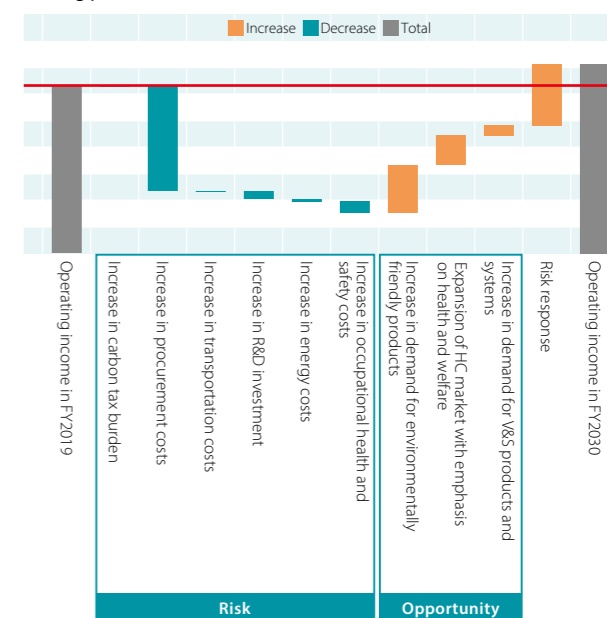
Under the 2°C scenario, we believe that the financial impact of higher operating costs will be greater because of tighter carbon pricing policies. Under the 4°C scenario, the physical impacts of climate change are projected to be accompanied by logistical disruptions in our value chain and impacts on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

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

Risks, opportunities and financial impacts under the 2°C scenario (Comparison of changes in FY2030 using FY2019 operating income as a starting point)



Risks, opportunities and financial impacts under the 4°C scenario (Comparison of changes in FY2030 using FY2019 operating income as a starting point)



Products and Business Operations that Address Environmental Issues

Metrics and Targets

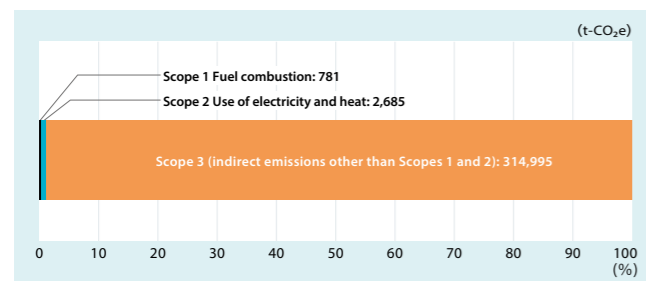
We are working to achieve the following goals as metrics for managing risks and opportunities related to climate change.

FY2030	Reduce GHG emissions for Scopes 1 and 2 by 70% (compared to 2019) Reduce GHG emissions for Scope 3 by 27.5% (compared to 2019)
FY2040	Achieve Net Zero GHG emissions for Scopes 1 and 2 Aim for net zero GHG emissions for Scope 3 in cooperation with stakeholders

● GHG emissions in Scopes 1, 2, and 3

GHG emissions (t-CO₂e) in Scopes 1, 2, and 3 are as follows.

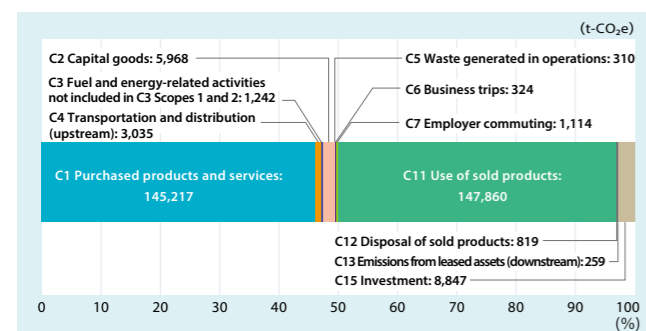
GHG emissions by scope (FY2023) ✓



*The EIZO Group manufactures electronic circuit boards in Japan and Germany and assembles finished products in Japan, Germany, and China. The entire process from board manufacturing to assembly and inspection of finished products is conducted within the group. 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, resulting in Scope 3 emissions accounting for 99% of the total emissions.

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) are the two categories that account for 93.0% of the total Scope 3 emissions.

GHG emissions by category in Scope 3 (FY2023) ✓



*Category: Scope 3 criteria of the GHG Protocol classify Scope 3 into 15 categories. Of these, Category 1 refers to purchased products and services (e.g., procurement of raw materials, outsourced packaging, procurement of consumables) and Category 11 refers to use of sold products (e.g., use of products by users).

Calculation and Disclosure of Carbon Footprint

We will improve customer engagement by making GHG transparent through the calculation of the carbon footprint (CFP) of our products.



CFP report (example)

Introduction of Environmentally Friendly Booths

We will encourage the introduction of “environmentally friendly booths” at major exhibitions, and work on carbon offsetting of GHG emissions.



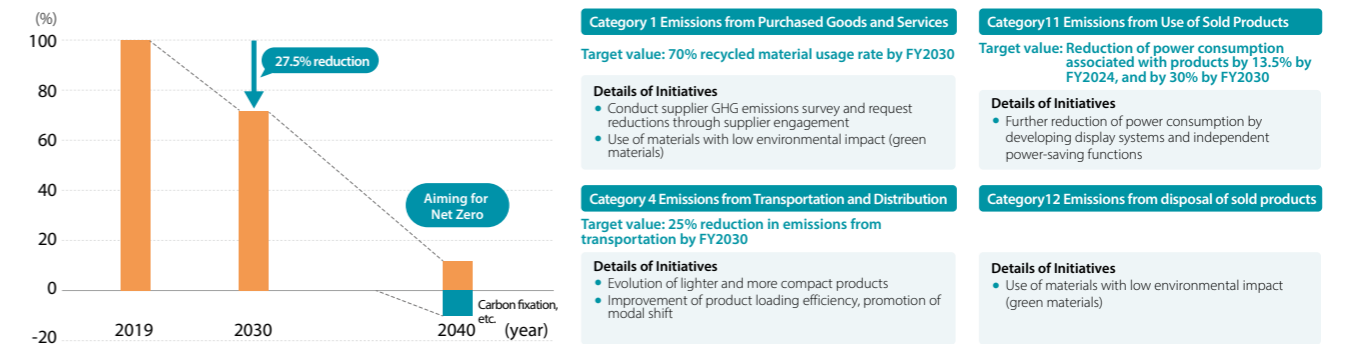
Environmentally friendly booths using reusable and recyclable materials

Low Carbon Transition Plan -Transition to Net Zero-

In May 2023, we formulated the “Low Carbon Transition Plan” and are working to reduce GHG emissions to achieve net zero emissions by 2040.

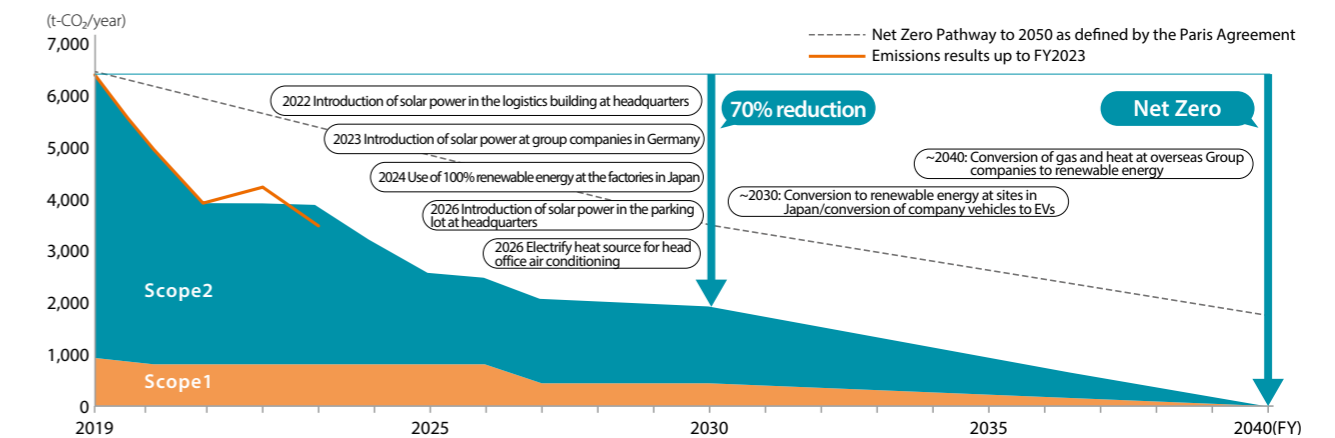
Details of Initiatives Scope 3

The roadmap and initiatives toward Scope 3 GHG emission reduction targets are as follows.



Details of Initiatives Scopes 1 and 2

Emissions for Scopes 1 and 2 in FY2023 were Scope 1: 781 t-CO₂e and Scope 2: 2,685 t-CO₂e, a decrease of 17% (710 t-CO₂e) as compared to the previous fiscal year. This is mainly because we raised the ratio of renewable energy to purchased electricity at the factories in Japan from 50% to 100%, effective January 2024.



Installation of Solar Power Generation Facilities

We are actively promoting the installation of solar power generation and other environment-related facilities when constructing our own buildings, including those in Japan and overseas. A solar power generation system with an annual generation capacity of 150,000 kWh will also be installed on the roof of our new technology building (located on the headquarters premises, Japan), which is scheduled to start operation in March 2025.



EIZO Corporation Logistics Building (FY2022)

Introduction of 100% renewable energy to all production sites in Japan

From January 2024, 100% of the electricity used at all production sites in Japan (EIZO Corporation Headquarters and Factory, EIZO MS Corporation Headquarters and Factory, and Nanao Factory) will be generated from renewable energy sources. The “Low Carbon Transition Plan - Transition to Net Zero -” aimed to achieve this by 2026, but this plan has been significantly accelerated. As a result, GHG emissions are expected to be reduced by approximately 1,500 t-CO₂e per year.

Corporate Governance

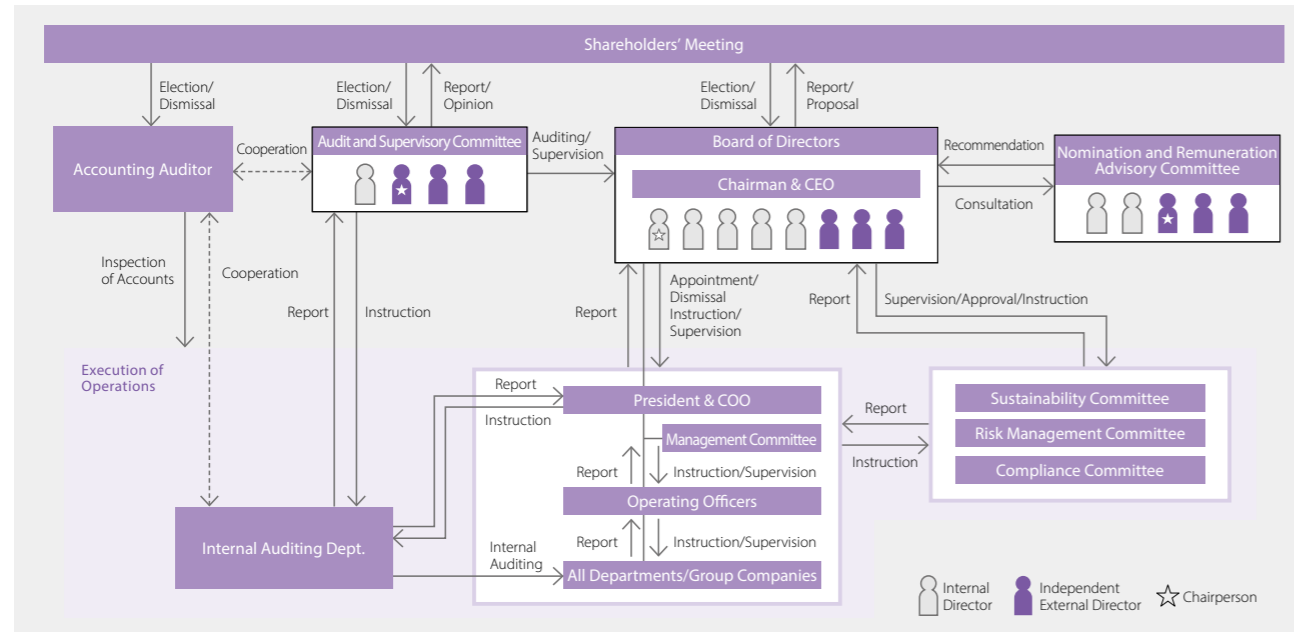
EIZO's Approach to Corporate Governance

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 Structure

We have adopted an organizational design of a company with an audit and supervisory committee. In addition to strengthening the prompt decision-making and business execution, we are working to strengthen the effectiveness of the Board of Directors' auditing and supervisory functions and improve management transparency through the active involvement of Independent External Directors.

Corporate Governance Structure Chart (as of June 21, 2024)



Board of Directors

The Board of Directors deliberates on key management decisions and receives regular reports on the status of operational execution. Our goal is to make decisions through lively discussions and to strengthen the supervisory function of the 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 reports 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 Directors and Operating Officers and is convened to promptly determine strategies, discuss and report on important matters and issues. In addition to reporting on monthly consolidated business performance, the committee meets in a timely manner as required to ensure agile management.

Operating Officer System

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

*We have 10 Operating Officers (one of whom also serves as a Director) as of June 21, 2024

Internal Auditing System

The Internal Auditing Department, established as the department in charge of internal audits, conducts internal audits based on Basic Annual Audit Plan formulated in accordance with the audit policy, and reports the results to the President & COO and the Audit and Supervisory Committee.

Approach Toward Diversity of the Board of Directors

We have adopted Principles of Conduct that state, "We recognize the diversity of cultures and customs in different countries and regions, and conduct our business with due consideration to the circumstances of each country and region," as an essential element for sustainable business growth in the medium to long term. Under this basic policy, we strive to optimize the composition of our Board of Directors by considering diversity in terms of nationality, gender, and balancing knowledge, experience, and abilities. Additionally, Operating Officers and presidents of group companies in Japan participate in the Board of Directors meetings to enhance the effectiveness of business execution.



Name	Gender	Career Summary	Attendance in FY2023		
			Board of Directors	Audit and Supervisory Committee	Nomination and Remuneration Advisory Committee
1 Chairman & CEO Yoshitaka Jitsumori	Male	Worked at Murata Europe Management GmbH (currently Murata Electronics Europe BV) as Geschäftsführer (Managing Director) before joining EIZO as a Managing Director in May 1994. After serving as Managing Director and Executive Vice President, he became President & CEO in June 2001 and has been in his current position since April 2024.	100% (10/10 times) Chairman	—	100% (7/7 times)
2 President & COO Masaki Ebisu	Male	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. He was appointed Director in June 2021. He served as Executive Operating Officer since April 2023 and in his current position since April 2024.	100% (10/10 times)	—	—
3 Director, Executive Operating Officer Manabu Arise	Male	Joined EIZO in April 1992. After gaining management experience at overseas group companies and serving as Operating Officer and Senior Manager of Accounting & Finance and Procurement Departments, he was appointed as a Director in June 2021. He has served as Executive Operating Officer since April 2023.	100% (10/10 times)	—	—
4 Director Thomas J. Waletzki	Male	Joined EIZO in August 1993. After working at the headquarters, he served as General Manager, Executive Vice President & COO, and President & CEO of EIZO Inc., an overseas group company in the U.S. (current position), and assumed his current position in June 2023.	100%*1 (7/7 times)	—	—
5 External Director (Member of the Audit and Supervisory Committee) Toru Inoue	Male	Served as Representative Director, Senior Executive Operating Officer, and Executive Counselor at Murata Manufacturing Co., Ltd. before being appointed External Director serving as an Audit and Supervisory Committee Member in June 2022 (current position).	100% (10/10 times)	100% (9/9 times) Chairperson/ Chairman*2	100% (7/7 times) Chairperson/ Chairman*2
6 Director (full-time Member of the Audit and Supervisory Committee) Kazuhiko Deminami	Male	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% (7/7 times)
7 External Director (Member of the Audit and Supervisory Committee) Hiroji Takino	Male	Served as Executive Operating Officer of Hokuriku Bank Ltd. before being appointed to his current position in June 2018.	100% (10/10 times)	100% (9/9 times)	100% (7/7 times)
8 External Director (Member of the Audit and Supervisory Committee) Masako Osuna	Female	Served as Deputy General Manager of the Singapore Center and General Manager of the Seoul Office of the Japan External Trade Organization (JETRO). After serving as a Professor at Department of Management Systems, College of Informatics and Human Communication, Kanazawa Institute of Technology since February 2014, she was appointed as a Professor at the Office of Industry-University Collaboration, Organization for Research Support in April 2017 (current position). ^{*3} Holding the current position since June 2022.	100% (10/10 times)	100% (9/9 times)	100% (7/7 times)

*1 The attendance record of Thomas J. Waletzki represents meetings held after his appointment.

*2 External Director Inoue Toru was appointed as Chairperson of the Audit and Supervisory Committee and Chairperson of the Nomination and Remuneration Advisory Committee at the meeting held on June 20, 2024.

*3 External Director Osuna Masako is a professor at the Kanazawa Institute of Technology, an External Director of Hibiya Engineering, Ltd. There are no special interests between any of these and EIZO.

Corporate Governance

Operating Officer System

We have adopted the Operating Officer System to expedite the execution of duties. The following is a summary of the division of duties for each Operating Officer.



Minoru Kontani:
Operating Officer
Europe EIZO Sales
Company and
Distributor

Front row, from left
Manabu Arise: Director, Executive Operating Officer, Senior Manager, Accounting & Finance Department, Investor Relations Office (IR)
Kazuhide Shimura: Senior Executive Operating Officer, Strategic Business Development, Sales & Marketing, Global & Japan, and Senior Manager, Strategic Business Development & Overseas Sales
Yoshitaka Jitsumori: Chairman & CEO
Masaki Ebisu: President & COO
Kenichi Fujii: Executive Operating Officer, Senior Manager, Quality Assurance Department
Masataka Shoji: Executive Operating Officer, Head of Sales & Marketing, Japan, and Senior Manager, Healthcare Solutions, Sales & Marketing

Back row, from left
Kiyotaka Hira: Operating Officer and Senior Manager, General Affairs
Hiroyuki Nakato: Operating Officer, Senior Manager of Sales Management Department, Senior Manager of Visual Solution Sales Department
Hideki Bansho: Senior Operating Officer and Senior Manager, Human Resources
Hiroshi Nagai: Operating Officer, Senior Manager, Procurement
Masaki Kita: Operating Officer, Senior Manager of Visual Products Development Department and Senior Manager of Visual Systems Development Department

Skill Matrix

In light of our management policy and strategies, such as the realization of our mid-term business plan, we have established the skills and other attributes we expect of our Directors and Operating Officers and have identified the skills each Director and Operating Officer should possess, as follows.

Global Management	Knowledge and expertise in global business environment and experience in overseas business management
Accounting and Finance	Knowledge and experience in accounting, taxation, finance, capital policy, and IR activities in corporate business management
Organization, Human Resources, Human Resource Development	Knowledge of human capital management such as human resource development and diversity, and experience in organizational development related to the succession of corporate culture that has created change
Internal Control, Legal and Compliance	Experience in business management, general affairs, legal affairs, and auditing departments with knowledge of corporate governance systems and corporate ethics
Governance and Risk Management	Knowledge of corporate governance structure and company-wide risk management/monitoring methods, and experience in carrying out business operations or experience in carrying out business operations as a person in charge of a company-wide management system
Research and Technological Development	Experience in driving innovation through "visual technology" to address social issues by utilizing expertise in research and technology development, intellectual property, applied technology, etc., which are indispensable for sustainable enhancement of corporate value
Sales and Marketing	Expertise in customers in our business areas and experience in business promotion or management of sales and marketing departments while developing new markets
Supply Chain Management	Knowledge of Material Procurement and Manufacturing Departments, and experience in overseeing the entire supply chain and executing supply chain management
Sustainability	Experience in implementing sustainability management to achieve the sustainability indicators in mid- to long-term management plans, which are indispensable for sustainable enhancement of corporate value, from a professional perspective

	Name	Gender	External / Independent Director	Nomination and Remuneration Advisory Committee	Main Expertise								
					Global Management	Accounting and Finance	Organization, Human Resources, Human Resource Development	Internal Control, Legal and Compliance	Governance and Risk Management	Research and Technological Development	Sales and Marketing	Supply Chain Management	Sustainability
Director	Chairman & CEO Yoshitaka Jitsumori	Male		○	●	●	●	●	●		●	●	●
	President & COO Masaki Ebisu	Male			●	●		●	●		●	●	●
	Executive Operating Officer Manabu Arise	Male			●	●		●	●		●	●	●
	EIZO Inc. President & CEO Thomas J. Waletzki	Male			●		●	●	●		●		●
	Chairperson of Audit and Supervisory Committee Toru Inoue	Male	○	◎ Chairperson	●	●	●	●	●	●	●	●	
	Full-time Member of the Audit and Supervisory Committee Kazuhide Deminami	Male		○		●		●	●				
	Audit and Supervisory Committee Member Hiroji Takino	Male	○	○		●	●	●	●				●
	Audit and Supervisory Committee Member Masako Osuna	Female	○	○	●		●	●	●				●
	Senior Executive Operating Officer Kazuhide Shimura	Male				●				●		●	
Operating Officer	Executive Operating Officer Kenichi Fujii	Male						●	●	●			●
	Executive Operating Officer Masataka Shoji	Male						●	●	●			
	Senior Operating Officer Hideki Bansho	Male					●	●	●	●			●
	Operating Officer Minoru Kontani	Male				●		●	●		●		●
	Operating Officer Masaki Kita	Male								●			●
	Operating Officer Kiyotaka Hira	Male					●	●	●		●		●
	Operating Officer Hiroyuki Nakato	Male					●	●			●		
	Operating Officer Hiroshi Nagai	Male							●		●	●	●

*The above table does not represent all areas of expertise possessed by each Director and Operating Officer.

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 members 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 our "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 from the Nomination and Remuneration Advisory Committee. The approval of the Audit and Supervisory Committee is obtained for the nomination of Director candidates who are members 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 reflects a balance and diversity of knowledge, experience, and skills. We appointed our first female Director in FY2022 and our first foreign Director in FY2023. The Nomination and Remuneration Advisory Committee regularly discusses the succession plan for the CEO and the future management structure, and in February 2024 a resolution was passed to change the Representative Director.

*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 General Shareholders Meeting**
<https://www.eizoglobal.com/ir/stock/invitation/>

Composition of Directors' Remuneration (FY2023)

	Overview	Amount of Payment, etc.	
		Directors (Excluding Audit and Supervisory Committee Members)	Directors Serving as Audit and Supervisory Committee Members
Fixed remuneration	<ul style="list-style-type: none"> Eligibility: All Directors Indicators: Comprehensively consider position, responsibility, years in office, etc., as well as other companies' standards, our company's performance, and employee salary levels 	JPY 89 million	JPY 40 million (JPY 25 million for External Directors)
Performance-based remuneration	<ul style="list-style-type: none"> Purpose: To motivate Directors to improve business performance and to reflect the results of each fiscal year (Directors' bonuses) Eligibility: Only Directors responsible for executing operations Indicators: Performance-linked remuneration for eligible directors = Consolidated operating income for the fiscal year for which remuneration is paid × 2% × Rank-based points given to each eligible Director in accordance with internal regulations 	JPY 41 million [Maximum amount per year: JPY 150 million] [Composition ratio: Approximately 0-50%]	—
Stock based remuneration	<ul style="list-style-type: none"> Purpose: To provide an incentive for continuously improving corporate value Eligibility: Only Directors responsible for executing operations Description: Restricted stock-based remuneration (to be paid after the General Meeting of Shareholders) Indicators: Rank-based points given to each eligible Director in accordance with internal regulations 	JPY 16 million [Maximum amount per year: JPY 50 million and 20,000 shares per year] [Composition ratio: Approximately 0-25%]	—
Total amount	—	JPY 147 million [Maximum amount per year: JPY 350 million]	JPY 40 million (JPY 25 million for External Directors) [Maximum amount per year: JPY 60 million]

Policy and Procedures for Director Remuneration


Basic Policy

The Company's basic policy is to set the remuneration of Directors at an appropriate level based on the responsibilities and duties of each Director in light of the following.

- Motivation for medium- to long-term corporate growth of the 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
- The 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.

*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/sustainability/governance/report/>

Procedure

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 of remuneration for Directors who are members of the Audit and Supervisory Committee.

Background and key points of the successor nomination process

I will discuss the "Background and Key Points of the Succession Nomination Process" from the perspective of "EIZO's Business Model and Medium- to Long-term Growth Strategy". The successor nomination applies to the management system, including top management. Corporations are said to be dependent on their top management, and there is no exaggeration in saying that a company is defined by its top management. There are many things expected of the top management. Naturally, familiarity with the business is a prerequisite, and on top of this premise, we have focused on the following -three points.

① **High aspirations and the ability to see the big picture**

② **Ability to gain the trust of subordinates**

③ **Have governance skills, including risk management**

After 12 years as an External Director, my term of office will end at the General Shareholders Meeting in June 2024. Since the beginning of my appointment, I have continued discussions with President Jitsumori (currently Chairman) from time to time on the issue of succession, while keeping the above points in mind. Specifically, we have held regular and irregular meetings with the President and External Directors several times a year to discuss the desired image of a president and specific candidates. During this time, the company has grown, gradually changing the desired image of a president. The selection of candidates was not easy, partly due to the difficulty of human resource development, but I was able to directly advise the candidates, which led to the nomination of a successor.

We are already an excellent company, and I hope that we will become even stronger in the future. A "strong company" is one that practices "building a sustainable and solid business model on a solid financial foundation" and "overwhelming differentiation" from its competitors. To achieve this, I believe that "strengthening governance, including risk management" and "human resource development" are important. In terms of human resource development, I believe that it is particularly important to develop human resources who are strong in specialized fields (including the use of generative AI), who can handle total management, and who are female managers.



Masaaki Suzuki, Advisor
 (Former Chairperson of the Nomination and Remuneration Committee/Audit and Supervisory Committee)

Evaluation of Board of Directors' Effectiveness

The Board of Directors annually evaluates its overall efficiency to continuously improve its effectiveness in approving key management matters and properly supervising operational execution.

Evaluation Method

In FY2023, as in the previous fiscal year, the Board of Directors conducted an evaluation from the perspectives of its management system, supervisory function, and dialogue with shareholders, using a discussion method involving all Directors. In addition, the progress of efforts to address issues identified in the effectiveness evaluation of the previous fiscal year was also confirmed and evaluated.



FY2023 Evaluation Items

- 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

Efforts to improve the following issues identified in the previous fiscal year's effectiveness evaluation were recognized.

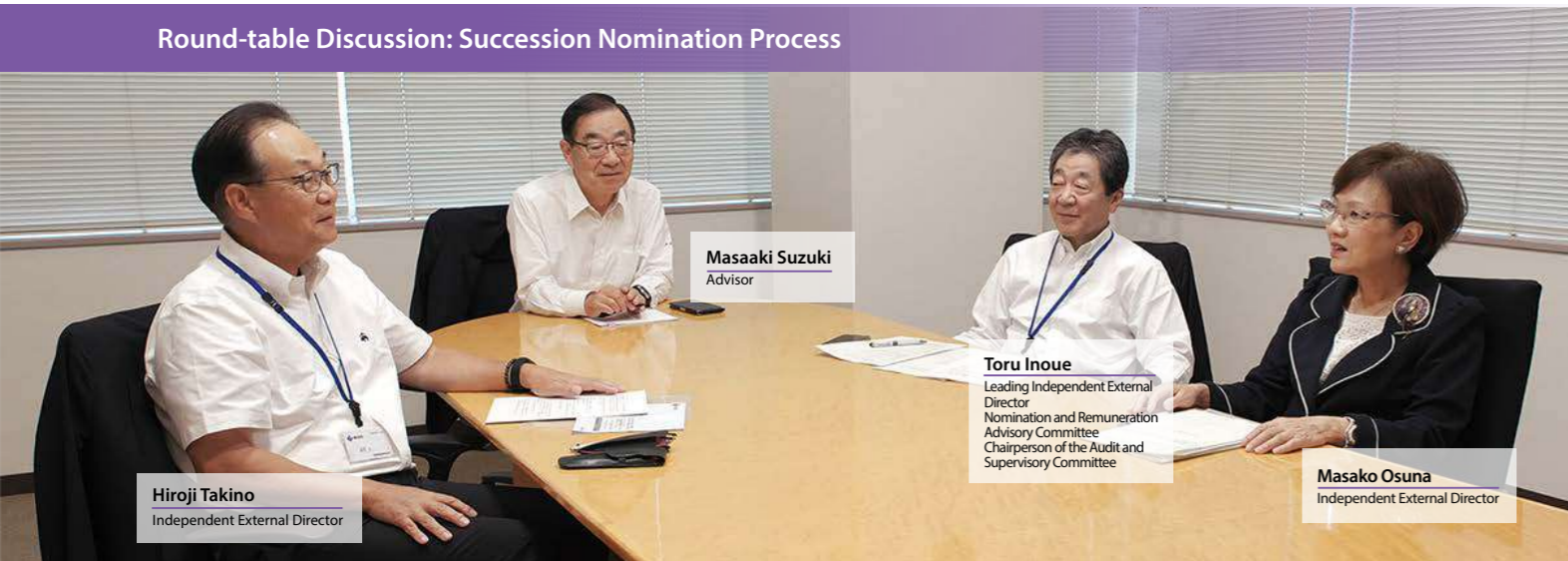
- Further enhancement of information sharing with External Directors**
 Made it possible for External Directors to access management meeting materials and minutes at any time via a website exclusively for External Directors.
- Ongoing discussion on medium- to long-term management strategies**
 Discussions continued on management strategies, particularly the company's policy and approach to ROE. How to communicate these issues to stakeholders, including employees, is recognized as an important issue and will require continued study and discussion.
- Expansion of the scope of information disclosed to stakeholders**
 We updated non-financial information such as ESG on our website to make it more comprehensive and easier to browse.

As a result of the evaluation based on the above evaluation items, the following new issues were identified regarding "operation of the Board of Directors" and "management strategy."

- Expansion of opportunities for communication between External Directors and management**
- Ensuring sufficient time for review of board meeting materials**

In addition to the issues that have been addressed since the previous fiscal year, the Board of Directors will continue its efforts to improve the effectiveness of the Board of Directors by addressing the newly identified issues.

Round-table Discussion: Succession Nomination Process



We asked our external Directors to talk candidly about the successor nomination process. (Date of discussion: June 20, 2024)

Moderator: There was a change of president this April. In this round-table discussion, we would like to hear mainly about what discussions that were held in the Nomination and Remuneration Advisory Committee and what process was followed to reach the successor nomination.

Osuna: During the discussion at the Nomination and Remuneration Advisory Committee, when Chairman Jitsumori said, "I will be the Chairman & CEO and the President & COO will be decided through discussion with you all," Advisor Suzuki (former Chairperson of the Nomination and Remuneration Advisory Committee) said, "You have made a good decision," without holding back, and I thought that was amazing.

Takino: I clearly remember that my first meeting with the President after becoming an External Director of the Company six years ago began with Advisor Suzuki's remark, "When are we going to decide on a successor?" We established the Nomination and Remuneration Advisory Committee in January 2021, but we have been discussing the nomination of a successor in a systematic manner for a long time before that.

Osuna: We had a lot of discussions about successors.

Suzuki: In fact, I have been in discussions with Chairman Jitsumori regarding the successor since I assumed the position of External Director 12 years ago. Recently, I think there has been active discussion on how to provide management experience in fostering successors. For example, I believe that our discussion has actually been reflected in the succession plan, such as the idea of allowing employees to gain management experience in positions ranging from department managers to general managers who integrate several departments, to Directors in charge.

Osuna: In a sense, we have grown thanks to the charisma of Chairman Jitsumori. On the other hand, it is natural that a company should have a consensus system in which employees work together. To achieve this, we have discussed the nomination of a successor from the perspective of such a management system with Chairman Jitsumori.

Inoue: Director Osuna and I have only been with the Company for two years, but compared to other companies, I think we have been much more involved in the discussions on the nomination of successors as External Directors.

Takino: I don't think many top managements actually consult with External Directors regarding the nomination of successors. What do you think?

Inoue: That's right. I think it's a rare case. In most cases, the decision is made internally and discussed with the Nomination and Remuneration Advisory Committee and the Board of Directors.

Suzuki: However, the situation will be different for companies that are growing smoothly and those that have been involved in a scandal. In the latter case, the involvement of External Directors is completely different, and I think there are many cases where External Directors hold interviews with candidates for the next President. Of course, External Directors cannot take 100% of the decisions, but Chairman Jitsumori has been listening carefully to the opinions of External Directors.

Moderator: I could see that there has been quite a long and profound discussion on the nomination of a successor. Thank you very much for your time today.

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 the Group companies in Japan and overseas. Audit results are reported directly to the Audit and Supervisory Committee and to the President & COO, ensuring a dual reporting line.

For group-wide risk management, we have established a system to manage all group companies in Japan and overseas 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.

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

Reference Risk Management P.81

Corporate Governance Report
<https://www.eizoglobal.com/sustainability/governance/report/>

Strategic Cross-Shareholdings

Corporate Policy

We hold shares of business partners that contribute to the enhancement of corporate value over the medium- to long-term, including the continuation of good business relationships and the building of long-term relationships of trust, as cross-shareholdings. In accordance with this policy, the Board of Directors determines the appropriateness of holding such shareholdings at least once a year by comprehensively reviewing the purpose of holding each individual stock, transaction status, share price, dividend amount, etc.

We determine the rationality of owning stocks 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 cross-shareholdings.

Ownership Status (as of March 31, 2024)

	Number of stocks	Total amount reported on balance sheet
Unlisted stocks	3	JPY 17 million
Listed stocks	21	JPY 20,632 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, as well as the content of proposals, to determine whether or not they contribute to increasing shareholder value over the medium- to long-term.

Message from External Directors: Initiatives as an External Director, opinions and suggestions, future aspirations, etc.

Establishing a business model that leverages our strengths

Toru Inoue

Leading Independent External Director

Has a wealth of experience and a proven track record in business operations, planning, and accounting over many years as a Manager of a business corporation. He also contributes to enhancing the corporate value of EIZO by utilizing his broad knowledge cultivated over many years in the electronics industry.



Two years ago, in 2022, I was appointed as External Director and Audit and Supervisory Committee Member, and at the General Meeting of Shareholders in 2024, I was appointed as Chairperson of the Audit and Supervisory Committee. I would like to reaffirm my awareness of the role of the Audit and Supervisory Committee and fulfill the responsibilities of my position. To this end, I would like to gain a deeper understanding of our business, organization, and culture, and conduct solid monitoring and auditing that does not miss the mark. In addition, the three external Audit and Supervisory Committee members, including myself, will strive to make the Audit and Supervisory Committee even more capable of making recommendations to improve our corporate strength and performance based on our own knowledge and experience.

Having attended the Board of Directors meetings, I feel that under the leadership of Chairman Jitsumori, both Internal and External Directors express their opinions, and these opinions are respected. Specifically, I believe that our Board of Directors has the basis for a free and vigorous exchange of opinions, in which each Director's comments are accepted and any differences are discussed. I hope that we will continue to promote discussions in this atmosphere as we have in the past.

I have learned a lot about EIZO over the past two years. I believe that we are now in a period of stability, having completed a period of expansion that included entry into new markets, steady growth in each market, and successful M&A. New businesses and products are steadily entering a period of stability, centering on the development of our core businesses in the Healthcare and V&S video markets, and concrete synergies between businesses are also emerging. My impression is that the overall business model is becoming more stable. Therefore, rather than implementing major reforms for growth, I see this as a time to stabilize the good points of the current situation and prepare for the next growth period. In the future, in addition to the positive and stable growth of existing businesses, it will be necessary to discuss next-generation businesses, for example, what we will be doing ten years from now and where we will be heading. As a company with strong technological capabilities, I hope that we can use our technological capabilities as a weapon to come up with new ideas for future growth.

The impression I got from the 8th Mid-Term Business Plan was that it has a clear message, which is very easy to understand. I believe that the plan is designed to effectively develop our company's strengths. First of all, if we can establish a business model that leverages our strengths based on the strategies outlined in this Mid-term Business Plan, and if we can think about the future together, we will become a more attractive and robust company.

Making the Board of Directors more of a bottom-up discussion forum than ever before

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.



Regarding our sustainability and community engagement efforts, we follow a well-established process where initiatives thoroughly discussed by the Sustainability Committee are presented to the Board of Directors for approval. I believe these efforts align well with the standards expected of a publicly listed company.

We are also progressing toward our goal of increasing the representation of female employees in management and executive positions. This is a key area for growth, and we will continue to advance in measured stages. To support this initiative, we recognize the need to provide flexible working conditions, particularly for those balancing responsibilities related to childbirth and child-rearing. We are exploring numerous strategies to enhance support for female employees, while also encouraging greater flexibility for male employees, fostering a culture of adaptable work arrangements.

With the new management structure introduced in April, as External Directors, we are considering further ways to enhance our free and open corporate culture. During Board of Directors meetings, which include participation from all Operating Officers as observers, we aim to encourage more bottom-up discussions. EIZO has a history of bold reforms that have driven corporate growth, and we hope to continue engaging in conversations that extend beyond our current business model.

Effective crisis management is a vital component of corporate governance. While EIZO has a solid track record with no major past incidents, it is essential to ensure readiness to respond swiftly should a situation arise. Even when an issue is resolved, it can pose a long-term risk, making it vital to maintain a robust compliance and risk management framework. To mitigate long-term risks, we will continue to assess and enhance these systems, including regular monitoring and oversight of our overseas group companies, to ensure they operate with the same level of diligence. We remain committed to providing ongoing feedback to further strengthen these essential functions.

In the last fiscal year, we significantly increased dividends to strengthen shareholder returns, reflecting a broader strategic approach to improving ROE. While addressing ROE and PBR targets remains important, our immediate focus is on enhancing business performance and profitability, particularly given market conditions in Europe. We will continue to set clear targets and time frames for these initiatives, driving discussions on how best to achieve our financial objectives.

We hope to become a company where many female employees are active.

Masako Osuna

Independent External Director

After working for the Japan External Trade Organization (JETRO) for many years, she is now 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 supervision to ensure the soundness of decision-making by the Board of Directors.



In the two years since I became a member of our Board of Directors in 2022, I have been learning every day. By receiving the agenda materials in advance of the Board of Directors meeting, and by having all the minutes and materials of the management meetings available to me, I was able to better understand the overall direction of the management, such as what discussions took place within the company before the agenda items were discussed at the Board of Directors meeting and what direction we plan to take in the future.

Particularly from the perspective of gender equality and diversity, I have gained a great deal of understanding over the past two years, including a briefing from the Senior Manager of Human Resources on our efforts to promote women's participation in the workforce. We have many talented female employees who are on the verge of becoming Managers. I think it is very important to find ways to help them grow in the future. Specifically, it is important for these women to have a positive attitude, and it is also important for their immediate supervisors to exercise leadership in talking to them about the future of the company, and firmly communicate to them what kind of Managers we want them to become. And I believe that the basis for this is having close communication in the workplace. I have experienced it myself. The atmosphere in the workplace where everyone tries to solve one person's problems together while supporting each other, such as by following up when one person is discouraged, gives peace of mind and courage to female employees who have doubts or concerns about their place in the company. I really hope that this kind of atmosphere will take root in each department and that the company will become a place where many female employees can thrive.

I feel that we are a company that follows our own plan for global expansion, and we are committed to putting in place a solid system while utilizing public institutions such as JETRO. Should there be any more regional developments, I would like to extend my support based on the experience and network from my previous position at JETRO.

In terms of sustainability, we are also constructing a new technology building that is environmentally friendly, and I feel that we are an environmentally advanced company. Our initial response to the Noto Peninsula earthquake was excellent, and I believe that we are a company that contributes to the local community in many ways, such as by donating our monitors to schools in the affected areas.

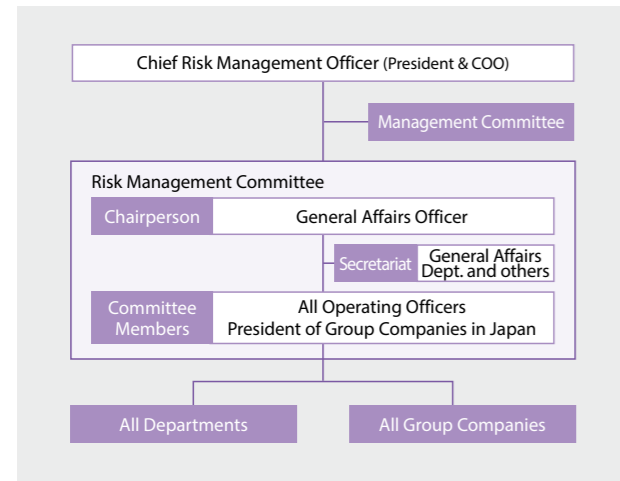
Corporate Governance

Risk Management

Corporate Policy

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

Risk Management Committee Organization Chart



Business Continuity Plan (BCP)

To proactively prepare for the potential impact of major disasters, we have formulated and thoroughly disseminated a Business Continuity Plan (BCP) throughout the company. Especially, the “Disaster Response BCP” specifies our preparedness during normal times, procedures for confirming the safety of employees, and facilitating necessary rescue operations in the immediate aftermath of a major disaster. It also aims to restore at least critical business operations and delivery of our products within one month of a major disaster.

Response to the Noto Peninsula Earthquake

In the Noto Peninsula Earthquake that occurred on January 1, 2024, EIZO MS Corporation, located in the Noto region, suffered major damage to our buildings and facilities, as well as water supply and sewage systems and other lifelines. We set up a task force on January 2 in accordance with the BCP, and while supporting the restoration of the daily lives of employees by providing supplies and water, we resumed operations at the Hakui Plant on January 9 and the Nanao Plant on January 22 in stages, and were able to resume full operations on March 1.

Company-wide Risk Management System

Identifying and confirming risks through the Risk Management Committee

The Risk Management Committee was established in accordance with the “Risk Management Basic Regulations,” and meets twice a year (in 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 more 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 hearings with each company.

Determination of important risks by the Management Committee and implementation of countermeasures by each department

The Management Committee deliberates on the details confirmed and summarized 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 the relevant department takes the necessary measures (reduction, retention, avoidance, and transfer).

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. Each department then reflects this in the formulation of management goals and plans for the next fiscal year.

[Risk to Company business](https://www.eizoglobal.com/ir/management/risk/)

Information Security

To ensure the proper handling of confidential and personal information, we have established and 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*1, 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*2.

While laws and regulations for the protection of personal information are becoming stricter in each region, we are implementing necessary measures, including employee training, to comply with the General Data Protection Regulation (GDPR) (Europe) and California Consumer Privacy Act (CCPA) (United States).

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

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 visual 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, and all officers and employees within the Group are fully aware of them.

For the revision in FY2021, we provided multilingual translations when deploying them to overseas group companies. In addition, as a policy to reinforce these Principles of Conduct, we established the “EIZO Group Human Rights Policy” in FY2022 and the “EIZO Group Anti-Bribery Policy” in January 2024. 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/code/)

[EIZO Group Anti-Bribery Policy](https://www.eizoglobal.com/sustainability/governance/compliance/#anchor06)

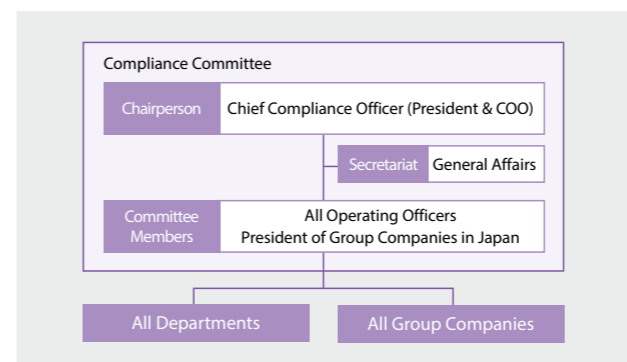
Compliance Management System

Implementation of Compliance Program by the Compliance Committee

Under the “Compliance Regulations,” the Compliance Committee identifies and evaluates compliance risks within the group for each fiscal year and formulates and implements a compliance program incorporating 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



Compliance Program Checks and Improvements

Every year, in accordance with the Regulations, we check the details of implementation and any shortcomings in the Compliance Program. In addition, we periodically review our “Compliance Regulations” to continuously 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. In addition, by clarifying the procedures for whistle-blowing, protecting the privacy of whistle-blowers, and prohibiting prejudicial treatment on the basis of whistle-blowing, we are improving the content and operation of the regulations to ensure that whistle-blowers can use the system without anxiety and to make it an effective system that demonstrates its self-governing function.

Whistle-blower Hotline for a Wide Range of External Stakeholders

In April 2024, we joined the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) as a regular member. Through JaCER’s “Dialogue and Remedy Platform,” we accept complaints and reports from a wide range of external stakeholders, including those in our global supply chain.

[Reference](#) [Respect for Human Rights](#) > P.55-56

Compliance Education

As a group engaged in global operations, in addition to Japanese laws and regulations, we pay the utmost attention to international laws and regulations, which are becoming increasingly complex every year, and we consider compliance with laws and regulations and training to be part of our compliance program.

We monitor local trends by regularly exchanging opinions with overseas group companies to respond to laws and regulations in a timely and appropriate manner and to provide any necessary training. In Japan, 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.

Corporate Information

Corporate Profile and Stock Information (As of March 31, 2024)



Trade Name EIZO Corporation

Representative* Yoshitaka Jitsumori, Chairman & CEO
Masaki Ebisu, President & COO

Establishment March 1968

Capital JPY 4,425 million

Headquarters 153 Shimokashiwano, Hakusan, Ishikawa, 924-8566, Japan
TEL: 076-275-4121
<https://www.eizoglobal.com/>

Business Locations in Japan Sapporo, Sendai, Tokyo, Nagoya, Ishikawa, Osaka, Hiroshima, Takamatsu, Fukuoka

Number of Employees Group: 2,497 (including the average number of temporary staff)
Non-consolidated: 1,039 (including the average number of temporary staff)

Business Activities Development, design, production, and sales of imaging environment solutions

Fiscal Year From April 1st to March 31st of the following year (Regular General Shareholders Meeting: June)

Total Number of Authorized Shares 65,000,000

Total Number of Shares Issued 21,981,160 (including 1,405,254 shares of treasury stock)

Number of Shareholders 6,413

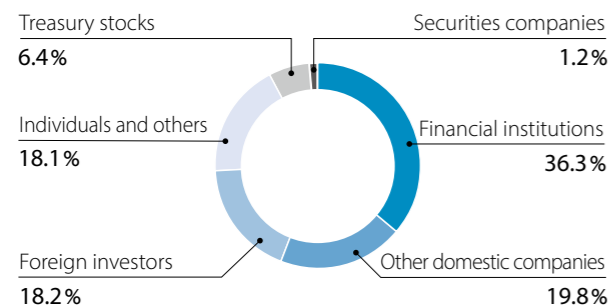
Stock Exchange Listings Tokyo Stock Exchange Prime Market (Securities Code: 6737)

Shareholder Registry Administrator Sumitomo Mitsui Trust Bank, Limited

Accounting Auditor Deloitte Touche Tohmatsu LLC

*As of April 1, 2024

Securities companies



Major Shareholders (Top 10)

Shareholder Name	Shareholdings (1000 shares)	Ratio*
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,865	13.93
Custody Bank of Japan, Ltd. (Trust Account)	2,726	13.25
The Hokuriku Bank, Ltd.	836	4.07
The Hokkoku Bank, Ltd.	794	3.86
Yoshiki Sasaki	580	2.82
Hiroaki Corporation, Ltd.	567	2.76
Hazuki Corporation, Ltd.	567	2.76
Hiroshi Murata	478	2.33
EIZO Employee Shareholding Association	462	2.25
FUJI CORPORATION	379	1.85

*Calculated excluding treasury stock held by the Company (1,405,254 shares)

Group Companies (As of September 1, 2024)

Name and Location	Major Business Activities	Certification Standard	Representative
Overseas R&D, manufacture, sales, and marketing companies			
EIZO GmbH (Rülzheim, Germany)	Development, manufacture and sales of visual products and related equipment for the healthcare market	ISO 9001, ISO 13485, ISO 14001	CEO Frédérique Jaeger
EIZO Technologies GmbH (Geretsried, Germany)	Development, manufacture, and sales of industrial monitors and control boards	ISO 9001, ISO 14001	President & CEO Andy Kürz
EIZO Rugged Solutions Inc. (Orlando, FL, U.S.A.)	Development, manufacture and sales of graphics boards and other products for specific markets, including air traffic control	ISO 9001	President & CEO Selwyn Henriques
EIZO Display Technologies (Suzhou) Co., Ltd. (Suzhou, China)	Development, manufacture and sales of visual products and related products	ISO 9001, ISO 13485, ISO 14001	President & COO Rujun Zhang
Overseas Sales Company			
EIZO Inc. (Cypress, CA, U.S.A.)	Sales of visual products and related products	ISO 9001, ISO 13485	President & CEO Thomas Waletzki
EIZO Nordic AB (Väsby, Sweden)	Sales of visual products and related products		Managing Director & CEO Per Hertz
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		Managing Director & CEO Colin Woodley
EIZO Europe GmbH (Mönchengladbach, Germany)	Sales of visual products and related products		Executive Vice President & COO Minoru Kontani
EIZO Private Limited (Mumbai, India)	Sales of visual products and related products		Managing Director & CEO Rohan Chahande
EIZO Middle East Ltd. (Riyadh, Saudi Arabia)	Sales of visual products and related products		Managing Director & CEO Sami M. Alshehri
Domestic Group Companies			
EIZO MS Corporation (Hakui, Ishikawa)	Manufacture of visual products and electronic circuit boards	ISO 9001, ISO 14001, ISO 45001, ISO 50001	President & CEO Masaki Ebisu
IREM Software Engineering Inc. (Chiyoda, Tokyo)	Development and sales of amusement software		President & CEO Masataka Ono
EIZO Support Network Corporation (Hakusan, Ishikawa)	After-sales service for visual products	ISO 13485, ISO 27001	President & CEO Masaki Ebisu
Carina System Co., Ltd. (Kobe, Hyogo)	Development and sales of hardware and software, including optical equipment, image recording and distribution systems		President & CEO Masayuki Hashimoto

2 other companies

Corporate Information

Consolidated Financial Data

Fiscal Year											(JPY million)	(USD thousand)
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2023**
Financial Results												
Net sales	73,641	72,576	74,878	78,284	84,057	72,944	76,480	76,565	86,789	80,849	80,471	532,925
Operating income	6,833	4,472	5,081	7,033	8,554	5,370	6,441	7,935	11,299	5,002	3,908	25,886
Profit attributable to owners of parent	5,437	3,321	4,202	5,661	7,138	4,308	4,671	6,155	7,794	5,862	5,454	36,125
Research and development expenses	5,797	6,049	5,387	5,625	5,908	5,932	5,993	5,642	5,834	6,142	6,314	41,814
CAPEX	1,383	1,414	4,814	2,512	2,163	4,125	4,346	3,563	3,033	3,163	2,390	15,830
Depreciation	1,687	2,017	2,052	2,367	2,604	2,751	2,986	3,033	2,612	2,316	2,672	17,696
Financial Status												
Total assets	92,931	106,519	104,792	115,160	119,497	121,423	125,284	150,061	155,459	155,935	164,819	1,091,523
Shareholders' equity	69,201	79,293	78,011	85,280	91,521	94,924	95,979	114,453	118,582	120,580	129,424	857,114
Cash Flows												
Operating activities	4,685	1,445	6,772	10,533	4,829	5,348	8,157	6,600	8,429	(7,592)	7,914	52,415
Investing activities	(1,208)	(3,426)	(3,033)	(4,157)	(6,567)	(8,713)	(3,717)	(3,333)	(2,394)	853	(1,057)	(7,006)
Financing activities	(1,066)	923	(1,386)	(1,598)	(2,772)	(796)	(2,433)	(2,648)	(2,899)	(6,351)	(533)	(3,533)
Net increase (decrease) in cash and cash equivalents	2,942	(1,057)	2,198	4,573	(4,399)	(4,295)	1,842	940	3,505	(12,830)	6,861	45,437
Cash and cash equivalents, end of year	19,080	18,022	20,221	24,794	20,394	16,099	17,942	18,882	22,387	9,557	16,418	108,729
Per Share Information												
Earnings per share (EPS) (JPY)	255.05	155.80	197.10	265.54	334.82	202.09	219.13	288.71	365.61	280.97	265.13	1.75USD
Book value per share (BPS) (JPY)	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	6,290.09	41.65USD
Cash dividends per share (JPY)	55	60	70	80	90	100	110	115	120	125	200	1.32USD
Total payout ratio (%)*1	21.6	38.5	35.5	30.1	26.9	49.5	50.2	39.8	32.8	92.2	75.4	
Financial Indicators												
Operating margin (%)	9.3	6.2	6.8	9.0	10.2	7.4	8.4	10.4	13.0	6.2	4.9	
ROE (%)	8.3	4.5	5.3	6.9	8.1	4.6	4.9	5.9	6.7	4.9	4.4	
ROA (%)	9.3	4.7	5.4	6.5	8.1	4.7	5.3	6.4	7.9	3.9	3.9	
EBITDA	9,702	6,723	7,753	9,474	12,113	8,465	9,442	11,622	15,164	10,422	10,638	
Equity ratio (%)	74.5	74.4	74.4	74.1	76.6	78.2	76.6	76.3	76.3	77.3	78.5	
Exchange Rate (Average for Period)												
USD/JPY	100.17	109.76	120.16	108.34	110.85	110.93	108.70	106.10	112.39	135.50	144.59	
EUR/JPY	134.22	138.69	132.60	118.74	129.66	128.45	120.81	123.76	130.55	140.99	156.75	
Net Sales Information by Market												
Business & Plus (B&P)	13,777	15,585	17,991	16,822	18,111	17,787	16,409	16,864	17,544	18,583	15,469	102,448
Healthcare	21,632	20,793	23,408	26,097	29,780	30,408	29,390	26,924	31,905	34,713	36,690	242,983
Creative Work	5,212	5,548	6,355	5,470	5,749	5,971	5,345	5,485	6,278	6,746	5,880	38,944
Vertical & Specific (V&S)	5,083	6,649	6,870	6,956	7,885	7,419	10,403	8,665	8,337	9,269	10,043	66,516
Amusement	21,966	15,127	15,279	18,408	15,233	8,583	9,607	14,446	18,141	6,498	6,684	44,270
Other	5,969	8,872	4,973	4,527	7,297	2,772	5,324	4,179	4,581	5,039	5,702	37,762
Total	73,641	72,576	74,878	78,284	84,057	72,944	76,480	76,565	86,789	80,849	80,471	532,925

*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 ¥151 to \$1, the approximate rate of exchange at March 31, 2024.