

# EIZO CORPORATION CORPORATE SOCIAL RESPONSIBILITY REPORT 2018



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### Editorial Policy for the CSR Report

- Editorial Policy: We have compiled an explanation on topics we consider important and a report on the impact and effects of our business activities on society and the environment, using the GRI Guidelines as reference.
- Scope of the report: EIZO Group Exceptions to the scope of coverage are explained in the notes to the relevant sections.
- Period covered: April 1, 2017 to March 31, 2018 (FY2017)
- Issue date: October 2018
- Issue date of previous report: October 2017
- Issue date of next report: October 2019
- CSR Promotion System: CSR activities come under the responsibility of the General Affairs Division, are supervised by the operating officer responsible for CSR and implemented by all Group companies. They are also subject to a review by the CSR Committee, comprising the heads of each department.
- Contact information: EIZO Corporation General Affairs Department  
Tel: +81-76-274-2406

## Corporate Information

Company Name	EIZO Corporation
Business Activities	Development, design, manufacture and sales of total visual solutions and related services
Established	March 6, 1968
President	Yoshitaka Jitsumori
Address of Headquarters	153 Shimokashiwano, Hakusan, Ishikawa 924-8566, Japan
Group Sales	84,057 million yen (FY2017)
Group Employees	2,325 including temporary workers (consolidated, as of March 31, 2018)
Group Companies	17 (EIZO Corporation and its 6 domestic subsidiaries and 10 overseas subsidiaries, as of October 1, 2018)
Development, Production and Sales	EIZO Support Network Corporation (Japan) Carina System Co., Ltd. (Japan) Irem Software Engineering Inc. (Japan) EIZO MS Corporation (Japan) EIZO Engineering Corporation (Japan) EIZO GmbH (Germany) EIZO Technologies GmbH (Germany) EIZO Rugged Solutions Inc. (USA) EIZO Display Technologies (Suzhou) Co., Ltd. (China)
Sales	EIZO Inc. (USA) EIZO Nordic AB (Sweden) EIZO Europe GmbH (head office in Germany and branch offices in Belgium, Czech Republic, Italy and the Netherlands) EIZO AG (Switzerland) EIZO Limited (United Kingdom) EIZO Austria GmbH (Austria)
Other	EIZO Agency Corporation (Japan)

## Corporate Philosophy/ Principles of Conduct – Seven Promises

### Corporate Philosophy

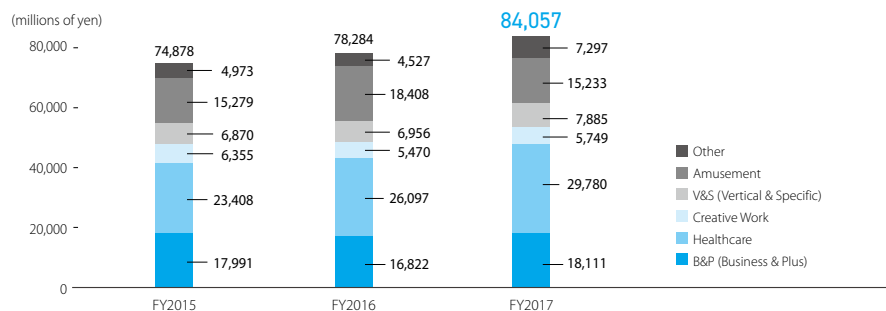
Through the pursuit of imaging solutions with advanced technologies, we enrich people in their professional and personal lives.

### EIZO Group Principles of Conduct – Seven Promises

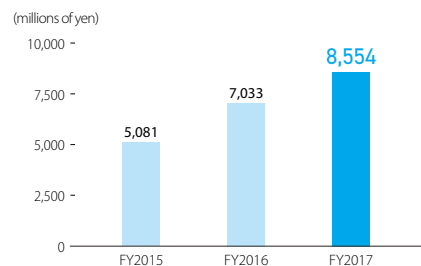
We establish the following “EIZO Principles of Conduct” as guidelines for each EIZO Group employee and as a commitment to our stakeholders. We pledge to conduct our business in accordance with these Principles.

1. We will supply high-quality products and services loved by customers through creating and offering new value by unique technologies and ideas.
2. We will promote our manufacturing and business activities in consideration of reducing their environmental burdens.
3. We will act as an international corporation with a global outlook and mindset.
4. We will conduct open and fair trade.
5. We will seek to build and maintain strong bonds of trust with our stakeholders (business partners, employees, shareholders, and the local community).
6. We will strictly respect and comply with both the letter and the spirit of the law as a good corporate citizen.
7. We will respect basic human rights and value a broadminded corporate culture.

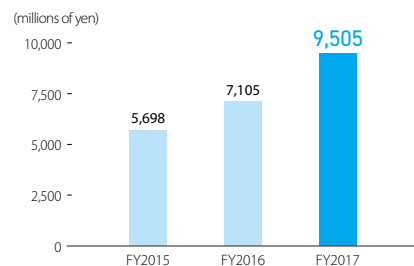
## Sales and Percentage Breakdown by Category (Consolidated)



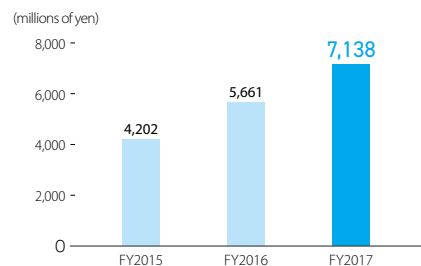
## Operating Income (Consolidated)



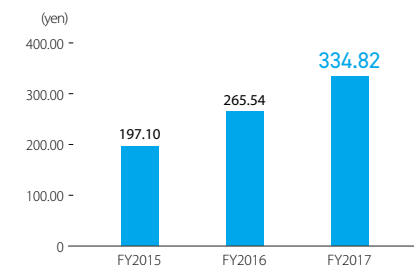
## Ordinary Income (Consolidated)



## Net Income Attributable to Owners of Parent (Consolidated)



## Basic Net Income (Consolidated)



## Basic Policy for the Mid-Term Management Plan

EIZO is shifting toward becoming a “visual technology company” that provides customers in various markets with optimally tailored products and system solutions. In doing so, we are applying our world-leading expertise in imaging technology, which has enabled the company to create highly-reliable products of outstanding quality. Under our 6th Mid-Term Management Plan, we have embarked on the creation of a growth engine that will drive us into the future. More specifically, we are pursuing what we call “Imaging Chain Innovation,” the technology that bundles together image capture, recording, distributing and displaying, in order to expand EIZO’s Healthcare, Creative Work and V&S (Vertical & Specific) domains and generate a new market.

### Priority Measures

#### 1. Business strategies in major markets

##### ▶ Healthcare

- Expand our domain in the operating room field through Imaging Chain Innovation.
- Increase sales in the endoscope field by enhancing the product lineup and exploring new sales channels.
- Reinforce sales of diagnostic monitors by adding Southeast Asia to the conventional markets of priority and strategic markets.

##### ▶ Creative Work

- Establish market dominance by leading in the HDR\*1 era

##### ▶ V&S

Enhance the product lineup and offer total image solutions to promote the business in priority markets, such as those related to air traffic control, security and surveillance, and maritime operations.

##### ▶ Amusement

Stay ahead of market changes to maintain the number one position leveraged by R&D and production capabilities.

#### 2. Investment for growth

- ▶ **R&D:** Increase investment to accelerate “Imaging Chain Innovation”.
- ▶ **Capital investment:** Aggressively invest in bolstering development and production, mainly in Europe and Japan.
- ▶ **Higher productivity:** Streamline workflows through the use of RPA\*2 and IoT under Work Style Innovation.

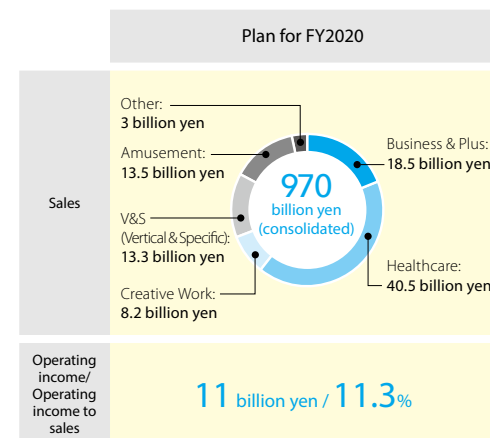
\*1 High dynamic range

\*2 Robotic process automation

### Numerical Targets

Operating income to sales	Two-digit ratio (10% or higher)
Consolidated sales for fiscal 2020 (final year of the plan)	97 billion yen
Operating income for fiscal 2020 (final year of the plan)	11 billion yen

### Performance Targets





September 2018  
President, EIZO Corporation

**Yoshitaka Jitsumori**

# “Imaging Chain Innovation” Creating a New Solution for Social Needs

## Towards a New Growth Engine

As released in May 2018, the 6th Medium-Term Management Plan outlines our medium-term goal of creating a new engine for additional growth. More specifically, we intend to realize our “imaging chain innovation”; a comprehensive strategy for not only ‘Displaying’ but also image ‘Capturing’ and ‘Recording’. This will not only strengthen and expand our current business models, but will also generate opportunities in new markets themselves.

We have been providing industry-leading imaging solutions for a diverse array of professionals by utilizing image display technologies we have refined since our foundation. The inclusion of Carina System Co., Ltd. in March 2018 to the Group has expanded the range of our technology and product development, enabling us to provide comprehensive solutions, from image capture through to display. This acquisition has provided EIZO with a more powerful and deeper technology portfolio to take on even greater challenges.

## Enriching Our Society & Future

Recently, we more frequently encounter people who are interested in the company’s SDGs (Sustainable Development Goals). Since a business should exist to contribute to society, it is EIZO’s responsibility to play a lead role in the attainment of SDGs.

EIZO’s corporate philosophy is to enrich people in their professional and personal lives through the pursuit of imaging solutions. In daily life, images are everywhere and our imaging solutions have in fact helped professionals in healthcare, education, public transportation and many other industries to enhance the quality and efficiency of their work, thereby enabling us to contribute greatly to betterment of the society we are a member of.

## Contributing to SDGs Attainment

In healthcare, one of our priority markets, we have developed highly reliable, high-definition monitors equipped with new functions to enhance the accuracy and efficiency of medical diagnoses. Moreover, we have used our influence to raise awareness among healthcare professionals about the importance of displaying images as precisely as possible. Long mindful of the need for environmentally sound manufacturing, we have worked meticulously to generate features and functions that enable users to automatically save energy.

It is clear, however, that we must further advance the level of our SDGs initiatives, and we are constantly reviewing our efforts towards creating and achieving new goals. In this CSR Report, we included information on our businesses and how they are related to specific SDGs, as well as observations from the SDGs discussion in a roundtable management discussion section.

## EIZO's Growth and Employee Experience of Fulfilled Lives

We are also persistently addressing internal concerns. As noted in the previous CSR Report, the 'Work-Style Innovation' project has been underway in our Japanese group companies to establish working environments that offer a sense of satisfaction and fulfilling work for employees while improving productivity and maintaining the high quality and reliability of our products. Improvements identified and completed under the project during fiscal 2017 have already been successful, significantly reducing overtime work. We will continue to advance this project for even higher productivity and performance, enhanced satisfaction and quality of life as the cornerstone of any mature enterprise.

## 50th Anniversary & Beyond

2018 marks EIZO's 50th anniversary since our foundation. Since foundation we have consistently changed with the times aggressively transforming ourselves into a successful industry leader that continues to grow.

Nevertheless, our future business models cannot simply be extensions of our past approaches. We will continuously seek out the next strategy for robust sustainable growth and understand the new roles EIZO needs to play to enrich society further.

We welcome the comments and feedback of our stakeholders towards identifying the next answers to these vital challenges.



# ◆ Management Roundtable Discussion - EIZO's Business & SDGs

How are EIZO's business operations, products and services related to our SDGs and which social issues does and should the company address?

Operating officers who serve as members of the CSR Committee discussed EIZO's roles in relation to SDGs and our future business model based on these goals.



## Raised Awareness of Customers & Investors

**Hira:** In the Japanese Sales Division we have had more opportunities than ever before to hear about the SDGs and ESG (Environmental, Social and Governance) from customers. In fact, customers are choosing our products not only because they are environmentally sound but also out of their appreciation for our approach to environment and corporate governance. It's clear that the general public is becoming increasingly conscious of these issues.

**Arise:** The same can be said about EIZO investors. In the Investor Relations (IR) Department we have direct regular contact with investors. They are more frequently asking about EIZO's ideals, visions and value chain strengths aside from our business environment, business model and competitiveness. The SDGs present an ideal picture for 2030, a medium to long-term period. I think individuals and companies are looking farther into the future and becoming more conscious of longer term sustainability.

**Murai:** That's exactly right! An increasing number of companies have declared their commitment to SDGs, and more and more investors are engaged in corporate investments based on company approaches to the environment, society and governance; ESG investing. Since EIZO markets products around the world, stakeholders, including customers and shareholders have come to view EIZO's social responsibilities as globally diverse and we have to respond to these expectations sincerely through our business activities.

## Relations Between EIZO's Business & SDGs

**Hashimoto:** EIZO contributes to society through its businesses while utilizing its leading technology and quality in ways that enable us to respond to such industries as healthcare, creative production and air traffic management, of which the quality of work is directly affected by image quality and monitor reliability. For example, quality is key to diagnostic monitors since a faulty image display could result in a misdiagnosis. Moreover, image brightness and other characteristics naturally decline over time and so it is particularly important for medical-use monitors to retain a given level of quality for years in order to ensure the quality of medical care.

**Shimura:** In healthcare, we not only provide monitors; we also conduct training in diagnostic imaging. While helping physicians deliver accurate image diagnoses introducing them to EIZO products, such efforts also contribute to good health and well-being, represented by SDG No. 3.

**Hiraki:** We reduce costs and recycle resources by reusing waste materials generated during our manufacturing processes as packing materials for the shipment of components to other EIZO Group Companies. This is our contribution relevant to SDG 12, or responsible consumption and production.

**Hira:** The Japanese Sales Division helps customers reduce waste by not including accessories, which they would not use in the package.

## ◆ Participants (positions current as of the roundtable discussion in June 2018)



**Yuichi Murai**

Senior Executive Operating Officer  
General Affairs, & Human Resources



**Masayuki Hashimoto**

Senior Executive Operating Officer  
Research & Development



**Kazuhide Shimura**

Executive Operating Officer  
Product & Business Development  
Sales & Marketing, Global



**Toshimine Hiraki**

Senior Operating Officer  
Senior Manager  
Manufacturing



**Kiyotaka Hira**

Operating Officer  
Senior Manager  
Sales & Marketing, Japan



**Masaki Ebisu**

Operating Officer  
Senior Manager  
Procurement



**Manabu Arise**

Operating Officer  
Senior Manager  
Accounting & Finance, & Investor Relations (IR)



**Hideki Bansho**

Operating Officer  
Senior Manager  
Quality Assurance, & Regulatory Compliance and Safety

**Shimura:** Our monitors are highly reliable and last a long time, thereby helping users to reduce waste by not having to purchase replacement monitors for some time.

**Ebisu:** Furthermore, at EIZO, the procurement, manufacturing and sales divisions closely coordinate to adjust supply to demand and minimize waste of raw materials in production processes. As we can also standardize and utilize common components in the design stage as well, we are able to further reduce the volume of raw material waste and better contribute to society. Our partners, too, are committed to environmental conservation, compliance and the elimination of child or forced labor based on the EIZO Supplier Code of Conduct.

**Bansho:** In recent years, standards such as TCO certification<sup>\*1</sup> and EPEAT<sup>\*2</sup> have incorporated CSR and supply chain requirements beyond product ergonomics and saving energy. As a company that manufactures and sells final products to consumers, we should ensure even more attention is given to our entire supply chain, which includes suppliers of components, units and raw materials, in order to pay due consideration to the impact on society at large.

**Murai:** For us to contribute to society through business activities, we should also tackle corporate issues, such as working environments and diversity. Having a sound corporate environment is a prerequisite to producing outstanding products and services.

**Arise:** That's true, and I think we should combine two strategies: implementing initiatives during daily operations, inside-out, and creating a business that leads to the resolution of social issues, outside-in.

\*1 An international certification of a third-party organization to ensure that IT products are produced, used and recycled responsibly in terms of the environment, society and economy.

\*2 Green Electronics Council, an NPO in the U.S., verifies and assigns ratings to PC and PC peripheral manufacturers according to various criteria, such as reduction of hazardous substances, recycle design, product longevity, end-of-life management, and corporate performance.

### EIZO on the Way to DESIGN 2025

**Arise:** EIZO's DESIGN 2025, a set of discussions on EIZO's future business model, presents a scenario for 2025. The focus is on changes that can occur in society by that time and the transformations EIZO should undergo in response to such anticipated societal changes and to help address social issues.

**Hashimoto:** EIZO has so far evolved around displays, based on a business model in which we pursued monitors with unrivaled added value. Demand, however, is shifting toward solution systems that handle all processes, from image capture to display. Monitors alone cannot respond to these emerging needs.

We should apply our display technology to the entire image processing pipeline, i.e., image capture, recording, display and broadcasting technologies, and provide a single solution that would be far more useful in society and play a bigger role in the resolution of social issues. I hope we will continue to contribute to the creation of a sustainable society by consistently responding to the needs of the society and markets while engaging in image information processes entirely capitalizing on our competitive technology.





# Our CSR Approach and Materiality Analysis

## EIZO's Approach to CSR

Our business activity in itself constitutes our most important social responsibility. We are aware that our social responsibility lies in engaging in business with integrity, which includes contributing to society with products, solutions and services, returning all the benefits produced through our business to society, and complying with laws and regulations while respecting human rights. In addition, with the view that participating in and supporting regional activities constitute part of our social responsibility, we enthusiastically engage in such activities.

In this context and as the basic policy underlying our CSR, we uphold the EIZO Group Principles of Conduct, which serve as both a guideline for the EIZO Group and our promise to stakeholders.

## Toward the Attainment of Sustainable Development Goals (SDGs)

So that we can contribute to the attainment of the SDGs, adopted by the United Nations in 2015, we are exploring the fields and goals to which we can contribute.



## Participation in the UN Global Compact

EIZO joined the UN Global Compact, or the UNGC, in September 2012. The UNGC is an international initiative in which businesses voluntarily participate and exercise responsible and creative leadership so that they may act as good social members and thereby seek their sustainable growth. As a participant of the UNGC and a leader who supports the ten CSR basic principles, EIZO is committed to protecting human rights, eliminating wrongful labor practices, treating the environment properly and preventing corruption.



We applied the following process to identify the material issues that EIZO must address through its business.

### Organizing issues

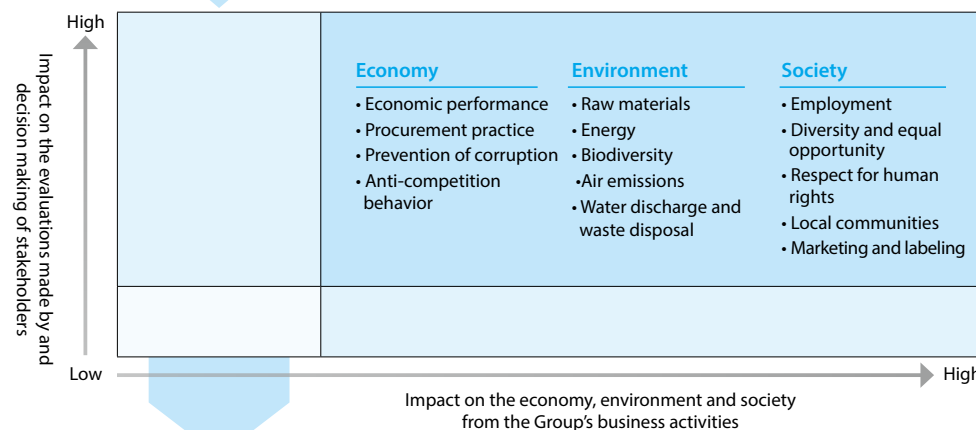
Organizing material issues for CSR with a panoramic view of the EIZO Group's value chain Organizing activities with key stakeholders [see page 24 for details](#)

### Evaluating materiality

Evaluating the issues to be addressed along two axes: influence on stakeholder evaluation and decision-making, and impact on the economy, environment and society from the Group's business activities.

### Extracting aspects

Extracting material aspects using the GRI Standard as reference



















### Reconfirming Principles of Conduct

Reconfirming they are represented in the EIZO Group Principles of Conduct – Seven Promises [see page 02 for details](#)

# Major Results of Activities in Fiscal 2017

The following table shows the major results of our activities in fiscal 2017 as well as newly disclosed information.

Seven Promises	Major Results of Activities in Fiscal 2017 and Newly Disclosed Information	Fiscal 2018 Activity Goals	Relevant SDGs	Related Business Activities	Report Page
Creating New Value	<p><b>Activity</b> We launched EIZO-branded 2D and 3D surgical monitors, making a full-fledged entry into the surgical/endoscopy monitor market. We also started a service for uniformly managing quality control operations such as regular inspection and repair of monitors for use in hospitals.</p> <p><b>Disclosure</b> Operating officers serving as members of EIZO's CSR Committee took part in a roundtable talk on the roles of the Company to address social issues and contribute to the attainment of SDGs. The roundtable talk is included in this CSR Report. <a href="#">see page 6</a></p>	We will continue striving to provide products and services that contribute to addressing social issues by creating and offering new value through our pursuit of unique ideas and technologies.	  	<ul style="list-style-type: none"> <li>• Launch of monitors for electronic charts and operating rooms</li> <li>• Launch of a surveillance monitor for observing train platforms</li> <li>• Launch of a monitor for use at air traffic control towers</li> <li>• Launch of a monitor for use in vessel cockpits</li> </ul>	P6-7 P10-15
Environmental Consideration for Our Products and Business Operations	<p><b>Activity</b> We attained Environmental Targets for all items except "reduced fuel consumption." <a href="#">see page 17</a></p> <p><b>Disclosure</b> We extended the Scope 3 calculation to include overseas consolidated subsidiaries for all items Categories 1 (purchased goods and services), 4 (upstream transportation and distribution) and 6 (business travel). <a href="#">see page 20</a></p>	We will continue creating products and promoting business activities with the aim of reducing environmental impact in accordance with our environmental targets. <a href="#">see page 17</a>	  	<ul style="list-style-type: none"> <li>• Proper control and reduction of use of chemical substances</li> <li>• Development of energy-saving monitors</li> <li>• Reduction of energy consumption</li> <li>• Environmental Policy (2)</li> <li>• Energy consumption and greenhouse gas emissions</li> </ul>	P16-20
Operating as an International Corporation	<p><b>Activity</b> We continued to hold EIZO United in fiscal 2017 and strengthened bonds inside the Group through an exchange of information on technologies, market trends and business strategies.</p>	We will endeavor to grow into a more mature group of companies by respecting the cultures and other values particular to each member's country or region and by maintaining close connections among the members.	  	<ul style="list-style-type: none"> <li>• Group companies and distributors around the world with customers in more than 80 countries or regions, and production sites in Japan, Europe, the U.S. and China</li> <li>• Efforts related to conflict minerals</li> <li>• Retrospective survey with our supply chain participants by using the Conflict Minerals Template, which is an international standard format</li> </ul>	P21-22
Open and Fair Trade	<p><b>Activity</b> We obtained an agreement on the EIZO Supplier Code of Conduct in the form of the Supplier Declaration from all business partners involved in procurement.</p>	We will continue to conduct open and fair trade as a matter of course while seeking to establish relationships of trust based on mutual prosperity with our suppliers.	 	<ul style="list-style-type: none"> <li>• Environmental conservation</li> <li>• Proper disclosure of information about chemical substances, including those of very high concern</li> <li>• Compliance related to the prohibition of offering or accepting bribes, excessive entertainment, gifts, etc., for the purpose of obtaining improper benefits</li> </ul>	P23
Strong Bond of Trust with Stakeholders	<p><b>Activity</b> We continued to sponsor various organizations and activities and make donations to them, thereby building and maintaining good relationships with the local communities in which we operate. As a member of these communities, we contribute to the development of the regions as well as environmental efforts.</p> <p><b>Disclosure</b> We continued to introduce initiatives that contribute to local communities, not only at the head office in Japan but also at overseas Group companies. <a href="#">see page 26</a></p>	We will strive to forge even stronger bonds with our stakeholders through ongoing dialogue.		<ul style="list-style-type: none"> <li>• IR (investor relations) activities</li> <li>• Participation in local volunteer activities</li> <li>• Donations to and sponsorship of local organizations</li> </ul>	P24-26
Strict Respect and Compliance with both the Letter and Spirit of the Law	<p><b>Disclosure</b> We continued to improve the soundness and transparency of management and reinforce the monitoring function. Officers and other employees were thoroughly reminded of the EIZO Group Principles of Conduct—The Seven Promises. Also, educational activities to raise awareness about compliance were carried out.</p>	We will maintain our efforts to raise awareness of compliance among officers and other employees and strive to reinforce risk management and governance.		<ul style="list-style-type: none"> <li>• Compliance training and the internal whistle-blowing system</li> </ul>	P27-28
Broadminded Corporate Culture	<p><b>Disclosure</b> We evaluated the FY2017 activities of Work Style Innovation, our initiative to balance employee happiness with company growth, and we published the results. <a href="#">see page 30</a></p>	We will further promote activities of the Work Style Innovation initiative to attain a 50% reduction of overtime work.	  	<ul style="list-style-type: none"> <li>• Support for the active participation of women</li> <li>• Groundwork for a motivating workplace</li> <li>• Promotion of careers of persons with disabilities</li> <li>• Respect for human rights</li> </ul>	P29-32

## We will supply high-quality products and services loved by customers through creating and offering new value by unique technologies and ideas.

In accordance with our belief that business is a social responsibility, we listen and respond to customer requests and needs and relentlessly pursue proprietary technologies and ideas toward creating and offering new sets of values that will enrich our culture, society and daily life.

### Wherever You Look, You See EIZO

Visual solutions enrich every setting of daily life. EIZO, as a “Visual Technology Company,” delivers a sense of security and inspiration with its systems that add unique value to visual displays.

**1 Office**

For business

Professional photography, printing, design, video production and other creative work

**2 Airport**

Air traffic control and ticketing operations

**3 Hospital**

Equipment for consultations, exams and operating rooms

**4 Railway**

For railway platform monitoring

**5 Factory**

For machine operation and security control

**6 Commercial and leisure facilities**

For security control inside facilities

**9 Marine vessels**

Equipment for cockpits and inter-vessel security control

**8 Educational facilities**

For search systems at libraries and online learning at schools

**7 Home**

For displaying websites, editing photos, playing games, etc.

## EIZO Solutions

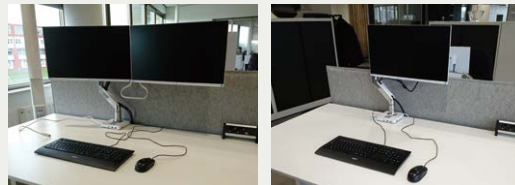
### For the Business & Plus Markets

#### Pursuing User Comfort and Energy Conservation to Raise Computer Work Efficiency and Energy Saving

The FlexScan series, which has been introduced to a number of financial businesses, features functions and structures suitable for long-hour and multiple data operations. The series supports a comfortable environment and work efficiency by offering a virtually frame-less design that allows for seamless viewing across a multi-monitor configuration and reduced blue-light and screen reflection to alleviate eye fatigue, as well as a mechanism and circuit design that controls noise and flickering.

#### Energy-Saving EIZO Monitor Selected by Zuiderzeeland Regional Water Authority

Zuiderzeeland Regional Water Authority operating water and sewage plants in the Dutch province of Flevoland, launched a full-scale countermeasure against climate change in the summer of 2017 and has since transformed its office with a view to the future. For instance, they decided to replace their PC monitors in their efforts to reduce office energy use. After comparing several products, they selected EIZO's FlexScan EV2450 for its excellent energy-saving performance, which allowed the water authority to halve its power consumption, compared to the monitor it previously used.



Office spaces

### For the Healthcare Market

#### Constructing Optimal Visual Environments to Keep Pace with Advances in Healthcare

In today's increasingly advanced and complicated healthcare systems, not only healthcare doctors but also nurses, clinical engineers and other healthcare professionals are cooperating in the treatment of patients. It is therefore essential to create environments that facilitate information sharing and cooperation. Moreover, there is now a much greater need for efficiency in viewing massive amounts of various image data, generated at hospitals using state-of-the-art imaging instruments (modalities), and due to the spread of operating rooms hybridization. EIZO provides consulting services to propose comprehensive visual solutions that encompass image display equipment and image control software, as well as network layout, toward the construction of the optimal visual environment that meets operating room needs and development of innovations in visual environments for medical care.

#### Surgical and Endoscopy Monitors with the EIZO Name Launched to Enhance our Lineup for the Market

In 2017, we launched a surgical monitor and an endoscopic monitor, both under the EIZO brand, to enhance our product lineup. The 2D and 3D monitors reproduce in high definition the images of microscopic and endoscopic surgery.



### For the Creative Work Markets

#### Raising Work Efficiency by Displaying and Maintaining Accurate Colors

We are committed to color reproduction quality and seek to enhance efficiency and accuracy in every creative setting by offering monitor solutions that facilitate achieving and maintaining accurate color display. Our ColorEdge series of color management monitors and the exclusive calibration software installed with the monitor enable users to adjust the displays. With a corresponding color management solution, allowing for the management of multiple ColorEdge monitors online, the monitor administrator can remotely and simultaneously set the color mode for several monitors. This enables users to maintain a uniform color display throughout the entire workflow, from production to referencing, regardless of their role in the process, and thereby boosts work efficiency.

#### Color-matching Solution Receives the Good Design Award for FY2017

The combination of the Quick Color Match, a software supporting color-matching between a monitor and photo printer, and the ColorEdge CS2730, a 27-inch LCD monitor, received the Good Design Award for FY2017.

Color-matching between a monitor and printout is challenging except for those using Quick Color Match and the ColorEdge CS2730, since this combination accurately displays colors when printing on paper, and the user does not feel any frustration. The ColorEdge CS2730 is wide enough to display an image in the A3-plus size despite its slim, flat design.



ColorEdge CS2730 / Quick Color Match

**For the Vertical & Specific Markets**

**Responding to Needs Varies Depending on Monitor Use and Environment as We Support Operations with Highly Reliable Display Performance**

**ATC (Air Traffic Control)**

We support the important mission of ensuring safety in the sky by providing the total solution for visual environments required by ATC. This includes monitors, graphic boards and video recorders used in air traffic control towers, control centers and training & simulation facilities.

**Maritime**

EIZO provides display monitors with high reliability and that meet various standards for ships under the harsh environment inside these vessels as well as excellent display performance. Our image display systems are used in pilothouses and for a range of onboard applications, such as surveillance and monitoring instruments, and are thereby contributing to ensuring safe navigation.

**EIZO Launched a 46-inch LCD Touch Panel Monitor in Response to Digital Charts and In-vessel Networking**

In 2017, we launched the DuraVision MDF4601WT, a 46-inch high-definition touch panel monitor that displays electronic charts and thereby allows users to examine water routes and monitor navigation. Moreover, it serves as a chart table when installed horizontally, which several people can read easily since it is flat with no dents or protrusions on the bezel. The projected capacitive touch panel allows for ten simultaneous operations.



DuraVision MDF4601 WT

**Security & Surveillance**

As the need for security and surveillance broadens, we contribute to enhancing public safety with products that feature superior display performance under varying conditions. These include IP monitors that can be directly linked to surveillance (IP) cameras and monitors mounted with proprietary technology for improving visibility.

**One of Europe's Main Meat Suppliers Reduces Monitoring and Control Costs with EIZO's IP Monitor**

Sopraco is a major meat supplier in Europe for wholesalers, supermarket chains, butchers, and the hospitality industry. To ensure the best food safety and quality, the company monitors all processes from production to shipment, around the clock, using more than 100 IP cameras. These also capture people as they enter or leave the factory as well as the license plates of vehicles.

At Sopraco, these images are viewed on the DuraVision FDF2304W-IP, EIZO's 23-inch IP monitor, and the FDF4627W-IP, the 46-inch model. The company chose these because they do not require the use of a PC or any other hardware or viewer software. Additionally, they are easy to set up and cost-effective, with high IP decoding performance, image quality and operability.



Sopraco in Belgium



DuraVision FDF2304W-IP

**Factory Automation**

We provide products that withstand dust and dripping water and ensure clarity of display, as well as a variety of housings, to flexibly respond to diverse needs for incorporation into equipment and systems.

**For the Amusement Market**

**Enlivening the Market by Providing Products Supported by Our Technological Excellence**

We design and manufacture LCD monitors installed in pachinko equipment, capitalizing on the EIZO Group's advanced visual display technology. Our products enliven the amusement market by offering a realistic expression of images and stories with a strong gaming feel, and they become customer favorites year after year.



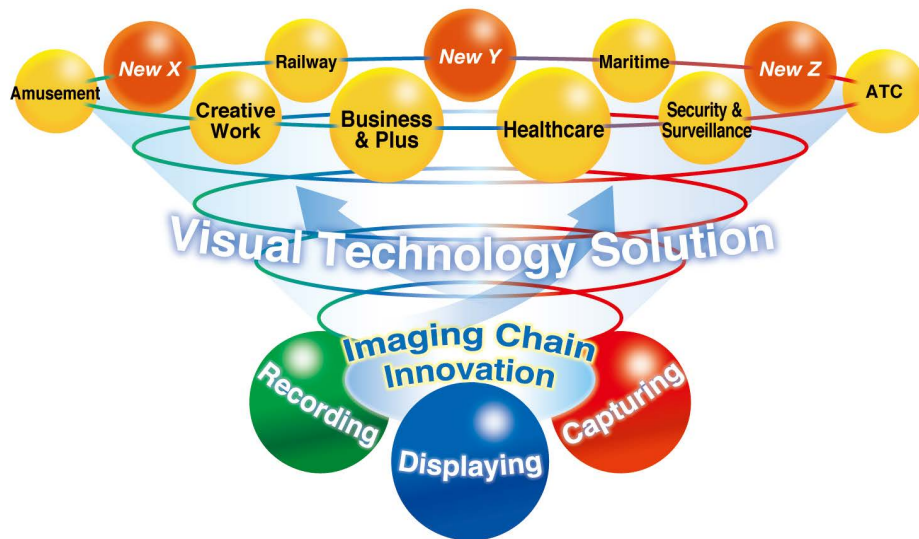
©SANYOBUSSAN CO., LTD.

## Competitive Advantages of EIZO

Since its founding, the EIZO Group has consistently focused its technology and passion on creating visual display products. We continue to concentrate our energy and efforts on developing products that are a step ahead of the times by using advanced devices and pursuing cutting-edge technologies. Our goal is to deliver reliable, high-quality products that both satisfy and inspire our customers. The outcomes of all these efforts are EIZO's competitive advantages: our business model, excellence in development and quality, and our global network.

### Business Model

The Imaging Chain Innovation, which encompasses the technology for the capturing, recording, distributing, and displaying of images, enables us to provide solutions for a number of different markets.



## Excellence in Development and Quality

### Development

In the course of creating visual display products, we have gained the full spectrum of technologies required for developing monitors. This in turn has enabled us to quickly deliver new, cutting-edge products and high-quality products with enhanced functionality.

### Quality

#### Consistent quality control through 100% self-development and self-production

We have always been committed to 100% self-development and self-production. One of our competitive advantages lies in our ability to integrate quality control, from development and manufacturing to after-sales service, and we remain committed to working in concert Group-wide to further enhance quality.

#### Development of environmentally sound products

We have a proven track record of incorporating the principle of environmental preservation into product development, and since the early years of our company, we have been highly regarded in Europe, where environmental standards are particularly stringent. As public concern for the environment grows, we will work harder to develop environmentally sound products by, for example, actively participate in the formulation of environmental standards.

#### Rigorous attention to quality control

The key to the success of our products is the stringent inspections we conduct on the image quality of our monitors at different stages, from development to production. We make every effort to ensure that the image quality of all our products is reviewed at the highest level of accuracy from the perspective of the user, through measures such as confirming inspection criteria by human eye as well as by machine.



### Global Network

We leverage our extensive capabilities by generating synergies in development, production and sales among our 17 Group companies worldwide. For details on our global network, please refer to page 21.

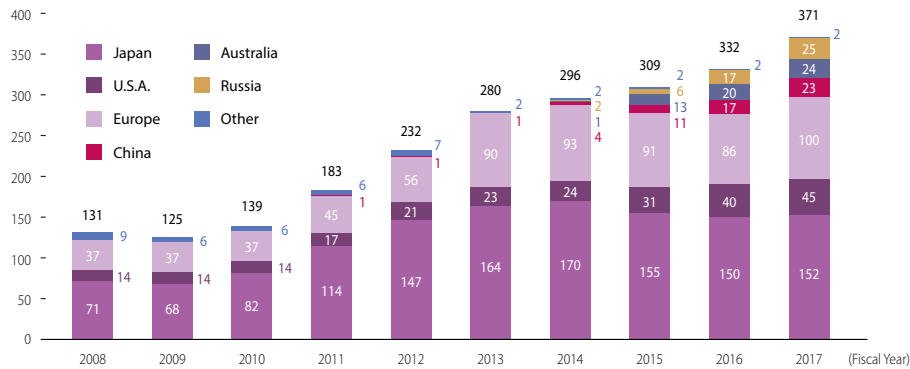
## Protecting Intellectual Property that Enhances Value

We actively seek to obtain patents and design rights for the technologies and designs created through product development.

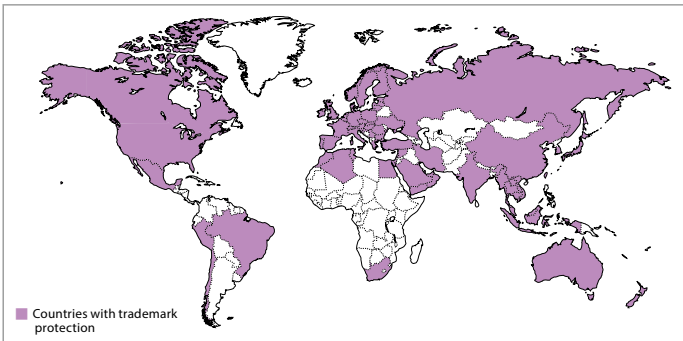
Our recent focus has been on attaining patents and design rights in countries and regions where we expect product sales to grow such as China, India and Russia, in addition to Japan, Europe and the United States, currently our main markets. Our overall goal is to construct a global network of intellectual property.

We also believe that trademarks, including the names of our company and products, are key to protecting and enhancing EIZO brand value. We therefore strive to obtain and maintain trademark rights in all the countries where we sell our products.

■ Number of Patents Obtained by the EIZO Group



■ Areas the EIZO Brand Has Penetrated (Countries with Trademark Protection)



## Centralized Management of Intellectual Property for the Entire Group

We have centralized the management of all intellectual property (including patents, design rights, and trademarks) owned by the Group and encourage the creation of intellectual property Group-wide. We have also established a system to facilitate the use of intellectual property and sharing of related information among Group companies.

## Creating Intellectual Property and Obtaining Rights

We have introduced a survey and application procedure for patents and designs to our product development process with the aim of preventing missed opportunities for identifying new core and peripheral technologies created during the process.

Our goal is to ensure that every patent or design application technology is being utilized as a powerful patent or design right which is useful in our business. To achieve this, we strategically select target countries for the applications and develop a network of patents and design rights centered on application technologies.

In addition, we regularly assess the value of patents and design rights to manage our intellectual property appropriately.

## Encouraging the Creation of Intellectual Property

We have established and manage an incentive program for employee inventions to encourage staff to produce patents and designs. We also have an internal awards program for inventors and creators of patents and designs that have contributed to our business.

## Respect for Intellectual Property Rights

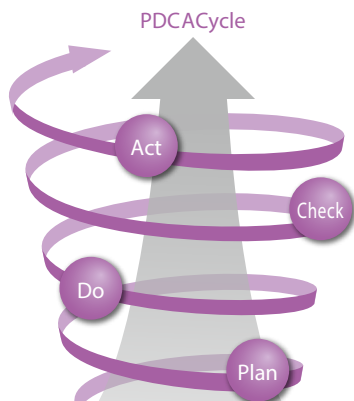
Beyond creating intellectual property, we also exercise the utmost care to ensure our products and applied technologies do not infringe upon any third-party intellectual property rights. In the event that a third party is found to have infringed upon the intellectual property rights of EIZO, we demand that appropriate action be taken to protect these rights.

## Quality Management Policy

The EIZO Group is committed to continually fulfilling customers' expectations by proposing and offering high quality products, services, and solutions, and therefore we will:

- 1 Aim to develop high-quality products by pursuing the world's highest level of technology.
- 2 Carry out our responsibility for environmental preservation by actively reducing our impact on the environment in every business activity, from product development to manufacturing, sales and service.
- 3 Set quality targets to be carried out and reviewed by all the employees in every business activity.
- 4 Establish a quality management system, periodically review it, and continually improve it to sustain its validity and suitability.
- 5 Respond to the trust of both medical professionals and patients by providing medical equipment with assured quality, effectiveness and safety.
- 6 Comply with legal and social requirements.

## EIZO's Quality Assurance System



Under our Quality Management Policy, we seek to deliver a sense of security and excitement to customers and other people who depend on EIZO products. We do this by constructing an integrated quality management system encompassing the entire process, from planning and development to manufacturing, sales and after-sales service.

Additionally, we have obtained certification under the international quality management standard ISO 9001 and ISO 13485 for medical equipment, and use these standards in our ongoing, voluntary efforts to enhance each process in the Group's quality management system.

## Planning and Development Process

EIZO is engaged in the planning and development of high-quality products based on its core competencies, which include video signal transmission technology, development and processing technology for display devices, image processing algorithms and environmental compliance. We maintain complete compliance with the rules, laws and regulations of each country as well as various certification standards at the development stage while also rigorously assessing risks for each market and application. Moreover, we verify processes based on reliability standards that reflect diverse events, including cases from both in and outside the company.

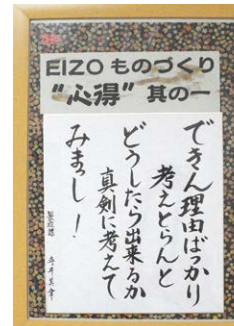
To offer a rapid, flexible response, which includes customizing products to meet customer needs, we maintain close collaboration with our development partners and suppliers throughout product planning and development.



## Manufacturing Process

At left are the comments of an employee involved in manufacturing EIZO products. Each employee works with a strong commitment to the manufacture of products with superior quality and reliability and that can be used with confidence.

To achieve and maintain high product quality, we provide specialized employee training for each task at the Training Center inside the manufacturing site. In addition, we are automating the production lines at our new factory building to raise the efficiency of production while reducing employee workload. We are also actively utilizing IoT to monitor product quality in real time to facilitate quick feedback.



Stop looking for the reasons why you cannot do it. Think seriously about how you can do it!!

## Sales and After-sales Services

EIZO conducts its sales and after-sales services through Group companies and distributors, constantly sharing the latest necessary information with them throughout our global network. To ensure that customers can use our products with confidence, we organize user training seminars. We also seek to minimize customer inconvenience when responding to their queries or to malfunction reports by creating a support system that enables us to take prompt action.

We will continue to strive to accurately understand what customers expect from our products and services. At the same time, we will reflect their opinions in the rigorous management of product safety while promptly disclosing information and developing new products.



## We will promote our manufacturing and business activities in an effort to reduce environmental impact.

Aware of the importance of environmental preservation as a common issue for all humankind, we are committed to doing our utmost to protect the environment in all aspects of our corporate operations, with a particular emphasis on efforts that result in environmentally sound products.

### Environmental Policy

We, the EIZO Group, are aware that our products have an impact on the environment. In our product development work we therefore consider friendliness to the environment to be part and parcel of product quality. We endeavor to supply our customers worldwide with products developed to common specifications that meet or exceed the environmental requirements of individual countries as well as our own environmental standards. We are conscious of the importance of environmental preservation as a common issue for all humankind and pledge to do our utmost to protect the environment in all aspects of our corporate operations.

- 1 We endeavor to constantly remain up to date on and to strictly adhere to environmental laws and standards applicable to our corporate operations and products, as well as other environmental preservation requirements of society at large. We determine environmental objectives and targets based on a clear understanding of such requirements as well as the environmental impact of our corporate operations and products. These objectives and targets are reviewed on a regular basis to achieve ongoing improvement of our environmental management system and performance.
- 2 At the research and development stage, we pay careful attention to the design of our products to minimize the consumption of resources and energy, ensure ease of recycling, and reduce the volume of toxic substances. Our aim is a continuous raising of our environmental standards.
- 3 In our corporate operations we give due consideration to conserving energy and resources. We work to reduce the volume of waste products generated by our operations and to dispose properly of all waste generated. We are engaged in positive efforts to promote the collection and recycling of used products discarded by consumers.
- 4 We constantly monitor the latest information related to the environment through our information network, which includes our overseas facilities and affiliated companies. We endeavor to share information appropriately by disclosing and disseminating details of our own environmental initiatives, and we work with others in common efforts aimed at preserving the environment.
- 5 We educate all company members and strive to deepen their awareness of environmental matters, while creating members of a team that will be committed to the effective use of natural resources and energy, and to the protection of our global environment.

### Environmental Management System

After establishing an environmental management system under our Environmental Policy, we obtained ISO 14001 certification\* in July 1998. Since then we have implemented measures for waste reduction and reduced resource and energy consumption. We have also taken a step further in light of a number of factors, including society's movement toward environmentally sound products and growing public interest in eco products, by operating our environmental management system, which emphasizes environmental targets centered on environmentally sound products.

\*EIZO MS Corporation, EIZO GmbH, EIZO Technologies GmbH, and EIZO Display Technologies (Suzhou) Co., Ltd. have also obtained certification.

#### Activities under the Environmental Management System

Enhancing the environmental performance of our business operations requires integrating them with our environmental protection activities. To do so, EIZO has environmental protection initiatives in place that comply with the revised ISO 14001:2015 standards under the leadership and control of the director responsible for environmental management. These initiatives are linked with management policies and business strategies set by top management. The Corporate Safety Section of the General Affairs Department is responsible for promoting our corporate activities while also managing the energy consumption of our facilities and equipment, chemical substances and waste. The Certified Standards Section of the Technology Management Department is responsible for our products, gathering environmental information from around the world and promoting the development of environmentally sound products.



#### Environmental Management System Audits

Our ISO 14001 certification was maintained and updated in fiscal 2017 after a third-party institution conducted an external audit. Internal audits and customer-led audits concerning chemical substance management have also been carried out in response to increased awareness of chemical substances in recent years.

## Environmental Targets/Performance Report

Scope: EIZO Corporation headquarters area, EIZO MS Corporation, and EIZO Display Technologies (Suzhou) Co., Ltd.

Environmental Themes	FY2017 Environmental Targets	FY2017 Actual Results	Self-evaluation	FY2018 Targets
Pollution control	<ul style="list-style-type: none"> <li>Assess risks for chemical substances</li> <li>Introduce a new format for managing chemicals in products (chemSHERPA)</li> </ul>	Assessed risks for chemical substances and reviewed new chemical substances Completed the renewal of the database on chemical substances in products (chemSHERPA)	○	Continue to perform reviews of new chemical substances and risk assessment of chemical substances
Sustainable use of resources	<ul style="list-style-type: none"> <li>Develop fully flat monitor products</li> <li>Explore lightweight structure technology</li> <li>Develop reuse products</li> <li>Reduce industrial waste</li> <li>Optimize inventory</li> <li>Effectively use waste materials</li> </ul>	Commercialize products with low impact on the environment • Deploy fully flat monitor products • Explore lightweight structure technology • Develop technology to reduce the weight of structure materials by 50%	○	Commercialize products that are more advanced in terms of having a lower impact on the environment • Increase the usage ratio of recycled materials in products • Optimize the use of plasticizer for cables and harnesses
		Efforts to curb waste generation and use reuse components	○	Explore with material makers a development possibility toward higher reusability
		Curb industrial waste emissions and copier paper purchase Industrial waste emissions: 375 t/year Purchase of copier paper: 6,450 kg/year	Shipped some products with reuse components  Industrial waste emissions: 349.4 t/year Purchase volume of copier paper: 5,833 kg/year	○
Climate change mitigation and adaptation	<ul style="list-style-type: none"> <li>Reduce energy consumption in business activities</li> <li>Comply with energy saving law</li> <li>Upgrade to energy-saving equipment (air conditioning, production facility, LED lighting, hybrid vehicles, etc.)</li> <li>Develop and expand sales of low electricity consumption products</li> </ul>	Energy consumption targets Electricity: 9.44 million kWh/year LPG: 130 t/year Kerosene: 18 kl/year	△	<ul style="list-style-type: none"> <li>Reduce energy consumption in business activities</li> <li>Energy consumption targets: Electricity: 9,287 kWh/year LPG: 124.4 t/year Kerosene: 16.7 kl/year</li> <li>Manage CO<sub>2</sub> emissions (calculate Scope 3 and obtain third-party certificates)</li> </ul>
		Comply with the energy saving law	○	Introduced energy management aimed at complying with the energy saving law  Obtain ISO 50001 certification
Environmental protection/biodiversity preservation	<ul style="list-style-type: none"> <li>Appropriately manage the environment of company premises</li> <li>Greening of premises</li> <li>Develop waterways around premises</li> </ul>	Planted trees and cared for the green areas on the company premises Cleaned up waterways around the premises on a regular basis Participated in Clean Beach Ishikawa and Nagisa Clean Activity	○	Plant trees on the company premises and continue to care for the green areas on the premises and surrounding waterways Participate in environmental conservation activities
Legal compliance and standards compliance		Continue green procurement	○	Continue green procurement
		Obtain ENERGY STAR 7.0 certification	○	Comply with the revised EPEAT and next TCO Certified
		Develop models compliant with TCO Certified Displays 7	○	

○: Results exceeding 75%, △: Over 50% and under 75%, x: Under 50%

### Status of Group Companies

The current status of Group companies is as follows.

• EIZO Display Technologies (Suzhou) Co., Ltd. (ISO 14001 certification: 2011)

Environmental targets applied to the EIZO Corporation headquarters area and EIZO MS Corporation (Hakui and Nanao factories) were also applied to EIZO Display Technologies (Suzhou) Co., Ltd. starting in fiscal 2012 to establish an environmental management system encompassing all three companies.

• EIZO Technologies GmbH (ISO 14001 certification: 2012) and EIZO GmbH (ISO 14001 certification: 2009)

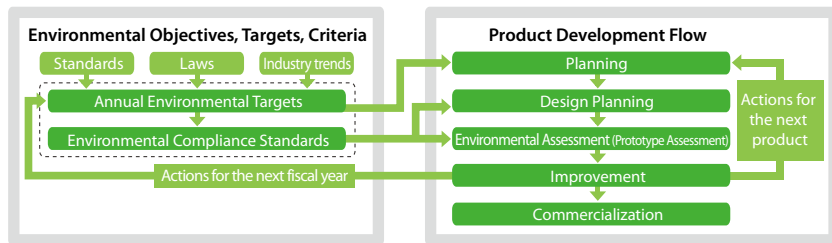
Both companies operate in accordance with local environmental conditions and regulations, including those for CO<sub>2</sub> emissions reduction, the 3Rs and management of chemicals.

## Basic Product Development Sequence

In product development, we endeavor to meet the legal requirement and standards as well as to enhance the environmentally sound quality of our products including compliance with the legal requirement and standards, domestic and overseas legal requirements and standards, industry trends and social conditions. In addition, we conduct product environmental assessments in accordance with our own Environmental Compliance Standards to measure the environmental soundness of products.

The standards are linked to our system for developing, implementing and meeting environmental targets for each fiscal year, and are revised every year toward improving the environmental soundness of our products. We also evaluate and control chemical substances throughout our supply chain in line with our Green Procurement Standards so that they comply with chemical substance regulations.

### Basic Product Development Sequence



## Green Procurement

### Our Philosophy on Green Procurement

Our Environmental Policy for preserving the global environment applies to all our business operations, and respect for the environment is incorporated into product development to create a recycling-based society.

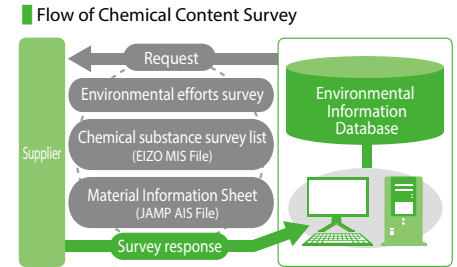
Our Green Procurement Standards were established to guide material procurement and to meet the expectations of customers and society as a whole by maintaining and strengthening our environmental preservation activities. The standards were also intended to fulfill our social responsibility by enabling us to quickly respond to the evolving environmental rules and regulations in each country.

Our suppliers' efforts to reduce environmental impact and preserve the environment are just as important to us as their quality, prices, delivery schedule, services and technological excellence. In selecting products, parts and materials, including packaging, we place higher priority on those that are environmentally sound as well as meeting our quality, function and cost requirements.

These efforts are helping to reduce the environmental impact of our business operations while at the same time expanding markets for environmentally friendly products.

## Management of Chemical Content Information

Amid growing concern for the environment across the globe, we voluntarily monitor chemical substances toward obtaining certifications for environmental standards in Japan and overseas, and support our green procurement efforts. These efforts include surveying the environmental activities of our suppliers and the chemical substances contained in the parts we procure from them. We have established a database for collecting and managing the results of these surveys to determine which suppliers and materials best align with our values, and we also use the information in evaluating the environmental compliance of our own products.



## Compliance with Environmental Standards and Legal Requirements

In our effort to proactively develop environmentally sound products, we observe the legal requirements of Japan and other countries and comply with major voluntary environmental standards in each market for our flagship products.

In Europe a number of regulations are being enforced, including the WEEE Directive (collection and recycling of discarded electrical and electronic equipment), the RoHS Directive (use of certain hazardous substances in electrical and electronic equipment), the REACH Regulation (registration, evaluation, authorization and restriction of chemicals) and the ErP Directive (eco-designing for energy-related products). These regulations were developed in Europe; however, they have been playing an important role in encouraging other countries and regions to take similar steps. Our products comply with these regulations.

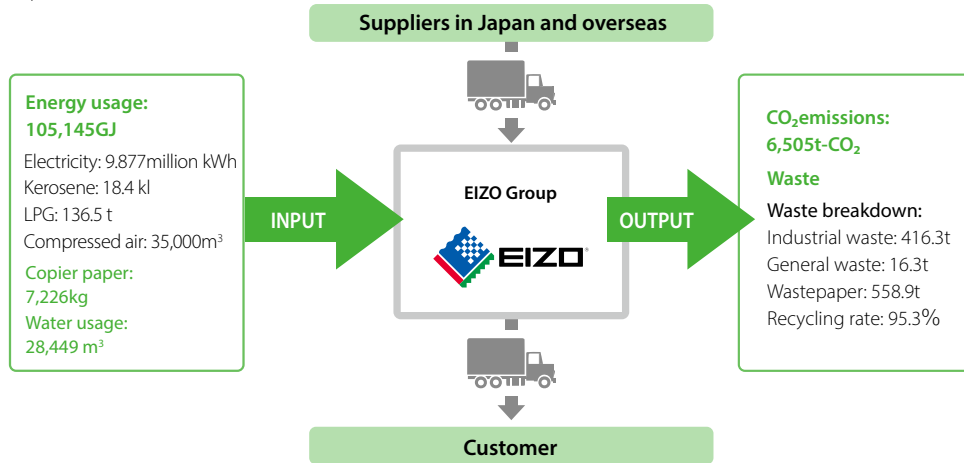
We also respond to environmental labeling standards such as TCO Certified Display 7 (international comprehensive standards for monitors), EPEAT (international environmental standard for PCs/monitors), ENERGY STAR 7.0 (energy efficiency standard established in the United States) and PC Green Label (Japanese environmental standard for PCs/monitors). In addition, we are actively involved in the development of TCO, ENERGY STAR and PC Green Label.

EIZO will continue to focus on developing green products while keeping an eye on the development of environmental labeling.



## Overview of the Environmental Impact of Our Business Operations

(Scope of calculations: six areas as listed below)



### Environmental Impact by Area

Area	EIZO Corporation headquarters area	EIZO MS Corporation		EIZO Display Technologies (Suzhou) Co., Ltd. (China)	EIZO GmbH (Germany)	EIZO Technologies GmbH (Germany)	Total	
		Hakui factory	Nanao factory					
Operations	Development and manufacturing (assembly) of monitors	Production of circuit boards	Assembly of monitors	Development and manufacturing (assembly) of monitors	Development and manufacturing (assembly) of monitors	Development and manufacturing (assembly) of monitors		
Energy usage (GJ)	60,944	29,068	9,024	1,632	1,471	3,006	105,145	
Energy Resources	Electricity (10,000 kWh)	544.7	291.6	90.5	16.4	14.4	987.7	
	Kerosene (kl)	18.4	-	-	-	-	18.4	
	LPG (t)	136.5	-	-	-	-	136.5	
	Compressed air (10,000 m³)	-	-	-	-	3.5	3.5	
Copier paper (kg)	4,569	815	168	281	1,393	-	7,226	
Water usage (m³)	22,588	2,365	2,611	885	-	-	28,449	
CO <sub>2</sub> emissions (t-CO <sub>2</sub> )	3,810	1,820	565	108	66	136	6,505	
Waste	Industrial waste (t)	226.2	37.8	85.4	-	48.6	18.3	416.3
	General waste (t)	11.9	2.5	0.9	-	1.0	-	16.3
	Wastepaper (t)	319.3	68.1	136.1	-	21.2	14.2	558.9
	Recycling rate (%)	98.8	98.0	99.5	-	70	-	95.3

## Environmental Risk Management

### Facility Management

In principle, we ensure compliance with stringent voluntary management standards, including standards not bound by law.

### Regulatory Compliance

We comply with Japanese regulations governing corporate activities such as the Air Pollution Control Act, the Water Quality Pollution Control Act, and the Waste Disposal and Public Cleansing Act by collecting information on revisions and new regulations and by regularly monitoring and measuring the status of our response. Our emissions of air pollutants NOx, SOx, soot and dust are regularly measured in accordance with the Air Pollution Control Act and have remained well below the legal limit. In addition, we adhere to our own voluntary management standards, even in operations for which there are no applicable laws. No compliance problems were found in fiscal 2017, and no administrative guidance, admonitions, orders or reprimands were received.

## Energy Consumption and Greenhouse Gas Emissions

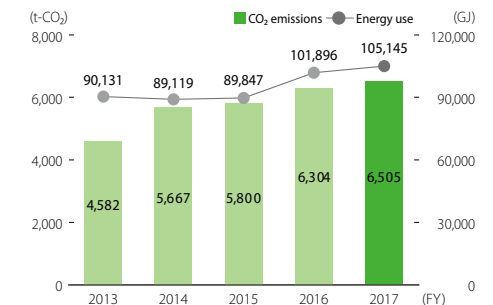
Since the new test and evaluation building in the EIZO Corporation headquarters area began operating in April 2017, energy use has increased.

During the same period, we set up the Energy Saving Promotion Committee to improve our energy use and drive changes at our facilities to save energy, including the replacement of lights with LEDs.

In January 2018, we started purchasing power from the so-called Power Producer & Supplier for the area around the EIZO Corporation headquarters and have since indirectly contributed to the reduction of greenhouse gas emissions related to electricity use.

Since Group companies in Germany were added to the scope of calculations in fiscal 2016, there is no continuity between data for this year and that for fiscal 2015 and earlier.

### Emissions of Greenhouse Gases (Japan, China and Germany)



\*Calculations of CO<sub>2</sub> emissions associated with electricity use are based on the conversion factor of Hokuriku Electric Power Company for Japan and the calculation methods of each country.

### Scope 3 Greenhouse Gas Emissions

In fiscal 2017, for five of the categories shown in the following table, we extended the scope of calculations to include not only our domestic consolidated companies but also those overseas. We have yet to compile data for all the categories and to unify the scope of data; however, we intend to continue to improve the accuracy of our calculations.

Category	CO <sub>2</sub> Emissions(t-CO <sub>2</sub> )	Composition (%)	Scope of Data
1 Purchased goods and services	128,458	21.9	EIZO Corporation headquarters
2 Capital goods	4,910	0.8	Consolidated
3 Fuel and energy-related activities not included in Scope 1 or 2	350	0.1	Consolidated
4 Upstream transportation and distribution	524	0.1	Shipment volume of products as cargo owner
5 Waste generated in operations	262	0.1	Consolidated
6 Business travel	603	0.1	EIZO Corporation headquarters
7 Employee commuting	731	0.1	Consolidated
11 Use of sold products	451,875	76.9	Consolidated
12 End-of-life treatment of sold products	30	0.0	Consolidated
<b>Total</b>	<b>587,743</b>	<b>100.00</b>	

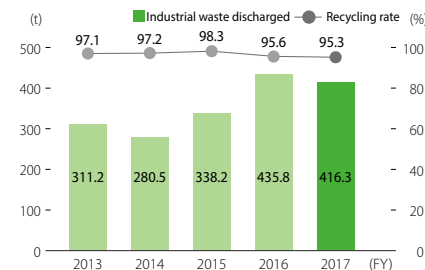
### Water Use

We use only groundwater in the area around EIZO Corporation's headquarters (affiliated companies use the public water supply). We monitor water usage and wastewater discharge to reduce the risk of subsidence and stress on wastewater treatment systems. Moreover, we use water in our corporate buildings as well as for a snow melting system and for watering plants in the summer. Our manufacturing processes do not use any water.

### Industrial Waste

Our total volume of industrial waste is still large, despite having decreased compared to the previous year. A major factor is the increased size of packing materials to accommodate larger liquid crystal display panels, procured externally. Since Group companies in Germany were added to the scope of calculations in fiscal 2016, there is no continuity between data for this year and that for fiscal 2015 and earlier.

Discharge of Industrial Waste and Recycling Rate



### Appropriate Management of Chemical Substances

We closely manage the kerosene, organic solvents and other chemical substances we use in our business activities so that we maintain compliance with regulations such as the Fire Service Act and Industrial Safety and Health Act.

### Collection and Recycling of Used Products

The EIZO Group has been collecting and recycling used products in compliance with environmental laws and regulations in each of the countries where it operates.

#### Japan

##### Collection of Used EIZO Products from Homes

In compliance with the Waste Disposal Act and the Law for Promotion of Effective Utilization of Resources, EIZO established its Product Collection and Recycling System for the free collection of home-use monitors purchased after October 1, 2003, in accordance with the PC Recycling Mark program.

End-of-Life EIZO Monitors (for Home Use) Collected in FY2017		
	CRT Monitors	LCD Monitors
Volume in Weight (kg)	10,666.1	10,479.0
Quantity (units)	432	1,497
Recycled volume (kg)	7,463.6	9,131.8
Recycling ratio (%)	70.0	87.1

##### Collection of Used EIZO Products from Corporate Users

In compliance with the Waste Disposal Act and the Law for Promotion of Effective Utilization of Resources, we have been collecting and recycling used products for business use under our Product Collection and Recycling System.

End-of-Life EIZO Monitors (for Business Use) Collected in FY2017		
	CRT Monitors	LCD Monitors
Volume in Weight (kg)	543.2	896.0
Quantity (units)	22	128
Recycled volume (kg)	393.2	694.3
Recycling ratio (%)	72.4	77.5

#### Europe

In August 2005, the European WEEE Directive went into effect with the aim of reducing environmental impact through promotion of the 3R's of reduce, reuse and recycle for discarded electrical and electronic equipment. EIZO has complied with the directive by establishing a collection and recycling system for applicable products sold in Europe.

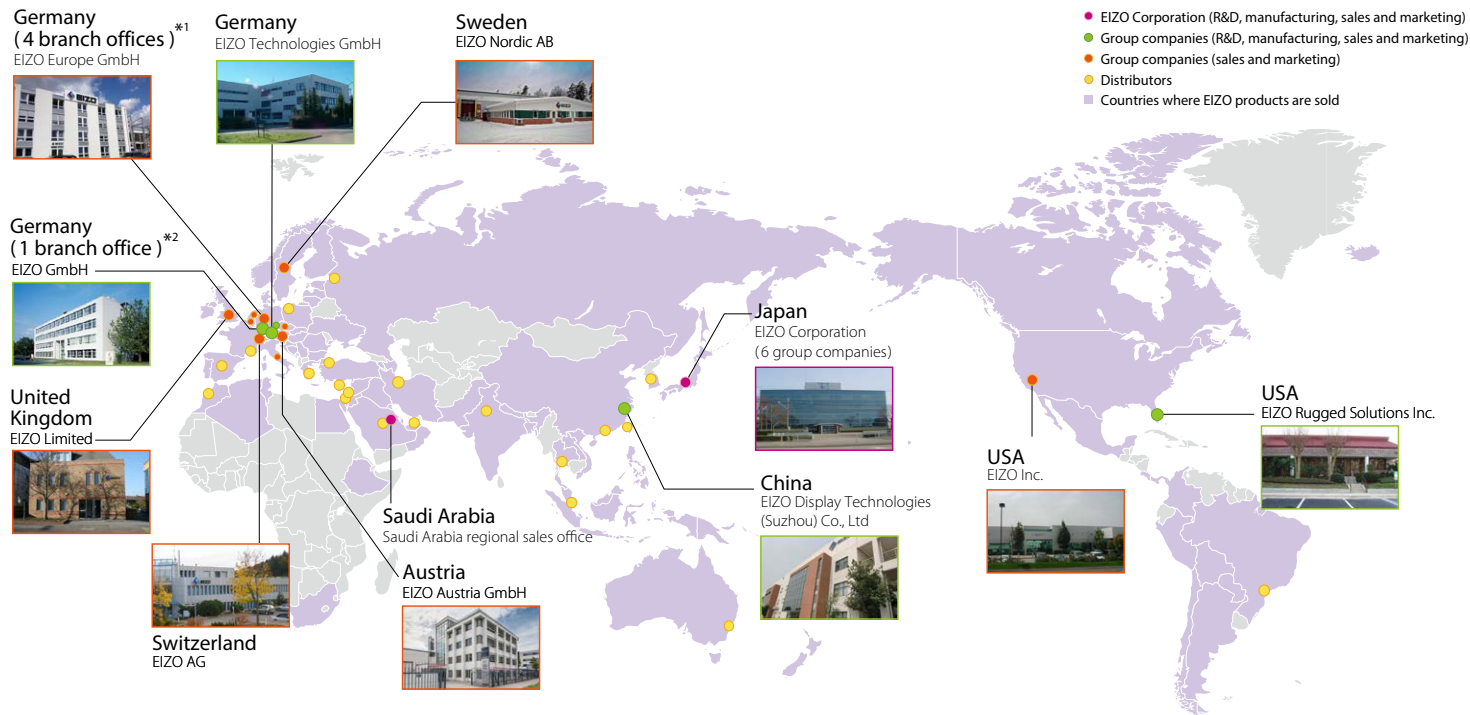
#### United States

EPEAT standards require the provision of collection services for used electric/electronic equipment based on the "Plug-In to eCycling Guidelines for Materials Management" issued by the United States Environmental Protection Agency (EPA). EIZO has met this requirement by establishing a collection and recycling system for applicable products sold in the United States.

## We will act as an international corporation with a global outlook and mindset.

In order to ensure the delivery and ongoing worry-free use of our products worldwide, our Group companies and distributors in various countries maintain strong mutual relationships to support customers and achieve sound corporate growth.

EIZO is represented in over 80 countries and regions worldwide by a network of 17 Group companies and 20 distributors.

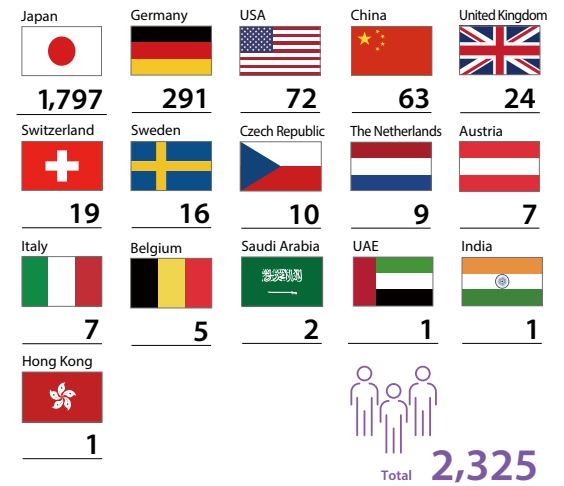


\*1 EIZO Europe GmbH is headquartered in Germany with branch offices in Belgium, Italy, the Netherlands, and the Czech Republic.

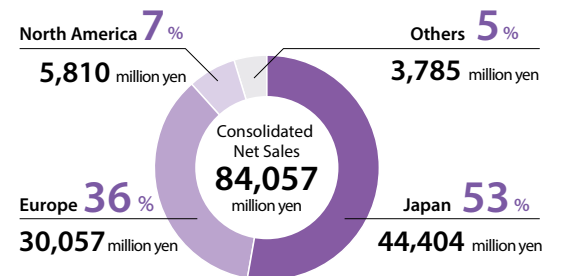
\*2 EIZO GmbH is headquartered in Karlsruhe with a branch office in Plauen.

### Numbers of Employees by Country

(as of March 31, 2018, includes temporary workers)



### Composition of Net Sales by Region (FY2017)



Net sales figures are broken down by country or territory where the customers are located.

## Development and Production Network Coherent Development and Production System

The EIZO Group has three production sites in Japan, Germany, the United States and China, forming a network that maintains a coherent development and production system throughout the Group. This enables us to apply stringent quality control from development to production, promote the creation of development synergies that maximize the strengths of each base, and construct an optimal production system for each market and customer. In addition, we promptly share information obtained in the course of development and production along with opinions and requests obtained from markets and customers to incorporate into product development and customer support.

## Sales Network Group Companies and Distributors

EIZO products are sold in more than 80 countries and territories through our Group companies and 20 global distributors (as of June 2018).

### Direct Sales System in Europe

Our business extends to healthcare, graphics and V&S (Vertical & Specific) markets. Customers in these markets demand direct, ongoing communication with the manufacturer as well as solid global support. To effectively respond to these specific market environments and diversified sales channels, we have sales subsidiaries in the United States, United Kingdom, Germany, Switzerland and Sweden. We strive to achieve further business growth in Europe by reinforcing regional sales in North America and Europe. Furthermore, to expand our sales activities into emerging markets, where our specialized markets are expected to grow, we have employed local sales staff in Saudi Arabia, the U.A.E. and India and are enhancing our approach to customers.

### One Country/Territory, One Distributor System

From the very beginning of selling proprietary products outside Japan, we have adopted a one country/territory, one distributor system, in which a single distributor (or Group company) is responsible for all sales within a given country or territory. This unique system enables us to accurately discern customer needs in each country or territory by distributors or Group companies that fully understand the culture and values of their respective regions and provide optimal products. It also allows us to offer products through sales methods that are appropriate for each country or territory.

## EIZO United

Group companies and distributors gather once a year at the EIZO Corporation headquarters to participate in technology showcase and general and individual meetings to deepen their understanding of EIZO products. They also exchange information on their respective activities to broaden their collective base of knowledge and forge closer ties among Group companies and distributors.



## Mindset as an International Corporation—Efforts Related to Conflict Minerals

We are deeply concerned that some important mineral resources used as raw materials for components of IT and electronic products and quarried in troubled regions of the Democratic Republic of the Congo and its nine neighboring countries are used to fund military groups that abuse human rights and destroy the environment. Given this concern, the Dodd-Frank Act of the United States requires that efforts be made to ensure that designated conflict minerals, including tantalum, tin, gold and tungsten, are only purchased through legal means with no connection to potential misconduct. The EIZO Group endorses these requirements and has adopted its own policy of using only parts made of raw materials purchased from companies that are not involved in any misconduct and that conduct business lawfully. In addition, to fully comply with this policy, the EIZO Group has been reviewing its entire supply chain using the Conflict Minerals Template, a widely-adopted international standard format developed by the Responsible Minerals Initiative (RMI), of which the EIZO Group is a member.

## We will conduct open and fair trade.

Our suppliers are essential partners for ensuring the long-term viability of our business. We therefore ensure that transactions are conducted in a fair and equitable manner and strive to forge relationships of trust based on mutual prosperity.

### Relationships of Trust Based on Mutual Prosperity

With respect to our suppliers, we are committed to forging relationships of trust based on mutual prosperity to build successful, long-term partnerships, and we strive to conduct transactions that are fair, equitable and transparent. In overseas sales, authority is delegated in each country to Group companies and distributors who are knowledgeable about local culture and values. This has enabled us to actively engage in overseas sales based on a deep understanding of our products. We have sought to expand sales by building on the relationships of trust and powerful partnerships we have developed over time, cooperating with distributors in organizing exhibitions, and providing customer support.

### Enhancing Employee Awareness

Conducting transactions in a fair and open manner requires that each employee have the necessary level of knowledge and awareness. We seek to deepen their understanding and awareness with a steady flow of compliance information through our intranet and study sessions. Related topics include anti-trust regulations directly associated with business transactions. They also include procedures for handling confidential information, as required by regulations that prohibit insider trading and that govern relationships with suppliers.

### Handling Information Obtained through Suppliers

We obtain confidential information from suppliers and customers through proper channels and will not seek to obtain or use information that is known to have been improperly obtained or disclosed. In addition, we pay the utmost care in handling the information that we have obtained and in managing it follow the appropriate procedures.

### Unequivocal Prohibition of Bribery

We do not offer money or other benefits in violation of the law governing relationships with public servants and employees of public institutions. Likewise, in our relationships with suppliers, we do not offer or accept entertainment, gifts or benefits that violate the law or deviate from generally accepted business practices, and we are explicit in communicating our corporate stance to ensure that they understand it.

### EIZO Supplier Code of Conduct

The company established the EIZO Supplier Code of Conduct to ensure that sound business operations are being undertaken globally and under the EIZO Group Principles of Conduct. We will pursue CSR

through our business activities as well as with our suppliers by asking all business partners involved in procurement to actively promote CSR activities, including compliance, respect for human rights, environmental preservation, and safety and health.

### Supplier Declaration

We obtained an agreement on compliance with the EIZO Supplier Code of Conduct in the form of Supplier Declarations from all business partners involved in procurement. The suppliers conduct self-checks on the status of implementation and compliance in an effort to improve and enhance their operations.

### Basic Procurement Policy

We deal with suppliers on an equal opportunity basis in accordance with procurement policies. In conducting transactions, we select suppliers who meet our standards as listed below.

#### Selection Standards for Suppliers

- ① Sound management
- ② Technological excellence that will contribute to the quality of our products
- ③ Appropriate quality, prices and delivery schedules for products and materials to be supplied to us
- ④ Stable supply capacity and ability to respond flexibly to fluctuations in demand
- ⑤ Compliance with relevant laws, consideration for the environment and an active involvement in environmental preservation

### Developing Mutual Understanding with Suppliers

As a manufacturing company striving to create excellent products that satisfy customers around the world through our primary business operations, we place high priority on controlling quality, delivery schedules and the cost of parts and materials procured from suppliers as well as confirming that supplier operations are environmentally sound. We provide opportunities for regular exchanges of information to address these issues and ensure that our suppliers share a common understanding with us in regard to each other's management policies and technical strategies.

#### Materials Procurement Briefing

We conduct regular briefings with our suppliers to explain our basic procurement policy and request their cooperation. Also, we share information on the market environment and our future direction. These briefings, attended by many suppliers, contribute to a greater understanding of EIZO and are used to gather information for subsequent incorporation into business decisions.





**We will seek to build and maintain strong bonds of trust with our stakeholders (business partners, employees, shareholders, and the local community).**

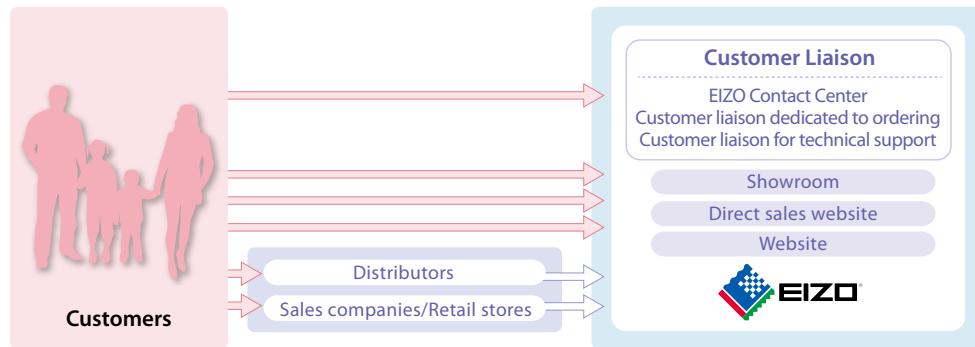
We will sincerely engage with stakeholders to forge closer bonds of trust through communication channels while fulfilling our responsibilities.

Relationship with Each Type of Stakeholder			
EIZO's Stakeholders	EIZO's Responsibility	Objectives	Approaches
Customers P.25	In addition to offering products that satisfy customers, we listen closely to their feedback and provide useful support.	<ul style="list-style-type: none"> <li>• Creating and offering products with new value</li> <li>• Developing products from the customer's standpoint</li> <li>• Responding clearly to questions and inquiries</li> <li>• Thoroughly responding to customer requests and feedback</li> </ul>	<ul style="list-style-type: none"> <li>• Developing better products</li> <li>• Setting up Contact centers as customer liaison points                             <ul style="list-style-type: none"> <li>– Responding to questions and inquiries before and after purchase</li> <li>– Pre- and post-sales technical support</li> </ul> </li> <li>• Sharing information with relevant departments and considering incorporation into products</li> <li>• Interacting with customers at showrooms and through direct dialogue</li> <li>• Providing and collecting information through participation in trade shows</li> <li>• Providing timely information via the corporate website</li> </ul>
Suppliers P.23	We view suppliers as essential and important partners in the continuation of our business, and forge powerful relationships by sharing management policies and technical strategies.	<ul style="list-style-type: none"> <li>• Building relationships of trust</li> <li>• Fair business transactions</li> <li>• Explaining corporate policy and broadening understanding among suppliers</li> </ul>	<ul style="list-style-type: none"> <li>• Sharing information and creating mutual understanding as partners</li> <li>• Establishing selection standards, dealing with suppliers on an equal opportunity basis</li> <li>• Holding material procurement briefings</li> </ul>
Employees P.29-31	We are a company focused on creative development that requires the imaginative ideas and powerful motivation of its employees. We therefore work to create a broadminded corporate climate and a workplace in which employees have a sense of security, and we support our employees in their self-development.	<ul style="list-style-type: none"> <li>• Motivating workplace environment</li> <li>• Developing excellent personnel</li> <li>• Promoting work-life balance</li> <li>• Securing safety and health</li> </ul>	<ul style="list-style-type: none"> <li>• Providing various educational programs</li> <li>• Supporting self-development activity</li> <li>• Creating workplaces that reflect employee opinions and sound labor-management relations through consultation conferences</li> </ul>
Shareholders P.26	We strive to gain the understanding and trust of our shareholders by providing fair and accurate information on management policies, business strategies and financial performance, and by maintaining transparency in our corporate management.	<ul style="list-style-type: none"> <li>• Timely and appropriate disclosure of information</li> <li>• Enhanced corporate value</li> </ul>	<ul style="list-style-type: none"> <li>• General shareholders meeting (holding informal gatherings)</li> <li>• Stable dividend payment</li> <li>• Investor relations</li> </ul>
Local Community P.26	We seek to build solid relationships with the local community to gain their understanding and cooperation in pursuing our business operations. We are committed to fulfilling our responsibilities as a corporate citizen.	<ul style="list-style-type: none"> <li>• Preventing accidents and disasters at each business site</li> <li>• Protecting the regional environment</li> <li>• Cooperating with regional development and promoting culture</li> </ul>	<ul style="list-style-type: none"> <li>• Receiving company visits</li> <li>• Sponsoring various events and organizations</li> <li>• Supporting environmental conservation activities</li> <li>• Corporation with Local Community and association</li> <li>• Participating in local voluntary activities</li> </ul>

## Relationships with Customers

We provide product information on our Website, at our showrooms and through sales and promotional activities. Also, we strive to communicate directly with customers through various channels in order to answer their questions fully and respond to their requests and feedback.

### Feedback System for all Types of Customer Input



### Customer Liaison

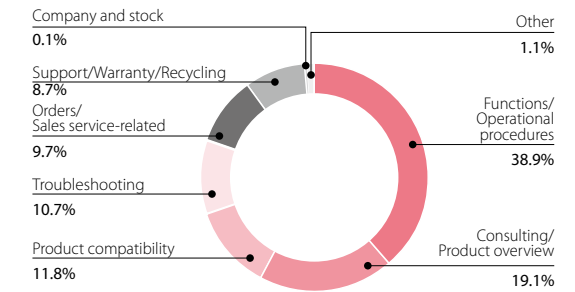
Each Group company has set up a customer liaison process (including access by phone or e-mail) to receive inquiries and questions related to EIZO products and technology. Customer inquiries and requests are promptly shared and appropriately addressed within the company, relevant departments and the Group. They are also utilized to guide product development and prepare the information we provide to customers.

Group Company	Responses
EIZO Corporation (Japan)	<ul style="list-style-type: none"> <li>• Set up a dedicated liaison for responses by phone, e-mail and fax</li> </ul>
EIZO Technologies GmbH (Germany)	<ul style="list-style-type: none"> <li>• Set up a dedicated liaison for responses by phone and e-mail</li> </ul>
EIZO Limited (United Kingdom)	<ul style="list-style-type: none"> <li>• Provides customer support and technical support by e-mail</li> </ul>
EIZO Inc. (United States)	<ul style="list-style-type: none"> <li>• Provides a dedicated liaison for after-purchase inquiries over the phone</li> <li>• Offers an e-mail address for general inquiries</li> </ul>

### EIZO Contact Center (Japan)

The EIZO Contact Center in Japan responds to customers with answers to their inquiries related to product specifications and functions as well as consultations related to purchasing products, by phone, e-mail and fax.

### Calls to the Contact Center (from June 1, 2017 to May 31, 2018)



### Showroom

Visitors can test the performance of our products while trying out their functions at our showroom, which also serves as a space for communicating with customers.

### EIZO Galleria Ginza (Japan)

EIZO Galleria is a showroom located in the Ginza district of Tokyo. Our dedicated onsite staff introduces products and provides advice to customers who want to know more about them. Here our seminars, which have been well received, on a variety of topics also provide information on the operating environments of computers for office and home use and on more effectively using EIZO products. Moreover, the showroom is used as a communication space for other types of events such as exhibitions of photographs taken by customers.

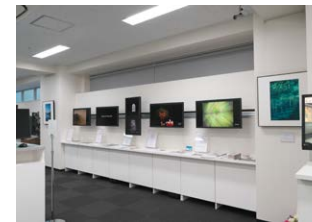
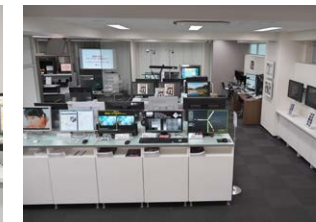


Photo exhibition



Showroom



Seminar room

## Relationships with Shareholders

We conduct investor relations activities based on the principle of providing fair and accurate information on management policies, business strategies and financial performance to all stakeholders.

### Basic Policy on Information Disclosure

We disclose information in a timely and appropriate manner in compliance with the Financial Instruments and Exchange Act and related regulations as well as the "Timely disclosure rules and other regulations for issuers of listed negotiable securities or valuable instruments" of the Tokyo Stock Exchange. We strive to ensure any material information that may affect investment decisions is delivered to all market participants in an equitable manner.

### General Shareholders Meeting

We schedule our annual general shareholders meeting while taking the convenience of shareholders into careful consideration. Invitations are sent far in advance to provide enough time for shareholders to examine the proposed resolutions and the state of our operations. Furthermore, we provide opportunities for direct communication with our shareholders, such as by displaying products and holding informal meetings with shareholders on the occasion of the general shareholders meeting.

### Company Presentations for Investors

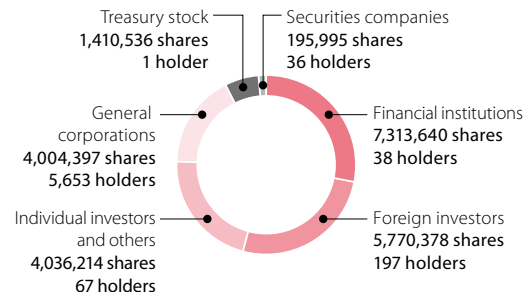
We invite institutional investors to our semi-annual earnings results briefings in Tokyo, where we report on our business direction, activities and performance. Also, we hold briefings for individual investors to promote a greater awareness of our company.

### Status of Shares and Shareholder Composition

#### Status of Shares (as of March 31, 2018)

Shares authorized	65,000,000
Shares issued	22,731,160
Shareholders	5,992

#### Distribution of Shares by Shareholder Type (as of March 31, 2018)



## Relationships with Local Communities

We seek to build and maintain good relationships with the local communities in which we operate. Also, we will contribute to developing these areas and creating better environments as a community member by sponsoring and funding local organizations and activities.

### Examples of Contributions to Local Communities

#### EIZO Corporation (Japan)

- Participation in beach cleanups in Hakusan City
- Cooperation with the Ishikawa Keiei Tensho Juku (an educational project for young corporate managers and future entrepreneurs who will bear responsibility for the future of the regional economy) through operational advice and lectures
- Sponsorship and support of cultural and sports activities in Ishikawa Prefecture
- Cooperation as an executive committee member and co-sponsor of the Ishikawa Kanazawa Spring Green Music Festival



Participation in a beach cleanup in Hakusan City

#### EIZO GmbH (Germany)

- Participation in and donation to a charity run sponsored by an organization that supports local hospitals in promoting the early diagnosis and treatment of childhood cancer patients



Runners wearing T-shirts with the EIZO logo

#### EIZO Inc. (USA)

- Donation to activities supporting breast cancer treatment

#### EIZO AG (Switzerland)

- Donation to an organization that supports the Special Olympics and sports activities by children with disabilities

#### EIZO Limited (United Kingdom)

- Donation to a charity run sponsored by an organization supporting sick children and their parents and funding for its new facilities
- Co-sponsorship of a graduation exhibition held by students at the Central Saint Martin's Design University
- Organizing of a workshop by a professional photographer at a local school
- Gardening for an institution for child patients with a serious disease
- Donation to a charity organization supporting activities for children around the world



Gardening at the medical institution for children

### COLUMN

#### EIZO Pink Ribbon Day

Besides our breast imaging monitor being instrumental in terms of accurate diagnosis and the early detection of breast cancer, we participate in and sponsor academic conferences and other activities related to breast cancer as means of diffusing the importance and uses of such monitors. On EIZO Pink Ribbon Day at our domestic and overseas sites, we have worn pink clothing or accessories and have deepened our understanding of this disease.



EIZO employees overseas in the same pink shirts.

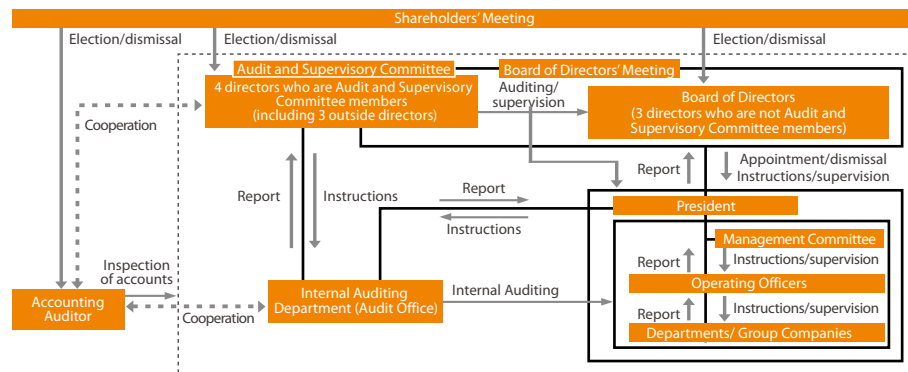
## We will strictly respect and comply with both the letter and the spirit of the law as a good corporate citizen.

We seek to gain stakeholder trust by consistently generating corporate value as a Group. In doing this we believe that we must enhance our corporate governance and raise the compliance awareness of each employee.

### Corporate Governance

We strive to be a company that builds and maintains relationships of trust with stakeholders who support us and consistently enhances its corporate value. To this end, ensuring sound, transparent and efficient management is essential, as is viewing the ongoing enhancement of corporate governance as a vital management concern.

#### Corporate Governance System



#### Board of Directors

The Board of Directors, composed of three directors who are not members of the Audit and Supervisory Committee and four directors who are members of the Audit and Supervisory Committee, bases its decisions on frank discussions while also striving to strengthen its supervision of management. The board meets on dates scheduled for each fiscal year and as needed. All important matters related to the company's decisions are discussed, and status reports on the execution of operations are presented on a regular basis.

Three of the four directors who are members of the Audit and Supervisory Committee are outside directors (as of June 21, 2018). They maintain no special interests in the company and therefore act in a highly independent capacity. The outside directors participate in decision-making on important matters from an objective and impartial standpoint while auditing and supervising the execution of operations by directors. We have selected all the outside directors mentioned above as independent directors as stipulated under the Tokyo Stock Exchange regulations.

#### Management Committee

The Management Committee is mainly composed of full-time directors and operating officers and is convened as required to accelerate strategic decision making, respond to important issues and deliberate or report on the status of operations and other matters.

#### Operating Officer System

We have introduced an operating officer system to separate the supervision of management and the execution of operations while accelerating the pace of operational execution.

#### Audit and Supervisory Committee

Our Audit and Supervisory Committee is composed of four members including three outside directors. It meets on dates scheduled for each fiscal year and as needed. Its members audit and supervise the execution of duties by directors in accordance with the audit policy, plans and other committee decisions. These audits and supervisory functions are conducted through the investigation of operations and assets by attending the Board of Directors and other important meetings in cooperation with the Internal Auditing Department and Internal Control Department.

### Internal Auditing System

The Internal Auditing Department carries out internal audits in accordance with the Basic Annual Audit Plan, based on the Basic Regulations on Internal Audits, which specifies audit policies. All findings of these internal audits are reported to the president. The Internal Auditing Department is composed of two members. An auditor who has wide knowledge of the departments to be audited is separately appointed to carry out the audit.

### Internal Control System

We have a basic policy underlying a system that ensures directors execute their tasks in compliance with the law and articles of incorporation, along with a system for ensuring the appropriateness of other operations. Under this Basic Policy on Internal Control System, we have proceeded to develop related systems and to complete the groundwork for managing our internal control systems. An internal control system concerning financial reporting is also in place in accordance with the Financial Instruments and Exchange Act.

### Risk Management

As part of our development of an internal control system, we have established and operate a risk management system to integrate and centralize the management of risks that could affect our business activities. Risk management is supervised by the Management Conference and the Risk Management Committee, and risks identified by each department are examined by the committee. Any risk that could have a significant impact on our business is identified as a material risk by the Management Committee. Appropriate countermeasures are discussed and implemented.

In view of the increasingly global nature of our business, we expanded the scope of risk identification and evaluation to include Group companies in and outside Japan.

### Business Continuity Plan (BCP)

To be prepared in the event of a major disaster and other incidents, EIZO formulated a BCP disseminated throughout the company. Particularly with regard to our BCP for disaster response, we have established procedures for restoring critical operations and resuming the supply of our products within one month, in addition to confirming employee safety and facilitating necessary rescue operations in the immediate aftermath of a major disaster.

## Compliance

### Our Approach

We have established an organizational structure for guaranteeing compliance and have been developing measures and systems to ensure effectiveness. We are steadily promoting these measures in accordance with an annual plan from a long-term perspective.

### Compliance Training

For officers and other employees, regulatory and other related information are always available on the corporate intranet, and we regularly provide training material to encourage them to update and enhance their knowledge. We also organize study groups for each job position, such as officers, managers and new employees to establish full awareness of the role and importance of compliance and cultivating an ethical mindset.

We established the EIZO Group Principles of Conduct – The Seven Promises to clarify our corporate philosophy and action guidelines in concrete terms and to serve as a standard in decision-making, evaluation and in the actions undertaken through the course of our business activities and seek to instill a thorough awareness among all Group officers and employees in Japan and overseas.

### Strengthening the Information Management System

We ensure the proper handling of important information managed internally, including confidential information and personal information, in accordance with our established guidelines. We have also appointed an information management representative with overall responsibility for establishing a company-wide information management system.

### Internal Whistle-Blowing System

To further strengthen our compliance system, we set up a liaison point both inside and outside the company to provide answers to questions and advice on problems concerning legal issues or the content of the Principles of Conduct, which may arise in the course of our operations. In addition, we strive to ensure early detection of illegal activity or misconduct and to prevent misconduct by operating a whistle-blowing system that requires officers and employees to report to the liaison point immediately upon learning of activities in violation of laws or ethics, regardless of their own involvement. We ensure that the privacy of the whistle blower is protected and that the individual will not be placed at any disadvantage for reporting the violation.

## We will respect basic human rights and value a broadminded corporate culture.

EIZO is a company focused on creative development that requires the imaginative ideas and powerful motivation of all its employees. We therefore take various measures to create a broadminded corporate culture by developing an environment that encourages the free exchange of opinions and a workplace in which employees have a sense of security. Much of our top management at overseas Group companies is composed of local personnel, and we pay due consideration to the diversity of each country's cultures and customs in order to create the most suitable working environments.

### Laying the Foundations for a Motivating Workplace

We undertake various activities to create a motivating workplace environment that cultivates excellent human resources for the sake of the long-term growth of our personnel as well as further corporate development.

#### Employment

To ensure that EIZO continues to develop cutting-edge visual technology for creating and offering new values as a company focused on creative development, we are expanding our engineering staff and creating a motivating workplace for our employees.

##### EIZO Group as of March 31, 2018

	Japan	Overseas	Total
Number of employees (including temporary workers)	1,635	512	2,147
	Male	341	1,233
	Female	171	914
Engineering staff included in the above numbers	341	88	429
Average age	39.9	44.2	40.9
Average length of service	14.2	11.3	13.5

##### EIZO Group in Japan

Graduate recruits (joined the company in April 2017)	39
Mid-career recruits (joined the company between April 2017 and March 2018 (full-time))	26
Average annual working hours (FY2017)	1,964

#### Developing Trust-Based Labor-Management Relations

Mutual understanding is the cornerstone of labor-management relations. In keeping with this fundamental point, we endeavor to develop trust in labor-management relations by encouraging dialog through the establishment of a consultation conference. These conferences discuss a wide range of topics, from labor-management agreements and reduction of overtime to ways for improving the work-life balance and employee benefit packages. We also maintain good labor-

management relations at Group companies under the specific circumstances of each country or company. As a result, the EIZO Group maintains a high retention rate, which contributes to medium- to long-term human resource development and business operations.

##### Turnover Rate of Young Employees (within One Year of Joining the Company): EIZO Group (in Japan)

2015	2016	2017
4.08%	2.56%	2.94%

#### Promoting the Careers of Persons with Disabilities

Persons with disabilities are engaged in careers at many of our worksites. As of March 2018, 24 disabled persons are employed by the Group, with the percentage of persons with disabilities of the workforce at all the Group companies in Japan meeting the minimum legal requirement. As the total number of Group employees is on the rise, we have been making active recruitment efforts. These include participation in joint company information sessions for persons with disabilities and the acceptance of interns with the intention of hiring recent graduates. We will continue to make these recruitment efforts and improve our workplace environment while creating work opportunities for disabled persons as we expand our business.

##### Percentage of Employees with a Disability: EIZO Group (in Japan)

March 2016	March 2017	March 2018
2.08%	1.87%	2.18%

#### Paying Due Respect to Human Rights

To curtail behavior that undermines individuality at the workplace and throughout our operations, such as forced labor and child labor, discriminatory remarks or actions, and sexual or power harassment, we have clearly stated our position on the matter in our Principles of Conduct and provide related education for all Group employees.

## Work Style Innovation

To respond to diversifying work styles and ensure that employees are able to work with a sense of satisfaction, accomplishment and happiness, we believe in the importance of creating extra time for employees to refresh their mind and body. To that end, we launched the Work Style Innovation project in Japan to supplement our ongoing initiatives. We intend to balance the happiness of our employees with corporate growth by maintaining the high quality and reliability of our products and services while significantly enhancing operational efficiency and productivity. We will rebuild the structure and mechanism of our work through Business Process Re-engineering, plan investments in infrastructure and systems with an eye on the future, such as introducing AI and IoT, while simultaneously changing the mindset of our employees who will sustain this initiative.

### Creating Leisure Time

In fiscal 2017, the Work Style Innovation brought about year-on-year reductions of 20% and 5% in time spent for meetings and for documentation, respectively, in the development division. In a company-wide project, we reviewed workflows, selected 95 of them for improvement targets, and refined 41 of them. As a result, overtime work in the administrative division decreased by 23% year-on-year. We are targeting a 50% reduction of overtime work in fiscal 2018 toward the ultimate goal of zero overtime work during normal operations. Our average rate of paid leave taken by all employees continues to rise compared to the national average of companies of a similar size. This is the result of introducing measures to encourage employees who have been taking fewer paid leaves to take more days off or consecutive leave. We believe that the extra time created through these initiatives will benefit employees in that they can refresh their mind and body, engage in self-development and social contribution activities, broaden their perspectives and enhance their abilities through such activities. For employees whose overtime pay is reduced because of their success in streamlining workflows, we introduced a bonus system that rewards such efforts.

#### ■ Average Working Hours (EIZO Group in Japan)

FY2015	FY2016	FY2017
2,016 hours	2,005 hours	1,964 hours

#### ■ Rate of Taking Paid Leave (EIZO Group in Japan)

FY2015	FY2016	FY2017
66%	73%	71%

### Opportunities for Recreation and Exchange

A variety of sports and cultural activities have been established within the company, and employees are enthusiastically engaged. The company provides an environment that supports these activities by, for example, supplementing costs and permitting the use of company facilities.



Tennis club

## Supporting Childcare and Nursing Care

Under the respective laws of each country, we support various programs including maternity leave, childcare leave and nursing care leave, shorter working hours, and leave to care for sick children. We have developed a supportive working environment that includes measures such as reducing working hours up to two hours per day for childcare to flexibly meet employee needs. We plan to enhance our programs for supporting employees with childcare or nursing responsibilities by introducing benefits such as childbirth leave for prospective fathers.

#### ■ Number of Applicants (EIZO Group in Japan)

	FY2015	FY2016	FY2017
Childcare/Nursing Care Leave	56	54	52
Reduced Working Hours for Childcare or Nursing Care	57	63	67

## Human Resource Development

### Reinforcing Management Capabilities

Management-level employee training is a high priority at EIZO. We ensure the practical usefulness of training by setting a theme for each fiscal year, such as strategic thinking, customer development and operational reform. Training is offered to candidates for management positions, and newly appointed managers receive training on compliance, fair job evaluation and effective allocation of work to deepen their understanding of these areas.

### Supporting the Active Participation of Women

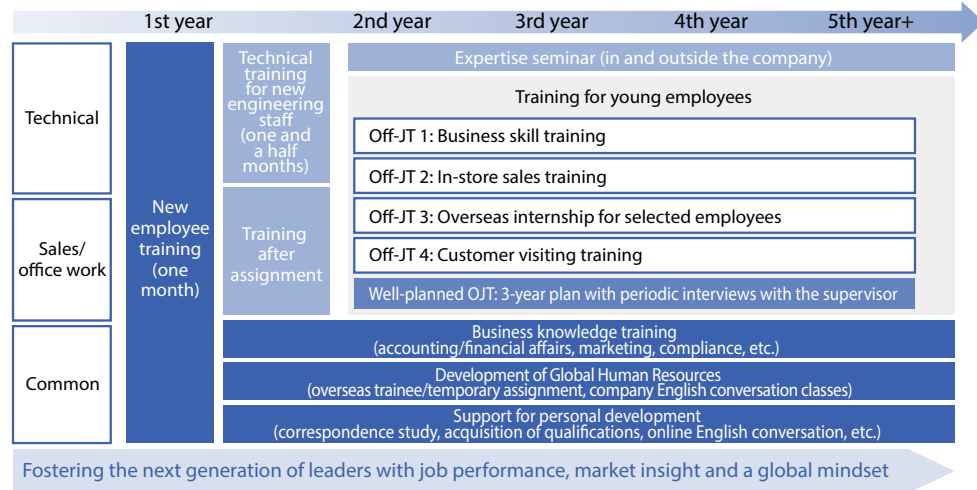
EIZO has formulated and released its the Action Plan for Promoting the Role of Women and is working to improve the working environment so that female employees can play leading roles in the company. The ratio of female managers in the EIZO Group in Japan is currently 3.4%, and to attain our target of 5% during fiscal 2019, we are encouraging participation in management training seminars conducted by outside institutions and providing training for selected mid-level employees. In future, we will provide various types of support, including an interview program to advance career development and the encouragement of networking among female employees.

### Emphasis on Educating Younger Employees

First-year employees participate in programs on basic knowledge for corporate etiquette and on the company policy, organization and rules. They also receive onsite factory training to learn about the foundations of our company. We conduct a variety of programs specifically targeting first-year employees, including technical training for new engineering staff to ensure they acquire a broad foundation of knowledge on our basic technologies. Additionally, we provide a comprehensive education program combining on-the-job training (OJT) and off-the-job training (Off-JT) for young employees, enabling them to develop the ability to get things done well with market insight and a global mindset. For OJT in each department, managers draw up three-year career plans in consultation with young employees, thus providing a basis for a systematic OJT program.

Our Off-JT for upgrading the skills of young employees includes group-based training for acquiring business skills, selling in stores to identify market needs, and overseas internships that provide short-term assignments at overseas Group companies.

#### Education Programs for Young Employees



### Our Global Initiative

#### Development of Global Human Resources

Many top management members of the Group companies outside Japan are local businesspeople who can build a workplace environment that suits the particular country's culture and practices. In

addition, we appointed a local employee as a board member in fiscal 2017.

To develop global human resources, EIZO in Japan and overseas Group companies provide an exchange program for engineers. Through the program, staff in Japan are dispatched for two or three years to an overseas Group company, and for young core personnel there is also a trainee program (a short-term assignment of about two weeks to three months). Those programs aim to increase the number of employees who can work effectively in a different culture and manage technology with a global perspective, as well as to cultivate new technological expertise.

### VOICE

I worked at EIZO Rugged Solutions Inc. in the U.S. state of Florida from January 2016 to March 2018. My work at the Group company included electrical design of air traffic control graphics and research on embedded devices. Doing this has enabled me to create a platform for a next-generation graphics board and to improve a design check flow for higher development quality.

Working and communicating with local staff and business partners, while going beyond the differences associated with culture and manners, has nurtured in me a global mindset. I hope to make use of this experience so that I can help to foster a global mindset across our companies in Japan.

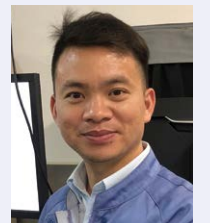
As a member of EIZO in Japan, I am determined to develop and be part of a new business model in five to ten years, which will include our Group companies across the world. I hope that it will help EIZO respond to the expectations of its shareholders and build relationships of trust with them.



**Takeshi Kori**  
Image Product Development Department  
Joined the company in 2004

### VOICE

I went through a one-week training program conducted by EIZO's Manufacturing Department from March 12 to 16, 2018. The program gave me an opportunity to mingle with many Japanese colleagues in all sections of this department and learn about how the Japanese approach raising efficiency, managing quality, reducing costs and working toward improving the environment. I found it particularly impressive that most members of the department are staff involved in the KAIZEN activities. I think that is what EIZO Display Technologies (Suzhou) Co., Ltd. needs. We are among the youngest companies of the EIZO Group and are still developing. Every employees working for the company needs to make more of an effort and dedicate his or her skills to the company. The KAIZEN activities I learned in Japan will serve as one means to make that happen. I am going to imprint what I learned and experienced in Japan at my worksite in China for the company's growth.



**Chen Yun**  
Manager Manufacturing  
EIZO Display Technologies (Suzhou) Co., Ltd.



## Securing Safety and Health

The ongoing development, design and production of high value-added products requires not only a significant investment of management resources but also a consistently safe workplace and efforts to safeguard employee health.

### Efforts in Safety Management

We investigate dangerous situations and toxicity and implement countermeasures at each worksite using risk assessment methods and strive to prevent workplace accidents and impaired health, in addition to KYT (hazard prediction training) and 5S activities. We will continue these efforts by identifying and reducing risks through risk assessments and safety screening of newly installed machinery and equipment, and by raising awareness on safety through workplace patrols and employee training.

### Efforts in Health Management

Our efforts in this area include regular health checkups and preventive checkups for lifestyle-related diseases, dedicated contact points for responding to employee anxieties and concerns, mental health checkups and face-to-face consultations with industrial physicians, and follow-up guidance based on the results of health checkups. We will seek to safeguard employee physical and mental well-being by raising individual awareness of health management.

#### Basic Policy on Safety and Health (Safety and Health Management Regulations)

The basic policy on the safety and health of EIZO Corporation is intended to create a healthy and safe working environment for all employees. This is achieved through management of risk factors related to safety and health. Specifically, we constantly strive to identify unacceptable risk factors in the workplace and neutralize them, with the ultimate goal of eliminating workplace accidents.

## Medium-Term Plan (Fiscal 2016–2018)

Maintain and improve a lively workplace environment so that each one of us can work safely, securely and effectively.

### Fiscal 2018 Targets/Key Actions and Fiscal 2017 Results

Management Area	FY2018 Targets/Key Actions	FY2017 Results	Evaluation
Safety Management	Achieve zero workplace accidents (including traffic accidents during working hours) *	<ul style="list-style-type: none"> <li>Workplace accidents 3</li> <li>Frequency rate 0.99</li> <li>Severity rate 0.00</li> </ul>	
	Key points <ul style="list-style-type: none"> <li>Improve and maintain an appropriate working environment</li> <li>Check and repair equipment and facilities (including chemical substances)</li> <li>Conduct risk assessments to eliminate disaster factors</li> </ul>	<ul style="list-style-type: none"> <li>Traffic accidents during working hours 8 (2 injured someone else, 5 injured self only, 1 injured by someone else)</li> </ul>	△
Health Management	Implement mental health measures in the workplace Key points <ul style="list-style-type: none"> <li>Ensure follow-up measures on health checkups</li> <li>Promote preventive measures for lifestyle-related diseases (and specific health guidance)</li> <li>Promote mental health efforts through implementation of stress check tests</li> <li>Eliminate health hazard risks from workplaces and operations</li> </ul>	<ul style="list-style-type: none"> <li>Follow-up on health checkups 96.3%</li> <li>Ratio of employees taking stress check tests 77.2%</li> </ul>	△

Workplace accident frequency rate: Number of deaths and injuries caused by industrial accidents per million working hours. Used to express accident frequency.

Workplace accident severity rate: Number of work days lost due to industrial accidents per million working hours. Used to express accident severity.

Note: Traffic accidents during working hours exclude commuting traffic accidents.

## GRI Standard Index

The EIZO Corporation Corporate Social Responsibility Report 2018 has been prepared in reference to the GRI Sustainability Reporting Standards 2016. The relevant contents and their locations are indicated below.

### GRI 102: General Disclosures

		Indicator	Report Page
<b>1. Organizational profile</b>			
102-1	Name of the organization	a. Name of the organization.	2
102-2	Activities, brands, products, and services	a. A description of the organization's activities. b. Primary brands, products, and services, including an explanation of any products or services that are banned in certain markets.	10-12
102-3	Location of headquarters	a. Location of the organization's headquarters.	2
102-4	Location of operations	a. Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report.	2, 21
102-5	Ownership and legal form	a. Nature of ownership and legal form.	2
102-6	Markets served	a. Markets served, including: i. geographic locations where products and services are offered; ii. sectors served; iii. types of customers and beneficiaries.	2, 10-12
102-7	Scale of the organization	a. Scale of the organization, including: i. total number of employees; ii. total number of operations; iii. net sales (for private sector organizations) or net revenues (for public sector organizations); iv. total capitalization (for private sector organizations) broken down in terms of debt and equity; v. quantity of products or services provided.	2, 21
102-8	Information on employees and other workers	a. Total number of employees by employment contract (permanent and temporary), by gender. b. Total number of employees by employment contract (permanent and temporary), by region. c. Total number of employees by employment type (full-time and part-time), by gender. d. Whether a significant portion of the organization's activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees. e. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries). f. An explanation of how the data have been compiled, including any assumptions made.	29
102-9	Supply chain	a. A description of the organization's supply chain, including its main elements as they relate to the organization's activities, primary brands, products, and services.	23
102-10	Significant changes to the organization and its supply chain	a. Significant changes to the organization's size, structure, ownership, or supply chain, including: i. Changes in the location of, or changes in, operations, including facility openings, closings, and expansions; ii. Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations); iii. Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination.	No change
102-11	Precautionary Principle or approach	a. Whether and how the organization applies the Precautionary Principle or approach.	27
102-12	External initiatives	a. A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses.	8
102-13	Membership of associations	a. A list of the main memberships of industry or other associations, and national or international advocacy organizations.	18

		Indicator	Report Page
<b>2. Strategy</b>			
102-14	Statement from senior decision-maker	a. A statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability.	4-5
<b>3. Ethics and integrity</b>			
102-16	Values, principles, standards, and norms of behavior	a. A description of the organization's values, principles, standards, and norms of behavior.	2
<b>4. Governance</b>			
102-18	Governance structure	a. Governance structure of the organization, including committees of the highest governance body. b. Committees responsible for decision-making on economic, environmental, and social topics.	27
102-26	Role of highest governance body in setting purpose, values, and strategy	a. Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental, and social topics.	24
<b>5. Stakeholder engagement</b>			
102-40	List of stakeholder groups	a. A list of stakeholder groups engaged by the organization.	24
102-41	Collective bargaining agreements	a. Percentage of total employees covered by collective bargaining agreements.	—
102-42	Identifying and selecting stakeholders	a. The basis for identifying and selecting stakeholders with whom to engage.	24
102-43	Approach to stakeholder engagement	a. The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	24, 25
102-44	Key topics and concerns raised	a. Key topics and concerns that have been raised through stakeholder engagement, including: i. how the organization has responded to those key topics and concerns, including through its reporting; ii. the stakeholder groups that raised each of the key topics and concerns.	24, 25
<b>6. Reporting practice</b>			
102-45	Entities included in the consolidated financial statements	a. A list of all entities included in the organization's consolidated financial statements or equivalent documents. b. Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	2
102-46	Defining report content and topic Boundaries	a. An explanation of the process for defining the report content and the topic Boundaries. b. An explanation of how the organization has implemented the Reporting Principles for defining report content.	8
102-47	List of material topics	a. A list of the material topics identified in the process for defining report content.	8
102-48	Restatements of information	a. The effect of any restatements of information given in previous reports, and the reasons for such restatements.	—
102-49	Changes in reporting	a. Significant changes from previous reporting periods in the list of material topics and topic Boundaries.	No change
102-50	Reporting period	a. Reporting period for the information provided.	1

# Appendix

Indicator			Report Page
102-51	Date of most recent report	a. If applicable, the date of the most recent previous report.	1
102-52	Reporting cycle	a. Reporting cycle.	1
102-53	Contact point for questions regarding the report	a. The contact point for questions regarding the report or its contents.	1
102-54	Claims of reporting in accordance with the GRI Standards	a. The claim made by the organization, if it has prepared a report in accordance with the GRI Standards, either: i. This report has been prepared in accordance with the GRI Standards: Core option; ii. This report has been prepared in accordance with the GRI Standards: Comprehensive option.	33-34
102-55	GRI content index	a. The GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report. b. For each disclosure, the content index shall include: i. the number of the disclosure (for disclosures covered by the GRI Standards); ii. the page number(s) or URL(s) where the information can be found, either within the report or in other published materials; iii. if applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made.	33-34
102-56	External assurance	a. A description of the organization's policy and current practice with regard to seeking external assurance for the report. b. If the report has been externally assured: i. A reference to the external assurance report, statements, or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process; ii. The relationship between the organization and the assurance provider; iii. Whether and how the highest governance body or senior executives are involved in seeking external assurance for the organization's sustainability report.	—

## GRI103: Management Approach

Indicator			Report Page
<b>GRI- 103: Management Approach</b>			
103-1	Explanation of the material topic and its Boundary	a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary.	—
103-2	The management approach and its components	a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives	11-32
103-3	Evaluation of the management approach	a. An explanation of how the organization evaluates the management approach, including: i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach.	11-32

## GRI200: Economic topics

Indicator			Report Page
<b>GRI- 205: Anti-corruption</b>			
205-2	Communication and training about anti-corruption policies and procedures	a. Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region. b. Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region. c. Total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region. Describe if the organization's anti-corruption policies and procedures have been communicated to any other persons or organizations. d. Total number and percentage of governance body members that have received training on anti-corruption, broken down by region. e. Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.	23
205-3	Confirmed incidents of corruption and actions taken	a. Total number and nature of confirmed incidents of corruption. b. Total number of confirmed incidents in which employees were dismissed or disciplined for corruption. c. Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption. d. Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.	No incidents of corruption were reported.
<b>GRI- 206: Anti-competitive Behavior</b>			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	a. Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant. b. Main outcomes of completed legal actions, including any decisions or judgments.	No incidents of corruption were reported.

## GRI300: Environmental topics

Indicator			Report Page
<b>GRI- 301: Materials</b>			
301-1	Materials used by weight or volume	a. Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by: i. non-renewable materials used; ii. renewable materials used.	19
301-3	Reclaimed products and their packaging materials	a. Percentage of reclaimed products and their packaging materials for each product category. b. How the data for this disclosure have been collected.	20
<b>GRI- 302: Energy</b>			
302-1	Energy consumption within the organization	a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used. b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used. c. In joules, watt-hours or multiples, the total: i. electricity consumption ii. heating consumption iii. cooling consumption iv. steam consumption d. In joules, watt-hours or multiples, the total: i. electricity sold ii. heating sold iii. cooling sold iv. steam sold e. Total energy consumption within the organization, in joules or multiples. f. Standards, methodologies, assumptions, and/or calculation tools used. g. Source of the conversion factors used.	19

# Appendix

Indicator		Report Page	
302-4	Reduction of energy consumption	a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples. b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all. c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it. d. Standards, methodologies, assumptions, and/or calculation tools used.	17, 19-20
302-5	Reductions in energy requirements of products and services	a. Reductions in energy requirements of sold products and services achieved during the reporting period, in joules or multiples. b. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it. c. Standards, methodologies, assumptions, and/or calculation tools used.	17, 20
<b>GRI- 303: Water</b>			
303-1	Water withdrawal by source	a. Total volume of water withdrawn, with a breakdown by the following sources: i. Surface water, including water from wetlands, rivers, lakes, and oceans; ii. Ground water; iii. Rainwater collected directly and stored by the organization; iv. Waste water from another organization; v. Municipal water supplies or other public or private water utilities. b. Standards, methodologies, and assumptions used.	19
<b>GRI- 305: Emissions</b>			
305-1	Direct (Scope 1) GHG emissions	a. Gross direct (Scope 1) GHG emissions in metric tons of CO <sub>2</sub> equivalent. b. Gases included in the calculation; whether CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , or all. c. Biogenic CO <sub>2</sub> emissions in metric tons of CO <sub>2</sub> equivalent. d. Base year for the calculation, if applicable, including: i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source. f. Consolidation approach for emissions; whether equity share, financial control, or operational control. g. Standards, methodologies, assumptions, and/or calculation tools used.	19
305-2	Energy indirect (Scope 2) GHG emissions	a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO <sub>2</sub> equivalent. b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO <sub>2</sub> equivalent. c. If available, the gases included in the calculation; whether CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , or all. d. Base year for the calculation, if applicable, including: i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source. f. Consolidation approach for emissions; whether equity share, financial control, or operational control. g. Standards, methodologies, assumptions, and/or calculation tools used.	19
305-5	Reduction of GHG emissions	a. GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO <sub>2</sub> equivalent. b. Gases included in the calculation; whether CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , or all. c. Base year or baseline, including the rationale for choosing it. d. Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3). e. Standards, methodologies, assumptions, and/or calculation tools used.	17, 19

Indicator		Report Page	
<b>GRI- 306: Effluents and Waste</b>			
306-2	Waste by type and disposal method	a. Total weight of hazardous waste, with a breakdown by the following disposal methods where applicable: i. Reuse ii. Recycling iii. Composting iv. Recovery, including energy recovery v. Incineration (mass burn) vi. Deep well injection vii. Landfill viii. On-site storage ix. Other (to be specified by the organization) b. Total weight of non-hazardous waste, with a breakdown by the following disposal methods where applicable: i. Reuse ii. Recycling iii. Composting iv. Recovery, including energy recovery v. Incineration (mass burn) vi. Deep well injection vii. Landfill viii. On-site storage ix. Other (to be specified by the organization) c. How the waste disposal method has been determined: i. Disposed of directly by the organization, or otherwise directly confirmed ii. Information provided by the waste disposal contractor iii. Organizational defaults of the waste disposal contractor	20
<b>GRI- 307: Environmental Compliance</b>			
307-1	Non-compliance with environmental laws and regulations	a. Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations in terms of: i. total monetary value of significant fines; ii. total number of non-monetary sanctions; iii. cases brought through dispute resolution mechanisms. b. If the organization has not identified any non-compliance with environmental laws and/or regulations, a brief statement of this fact is sufficient.	Not applicable
<b>GRI400: Social topics</b>			
Indicator		Report Page	
<b>GRI- 403: Occupational Health and Safety</b>			
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	a. Types of injury, injury rate (IR), occupational disease rate (ODR), lost day rate (LDR), absentee rate (AR), and work-related fatalities, for all employees, with a breakdown by: i. region; ii. gender. b. Types of injury, injury rate (IR), and work-related fatalities, for all workers (excluding employees) whose work, or workplace, is controlled by the organization, with a breakdown by: i. region; ii. gender. c. The system of rules applied in recording and reporting accident statistics.	32
<b>GRI- 404: Training and Education</b>			
404-2	Programs for upgrading employee skills and transition assistance programs	a. Type and scope of programs implemented and assistance provided to upgrade employee skills. b. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.	30

# Appendix

Indicator		Report Page	
<b>GRI- 405: Diversity and Equal Opportunity</b>			
405-1	Diversity of governance bodies and employees	<p>a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories:</p> <ul style="list-style-type: none"> <li>i. Gender;</li> <li>ii. Age group: under 30 years old, 30-50 years old, over 50 years old;</li> <li>iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).</li> </ul> <p>b. Percentage of employees per employee category in each of the following diversity categories:</p> <ul style="list-style-type: none"> <li>i. Gender;</li> <li>ii. Age group: under 30 years old, 30-50 years old, over 50 years old;</li> <li>iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).</li> </ul>	29
<b>GRI- 412: Human Rights Assessment</b>			
412-2	Employee training on human rights policies or procedures	<p>a. Total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations.</p> <p>b. Percentage of employees trained during the reporting period in human rights policies or procedures concerning aspects of human rights that are relevant to operations.</p>	29
<b>GRI- 416: Customer Health and Safety</b>			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<p>a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period, by:</p> <ul style="list-style-type: none"> <li>i. incidents of non-compliance with regulations resulting in a fine or penalty;</li> <li>ii. incidents of non-compliance with regulations resulting in a warning;</li> <li>iii. incidents of non-compliance with voluntary codes.</li> </ul> <p>b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.</p>	No incidents of corruption were reported.
<b>GRI- 417: Marketing and Labeling</b>			
417-2	Incidents of non-compliance concerning product and service information and labeling	<p>a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling, by:</p> <ul style="list-style-type: none"> <li>i. incidents of non-compliance with regulations resulting in a fine or penalty;</li> <li>ii. incidents of non-compliance with regulations resulting in a warning;</li> <li>iii. incidents of non-compliance with voluntary codes.</li> </ul> <p>b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.</p>	No incidents of corruption were reported.
417-3	Incidents of non-compliance concerning marketing communications	<p>a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by:</p> <ul style="list-style-type: none"> <li>i. incidents of non-compliance with regulations resulting in a fine or penalty;</li> <li>ii. incidents of non-compliance with regulations resulting in a warning;</li> <li>iii. incidents of non-compliance with voluntary codes.</li> </ul> <p>b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.</p>	No incidents of corruption were reported.
<b>GRI- 418: Customer Privacy</b>			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<p>a. Total number of substantiated complaints received concerning breaches of customer privacy, categorized by:</p> <ul style="list-style-type: none"> <li>i. complaints received from outside parties and substantiated by the organization;</li> <li>ii. complaints from regulatory bodies.</li> </ul> <p>b. Total number of identified leaks, thefts, or losses of customer data.</p> <p>c. If the organization has not identified any substantiated complaints, a brief statement of this fact is sufficient.</p>	Not applicable
<b>GRI- 419: Socioeconomic Compliance</b>			
419-1	Non-compliance with laws and regulations in the social and economic area	<p>a. Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of:</p> <ul style="list-style-type: none"> <li>i. total monetary value of significant fines;</li> <li>ii. total number of non-monetary sanctions;</li> <li>iii. cases brought through dispute resolution mechanisms.</li> </ul> <p>b. If the organization has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient.</p> <p>c. The context against which significant fines and non-monetary sanctions were incurred.</p>	Not applicable

## Comparison Table for the United Nations Global Compact

	United Nations Global Compact	Coverage by EIZO Group Principles of Conduct – Seven Promises	Page
<b>Principle 1</b>	Businesses should support and respect the protection of internationally proclaimed human rights.	3. We will act as an international corporation with a global outlook and mindset. 4. We will conduct open and fair trade. 7. We will respect basic human rights and value a broadminded corporate culture.	21,23 29
<b>Principle 2</b>	Businesses should make sure they are not complicit in human rights abuses.		
<b>Principle 3</b>	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	3. We will act as an international corporation with a global outlook and mindset. 4. We will conduct open and fair trade. 7. We will respect basic human rights and value a broadminded corporate culture.	21,23 29-31
<b>Principle 4</b>	Businesses should uphold the elimination of all forms of forced and compulsory labour.		
<b>Principle 5</b>	Businesses should uphold the effective abolition of child labour.		
<b>Principle 6</b>	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	2. We will promote our manufacturing and business activities in consideration of reducing their environmental burdens.	16-20
<b>Principle 7</b>	Businesses should support a precautionary approach to environmental challenges.		
<b>Principle 8</b>	Businesses should undertake initiatives to promote greater environmental responsibility.		
<b>Principle 9</b>	Businesses should encourage the development and diffusion of environmentally friendly technologies.		
<b>Principle 10</b>	Businesses should work against corruption in all its forms, including extortion and bribery.	4. We will conduct open and fair trade. 6. We will strictly respect and comply with both the letter and the spirit of the law as a good corporate citizen.	23, 27-28

## Independent Third-Party Assurance Statement

	<b>Independent Assurance Statement</b> September 28, 2018
Mr. Yoshitaka Jitsumori President EIZO Corporation	
<p><b>1. Purpose</b>                  We, Sustainability Accounting Co., Ltd., have been engaged by EIZO Corporation ("the Company") to provide limited assurance on the Company's CSR Report 2018 for the energy usage, CO<sub>2</sub> emissions (Scope 1, 2), (Scope 3), and water usage in FY2017, which are 105,145 GJ, 6,505 tons, 588 thousand tons, and 28,449 m<sup>3</sup>, respectively (collectively, "the Environmental Performance Indicators"). The purpose of this process is to express our conclusion on whether the environmental performance indicators are calculated in accordance with the Company's standards. The Company's management is responsible for calculating the environmental performance indicators. Our responsibility is to independently carry out a limited assurance engagement and to express our assurance conclusion.</p>	
<p><b>2. Procedures Performed</b>                  Our assurance engagement has been planned and performed in accordance with International Standard on Assurance Engagement 3000 (ISAE3000) and 3410 (ISAE3410). The key procedures we carried out included:</p> <ul style="list-style-type: none"> <li>- Interviewing the Company's responsible personnel in order to understand the Company's standards</li> <li>- Reviewing the Company's standards</li> <li>- Performing cross-checks on a sample basis and performing a recalculation to determine whether the environmental performance indicators were calculated in accordance with the Company's standards.</li> </ul>	
<p><b>3. Conclusion</b>                  Based on the procedures performed, nothing has come to our attention that causes us to believe that the environmental performance indicators are not calculated, in all material respects, in accordance with the Company's standards.</p>	
We have no conflict of interest relationships with the Company.	
 Takashi Fukushima Representative Director Sustainability Accounting Co., Ltd.	

