



# CORPORATE SOCIAL RESPONSIBILITY REPORT 2015

**EIZO** Corporation

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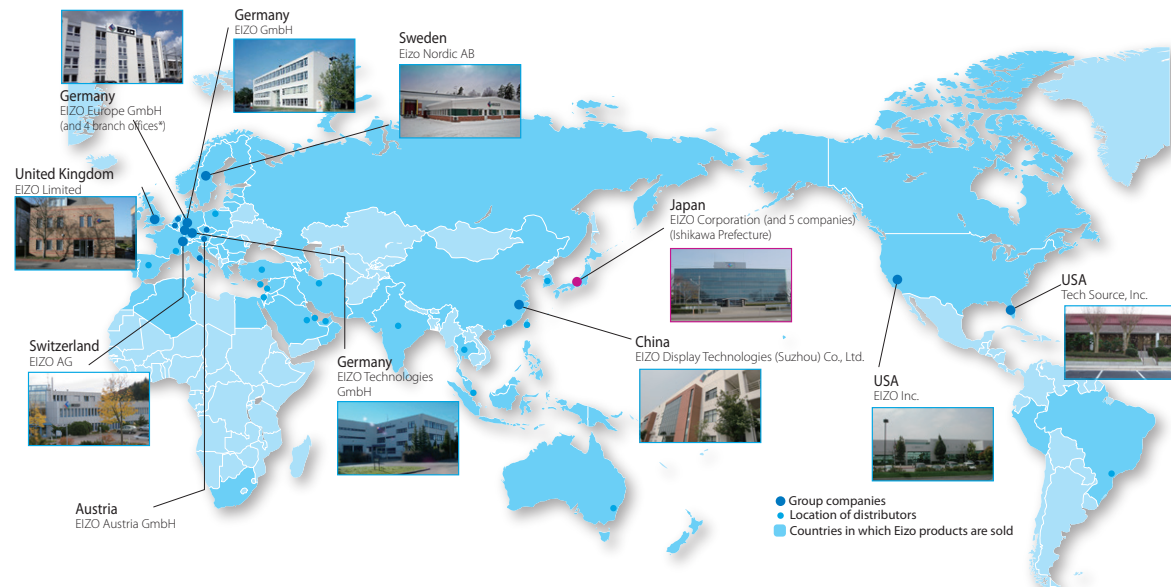
## Editorial Policy for the CSR Report

- 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, 2014 to March 31, 2015 (FY 2014)
- Issue date: October 2015
- Issue date of previous report: September 2014
- Issue date of next report: September 2016
- CSR Promotion System: CSR activities come under the responsibility of the General Affairs Division, are supervised by the managing officer responsible for CSR and implemented by all Group companies. They are also subject to a management review by the CSR Committee, comprising the heads of each department, and reported to the Board of Directors.
- Contact information: EIZO Corporation General Affairs Department  
Tel: +81-76-274-2406

# Corporate Information

## Corporate Information

<b>Company Name</b>	EIZO Corporation
<b>Business Activities</b>	Development, design, manufacture and sales of visual display systems, amusement monitors and related services
<b>Established</b>	March 6, 1968
<b>President</b>	Yoshitaka Jitsumori
<b>Address of Headquarters</b>	153 Shimokashiwano, Hakusan, Ishikawa 924-8566, Japan
<b>Group Sales</b>	72,576 million yen (FY 2014)
<b>Group Employees</b>	2,168 including temporary workers (consolidated, as of March 31, 2015)
<b>Group Companies</b>	16 (EIZO Corporation and its 5 domestic subsidiaries and 10 overseas subsidiaries, as of September 1, 2015)



EIZO Europe GmbH is composed of the head office in Germany and four branch offices in Belgium, Czech Republic, Italy and the Netherlands.

Our products are well received around the world, with current sales in over 80 countries and territories through our Group companies and 18 global distributors. (As of September 2015)

<b>Development, Production and Sales</b>	<ul style="list-style-type: none"> <li>• EIZO MS Corporation Japan: Manufacturing of visual display systems, amusement monitors, and electronic circuit boards</li> <li>• EIZO GmbH Germany: Development, manufacturing, sales, and servicing of visual display systems for the medical market</li> <li>• EIZO Technologies GmbH Germany: Development, manufacturing, sales, and servicing of visual display systems for industrial market and controller boards for monitors</li> <li>• Tech Source, Inc. USA: Development, manufacturing, sales, and servicing of graphics boards for air traffic control</li> <li>• EIZO Display Technologies (Suzhou) Co., Ltd. China: Development, manufacturing, sales, and servicing of visual display systems</li> <li>• Irem Software Engineering Inc. Japan: Development, manufacturing, and sales of amusement software</li> </ul>
<b>Sales</b>	<ul style="list-style-type: none"> <li>• EIZO Inc. USA: Sales and servicing of visual display systems</li> <li>• EIZO Nordic AB Sweden: Sales and servicing of visual display systems</li> <li>• EIZO Europe GmbH Germany (and branch offices in Belgium, Czech Republic, Italy and the Netherlands): Sales and servicing of visual display systems</li> <li>• EIZO AG Switzerland: Sales and servicing of visual display systems</li> <li>• EIZO Limited United Kingdom: Sales and servicing of visual display systems</li> <li>• EIZO Austria GmbH Austria: Sales and servicing of visual display systems</li> </ul>
<b>Others</b>	<ul style="list-style-type: none"> <li>• EIZO Support Network Corporation Japan: Field service, security and maintenance, and other services for visual display systems</li> <li>• EIZO Engineering Corporation Japan: Development and designing of visual display systems, and temporary staff services</li> <li>• EIZO Agency Corporation Japan: Insurance service</li> </ul>

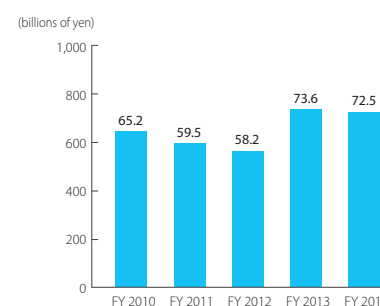
# Financial and Non-Financial Information

## Financial Information

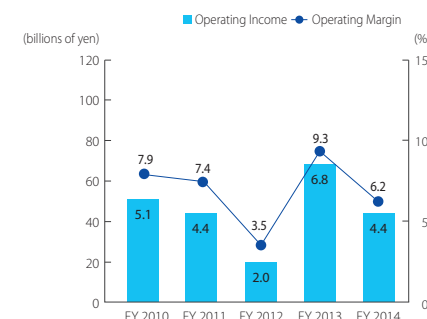
### Financial Highlights

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Net sales (millions of yen)	65,204	59,559	58,270	73,641	72,576
Computer monitors	36,393	31,611	30,690	41,620	44,450
Amusement monitors	20,836	20,545	18,074	21,966	15,127
Other	7,974	7,402	9,505	10,054	12,999
Operating income (millions of yen)	5,150	4,404	2,056	6,833	4,472
Ordinary income (millions of yen)	5,258	4,479	3,101	7,998	4,704
Net income (millions of yen)	3,547	1,636	1,598	5,437	3,321
Total equity (millions of yen)	59,210	57,678	61,431	69,201	79,293
Total assets (millions of yen)	77,432	77,032	79,367	92,931	106,519
Net assets per share (yen)	2,652.64	2,705.24	2,881.26	3,245.70	3,719.08
Basic net income (yen)	158.93	74.08	74.96	255.05	155.80
Shareholders' Equity (%)	76.5	74.9	77.4	74.5	74.4
Equity ratio (%)	6.1	2.8	2.7	8.3	4.5
Price earnings ratio	12.4	23.9	22.0	10.6	16.9
Cash flows from operating activities (millions of yen)	5,100	(2,736)	2,137	4,685	1,445
Cash flows from investing activities (millions of yen)	(1,122)	679	(2,191)	(1,208)	(3,426)
Cash flows from financing activities (millions of yen)	(1,116)	(2,776)	(1,067)	(1,066)	923
Cash and cash equivalents, end of year (millions of yen)	21,591	16,714	16,138	19,080	18,022

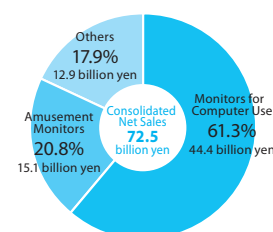
### Net Sales



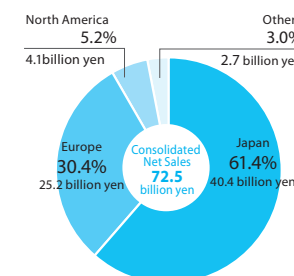
### Operating Income/Operating Margin



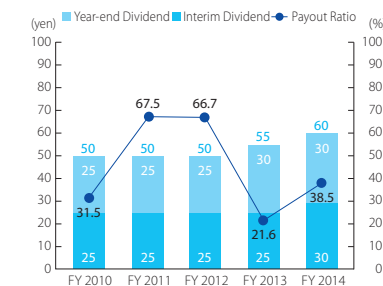
### Sales and Percentage Breakdown by Product Category (FY 2014)



### Composition of Net Sales by Region (FY 2014)

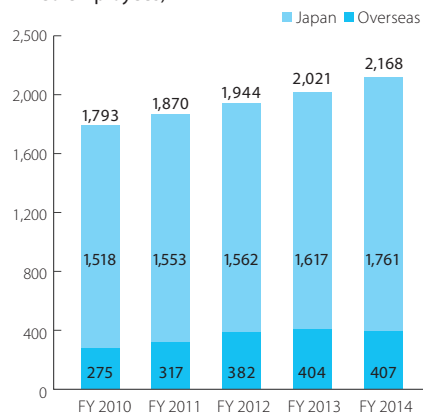


### Five-year Change in Dividends

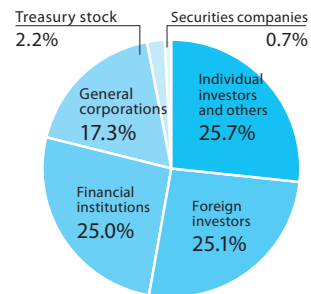


## Non-Financial Information

■ Group Employees  
(including average number of temporary  
hired employees)

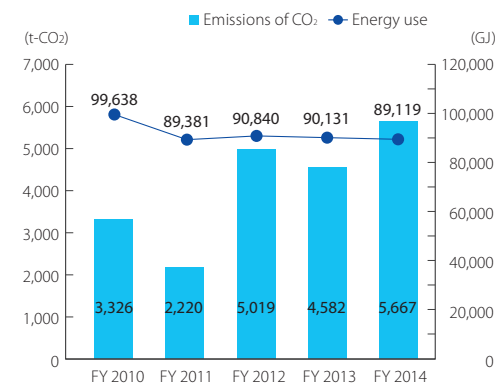


■ Shareholder Composition  
(proportion of shareholding)



As of March 31, 2015

■ Emissions of Greenhouse Gases  
(Japan and China)



With regard to greenhouse gas emissions, we measure CO<sub>2</sub> emissions by converting figures for electricity, kerosene and LPG use into CO<sub>2</sub>.

- Calculations of CO<sub>2</sub> emissions associated with electricity use are based on the conversion factor of Hokuriku Electric Power Company and the conversion factor used in China.
- In fiscal 2013, CO<sub>2</sub> emissions doubled from the previous year due to a significant increase in the CO<sub>2</sub> conversion factor for electricity, resulting from an increase in the ratio of thermal power in Japan.



## **EIZO Will Evolve into a Visual Technology Company that Continues to Contribute to Society**

### **Our Business Activity in itself Constitutes the Social Responsibility of EIZO**

Our most important social responsibility is our business activity in itself. We believe our social responsibility is to pursue business with integrity, which includes contributing to society by offering products, solutions and services, returning the benefits produced through our business to society, and ensuring compliance with laws and regulations and respect for human rights throughout our business operations. Recognizing this we conducted a materiality analysis of our CSR this year and reconfirmed that the identified material issues are represented in our EIZO Group Principles of Conduct – Seven Promises, and we therefore compiled this CSR Report to align with these principles.

### **Evolving into a Visual Technology Company that Creates New Value across All Visual Display Fields**

For the three years concluded in the previous fiscal year, we have worked to strengthen our competitiveness and grow our business in accordance with the Fourth Mid-Term Business Plan, which started in fiscal 2012. During this period we have achieved steady progress in a number of industrial fields, including the establishment of a direct sales system in Europe, entry into the field of operating rooms by setting up an overseas development team, and the achievement of our goal to claim 30% of the air traffic control market. We believe these efforts lay the groundwork for expanding our monitor business under a global system and establishing a commanding number one position in specific markets.

In anticipation of further transformation, we have formulated the Fifth Mid-Term Business Plan (three-year plan), which starts with fiscal 2015. Confidently implementing this plan will enable us to evolve beyond being a conventional monitor manufacturer into a “Visual Technology Company” so that we can continue our contribution to society. The term “Visual Technology Company” expresses our commitment to do what



only EIZO can do based on the visual technology that is our competitive advantage. We take pride in being visual technology specialists who have carried out a consistent process, from development to production and sales of computer monitors and other products that represent the world's top quality and reliability, while maximizing our visual technologies centered on monitors. Looking ahead, we will take advantage of these technologies and experience to play a role similar to that of an orchestra conductor in order to improve every aspect of the imaging environment by cultivating new partners and collaborations, including proposals that incorporate the products of other companies along with our own. In doing so, we will evolve into an enterprise recognized by customers as "EIZO, the company that addresses every image-related challenge."

By positioning the Fifth Mid-Term Business Plan as a preparatory period for achieving this goal, we will expand our business through active investment focused on specific markets such as the medical and industrial fields. We intend to expand the breadth of our contribution to society through these activities.



### **Continuing to Do What only EIZO Can Do by Supporting the Imaginative Ideas of Employees**

The imaginative ideas of every employee are essential for us to meet the ever-changing needs of society. As a company focused on creative development, EIZO is taking various steps to cultivate their imaginative ideas and have thereby developed a deeply rooted corporate climate that values openness and fairness.

Our corporate climate has created an atmosphere that is conducive to trying new proposals and allowing for their realization. This is why we are able to contribute to finding solutions for customer problems. We want to continue proposing solutions for the needs of society based on "what only EIZO can do" as the key, and contribute to the world while creating new value. These efforts not only boost employee motivation but also nurture pride. We intend to remain a company in which employees are happy to work and that local residents feel proud to have as part of their community.

Through these efforts, EIZO is striving to enhance its corporate ability, grow its business and return the benefits produced through its business to society. The company will contribute to addressing issues in a variety of fields through our business activities as a Visual Technology Company. We welcome the comments and feedback of our stakeholders in response to this report.

September 2015

**Yoshitaka Jitsumori**  
President, EIZO Corporation

### 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.

### Participation in the United Nations Global Compact



EIZO became a participant of the United Nations Global Compact (UNGC) in September 2012. Through this voluntary initiative, member corporations cooperate in the development of a global framework for sustainable growth by demonstrating responsible, creative leadership in their actions as good corporate citizens.

As a corporate participant, EIZO will engage in an ongoing effort to realize the UNGC's ten CSR principles in the areas of human rights, labor, the environment and anti-corruption, under the personal leadership of the company's president.



# Our CSR Approach and Materiality Analysis

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 opportunities and demands for involvement with key stakeholders

[see page 22 for details](#)

## Evaluating materiality

Evaluating the issues to be addressed along two axes: materiality for stakeholders (degree of societal expectation) and materiality for the EIZO Group

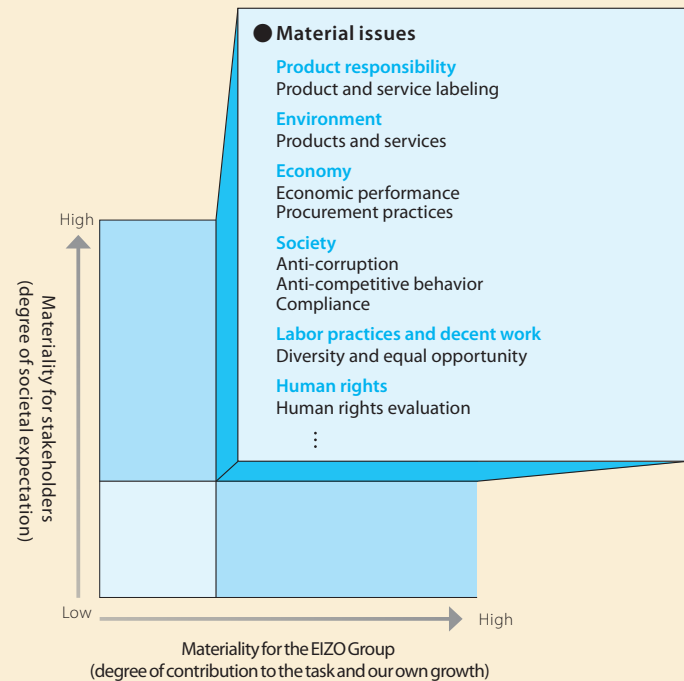
## Extracting aspects

Extracting material aspects using the GRI G4 Guidelines as reference

## Reconfirming Principles of Conduct

Reconfirming they are represented in the EIZO Group Principles of Conduct – Seven Promises

[see page 7 for details](#)



## 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.

# The Competitive Advantages of EIZO

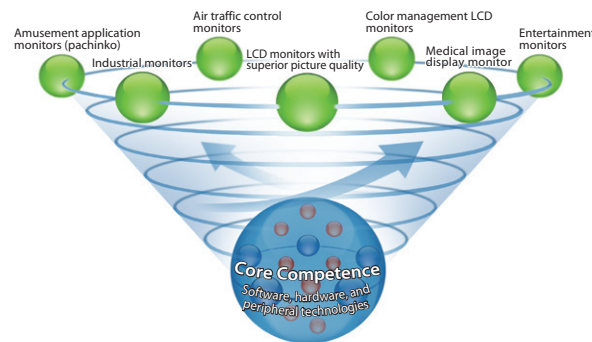
Since its founding, the EIZO Group has consistently focused its technology and passion on creating visual display products. We continue to concentrate our energy and efforts on developing products that are a step ahead of the times by using advanced devices and pursuing cutting-edge technologies. Our goal is to deliver reliable, high-quality products that both satisfy and inspire our customers.

The outcomes of these accumulated efforts are EIZO's competitive advantages: our business model, excellence in development and quality, and our global network.

## ► Business Model

We have built on our core competence of software, hardware and peripheral technologies through our work on general-purpose LCD monitors with superior picture quality in order to expand into the area of monitors for vertical markets by developing new products with the additional performance and functions required in various fields. Leveraging the technology, procurement and production synergies among our business units has enabled us to create advanced products with proprietary features to further develop and expand our business. This unique business model has been the major driver of our growth.

## ■ Business Development Based on Synergies among Business Units



Technology	Procurement	Production
Sharing technologies between business units and developing advanced products with proprietary features	Guaranteed device procurement capability	Production line for flexibly responding to orders

## ► 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 environment-related 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 some inspection criteria by human eye in addition to machine.

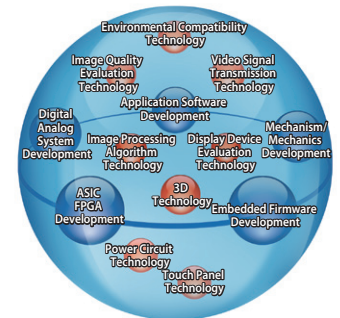


## ► Global Network

We leverage our extensive capabilities by generating synergies in development, production and sales among our 16 Group companies worldwide.

For details on our global network, please refer to page 2 and 22.

## ■ Core Competence Software, Hardware, and Peripheral Technologies



## Competitive Advantage of EIZO as Described by Employees

What is the competitive advantage of EIZO, a company that has always pursued cutting-edge technologies and created pioneering products? Employees of the planning, development and quality assurance departments discussed this topic.

### Our unique strength was developed in the course of our business centered on monitors

**Miyata:** I am planning industrial and consumer products in the Product Planning Department. The competitive advantage of EIZO as seen from the perspective of planning is the experience of engaging in the monitor business across a wide variety of markets, including medical care, graphics, ships, railway and games in addition to general use. Knowledge of a wide range of settings gained through experience in an array of markets has expanded our horizons, enabling us to develop new proposals for applying proven technologies in one field to a completely different field. For example, the technology used for game monitors to improve the visibility of darker image areas can be redirected to monitors for the security market, which requires clearly distinguishing darker areas as well. This I think is a major, differentiating advantage.



**Takahiro Yoneda**  
Strategic Technologies  
Development Department

**Yoneda:** I belong to the Strategic Technologies Development Department. I think about how to take advantage of the company's technologies in regard to market trends and needs as forecasted by the Product Planning Department, exploring new technologies that meet current trends, and considering EIZO's ideal future from a technical perspective. I believe our competitive advantage in this context is the unrivaled graphic processing and display technologies we have developed by moving into various fields centered on monitors.

**Matoba:** I belong to both the quality control and system solutions sections of the Quality Assurance Department. In the former, I examine the quality of products, balancing delivery time and cost, starting with the planning stage. In the latter, I am engaged in worldwide quality management, which also encompasses the products of overseas Group companies. I think the company's competitive advantage is its strong sense of security and reliability based on high quality. This is the result of its attitude of pursuing quality earnestly and honestly, and almost to a fault, which has been inherited as our corporate climate.



**Naoki Matoba**  
Naoki Matoba  
System Solutions Section  
and Quality Control Section,  
Quality Assurance  
Department

### Greater strides forward as a Visual Technology Company

**Miyata:** We have grown with monitors as a hardware focus, but I think one role of a Visual Technology Company is to look beyond monitors toward other elements and consider what else we could add to our products in order to provide a new imaging environment. In the future, we may also consider using the products of other companies rather than continuing to limit ourselves to our own.

**Yoneda:** We are also discussing what we should do as a Visual Technology Company in the R&D Department. We could expand the scope of our activities beyond the boundary of a monitor manufacturer, but we should maintain a stable axis for EIZO. Moreover, we should create proposals that draw from EIZO's core competitive advantages, such as our technological and quality capabilities, to convince customers that only EIZO can do this.

**Matoba:** It may be difficult to require EIZO-level quality from the products of other companies, but we should maintain the strong sense of security and reliability that is our competitive advantage. Up to now we have performed quality management with a focus on monitors as hardware, but we will need a broader approach to quality management to encompass the entire imaging environment of customers.



**Koichiro Miyata**  
Product & Business  
Development  
Department



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

Our products are used in offices and homes around the world, and each field requires different specifications and functions. Beyond listening and responding to customer requests in each field, we relentlessly pursue proprietary technologies and ideas to create and offer new sets of values that extend our promise to consistently deliver products that customers appreciate.

## EIZO Solutions

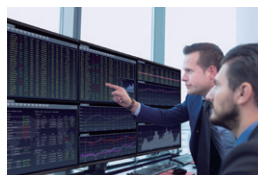
### ► For General (Business & Plus) Markets

Focusing on user comfort to reduce the physical strain of using PCs.

We focus on ergonomics-based design so that users can use our products for long hours without experiencing symptoms of stress such as eye fatigue. Thus, we offer comfortable PC environments in various locations such as offices, schools and homes.



EV2450 and EV2455 feature a frameless design, which allows users to enjoy almost seamless viewing and does not interfere with eye movement between screens, and therefore improves user comfort in a multi-monitor configuration.



### ► For Medical Markets

Contributing to greater diagnostic accuracy to support advanced medical treatment

To contribute to greater diagnostic confidence, our monitors not only accurately reproduce medical images but also maintain image stability through the use of built-in sensors that adjust for monitor wear over time and software that controls image quality. Furthermore, our monitors more flexibly display images in medical settings by offering multi-modality for simultaneously displaying different medical images on a single monitor.

In the field of surgical operations, higher levels of medical practice are leading to more sophisticated operating room systems that require the display of biological information on a specific monitor at the right time. We support advanced medical procedures by offering a comprehensive approach for the imaging environment required in operating rooms through our consulting services and being able to propose a total imaging solution that meets user needs, including image display monitors and image management software in a networked environment.



Multi-modality monitor  
Monitor can display different medical images, identify monochrome/color images automatically, and present them with the optimum brightness and gradation.

### ► For Graphics Markets

Supporting every creative setting through reliable, accurate color display

We focus on accurate color reproduction, and we contribute to improving efficiency and accuracy in every creative setting by offering monitor solutions that achieve and maintain accurate color display. The professional series of our color management monitors is being widely used by professional photographers and many production companies. The entry series offers color matching for prints and monitor display using ColorNavigator Element, a free software application that even beginners can use easily. Thus, we also support people in enjoying digital photos and other creative activities for fun.



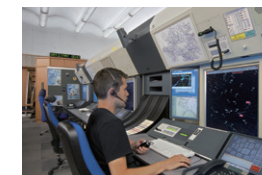
### ► For Industrial Markets

Supporting customers' businesses through finely-tuned response to the specialized needs of each industry

We flexibly address the diverse requirements of each industry by offering a broad range of products and customization, drawing upon the basic technology and knowhow we have cultivated over the years through the development and manufacturing of LCD monitors as well as our product development capabilities for specific markets that require specialized and advanced technologies.

We also support customers' businesses by responding to the need for small-lot production utilizing our flexible production system and stable, long-term supply of products based on our procurement capabilities and our maintenance system.

One of our major industrial product areas is security and surveillance market. We contribute to enhancing public safety by supporting the stable operation of security systems, using highly reliable monitors that feature excellent visibility and 24-hour continuous operation. In the air traffic control market, we contribute to our mission of ensuring safety in the sky by providing air traffic control towers and control rooms with products such as high-brightness LCD monitors capable of clearly displaying flight status information under daylight conditions. We also meet the diverse needs of other industries, such as railway and marine transport.



Air traffic control: operations in the control room

### ► For the Entertainment Market

Enriching games, video watching and other entertainment with our proprietary image processing technology

A wide variety of entertainment is now available, from games to animation, video, photos and the Web. In the game field, competitive, multiplayer computer games called eSports (electronic sports) have become particularly popular overseas, notably in Europe and North America, and the number of players is increasing in Japan. Our entertainment monitors feature Smart Insite, a technology that improves shade visibility by automatically adjusting color saturation and brightness to display images in vivid detail, depending on the setting.

Our products contribute to enriching customers' recreation time and daily lives by displaying dark scenes of games, video and animation in vivid detail, raising the enjoyment and comfort of entertainment options.



Multi-modality monitor  
Monitor can display different medical images, identify monochrome/color images automatically, and present them with the optimum brightness and gradation.

### ► 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.



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### Expanding the EIZO 4K World

4K attracts attention in TVs and generates interest in other fields due to advantages such as displaying more information on a single screen and producing beautiful, high-definition images. As an imaging specialist company for graphics, medical services, general business and CAD, EIZO offers a uniquely extensive 4K product line.

#### FlexScan®



For CAD, finance and business

#### ColorEdge®



For detailed video editing

#### DuraVision®



For CAD and high-quality map production

#### RadiForce®



For simultaneous display of diverse medical data

### The Award We Received



ColorEdge®  
CG318-4K



ColorEdge CG318-4K received the Best of Show Award (under the Digital Video Magazine category) sponsored by NewBay Media at the NAB Show 2015, the world's largest trade show for broadcasting equipment, held in Las Vegas. NewBay Media is a U.S. media company that is highly regarded in the industry of broadcasting and imaging equipment for professional use. ColorEdge CG318-4K was highly recognized for its design, functions and performance, which meet professional standards, and cost competitiveness.



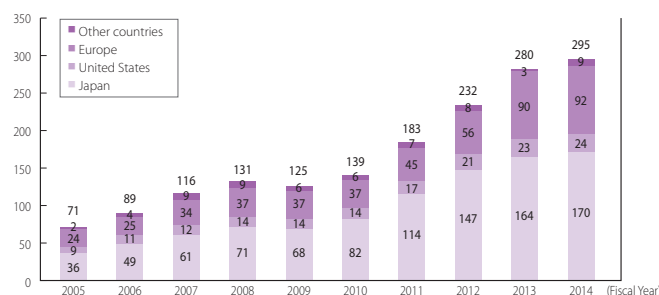
## Protecting Intellectual Property that Enhances Value

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

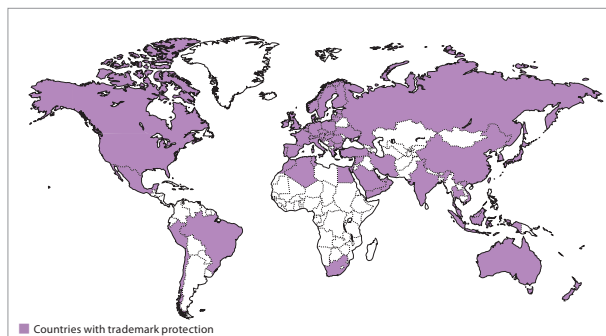
Our recent focus has been on attaining patents and design rights in countries and regions where we expect product sales to grow such as China, India and Russia, in addition to Japan, Europe and the United States, our current main markets. Overall, our goal is to construct a global network of intellectual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

### Number of Patents Obtained by the EIZO Group



### 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 encourages the creation of intellectual property group-wide. We have also established a system to facilitate the use of intellectual property and the 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.

It is our goal that each patent or design application technology is effectively utilized as a powerful patent or design right which is useful in our business. To achieve the goal, 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 in order to appropriately manage our intellectual property.

### Encouraging the Creation of Intellectual Property

We have established and manages an incentive program for employee inventions to encourage employees 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 a third party is found to have infringed upon intellectual property rights of EIZO, we demand that appropriate action be taken to protect these rights.

## EIZO's Quality Assurance System

Under our Quality Management Policy, we seek to ensure reliable long-term use of EIZO brand products by establishing an integrated quality control system that encompasses development and manufacturing to after-sales service and making continuous improvement throughout the system.

### ► Quality Standard

The quality of our products constitutes the foundation of the EIZO brand. We comply with the quality standards and regulations of each country where we sell our products as well as with the certified standards for each product. We have also established our own reliability standards that reflect diverse events including cases from both in and outside the company. These standards are applied to all EIZO brand products (LCD monitors).

In addition, we have sought to unify and standardize selection criteria for components used in our products to maintain and standardize product quality by applying these criteria to all Group companies.

### ► Gathering and Reflecting Customer Feedback

We provide after-sales service through Group companies in nearly every country where we sell our products, which has enabled us to develop an accurate understanding of customer requests and expectations.

We compile and shares customer feedback with Group companies in an effort to consistently offer high-quality, attractive products and services.

### ► Quality Management System

All Group companies involved in development and production have obtained certification under the international quality management standard ISO 9001, and ISO 13485 for medical equipment. We have incorporated these standards into the Group's quality management system in an ongoing, voluntary effort to maintain and improve the system.

### Quality Management Policy

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

- 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 the effects on the environment in every business activity from product development to manufacturing to sales and service.
- 3 Set the quality target which are carried out and reviewed by all the employees in every business activity.
- 4 Establish a quality management system, review it periodically, 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.

We will promote our manufacturing and business activities in consideration of reducing their environmental burdens.

We are conscious of the importance of environmental preservation as a common issue for all humankind, and are committed to do our utmost to protect the environment in all aspects of our corporate operations, with particular emphasis on efforts that result in environmentally sound product specifications.

### 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 farther 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

We continued to undertake many tasks for meeting our environmental targets for fiscal 2014 that would achieve results in product specifications. We also sought to accomplish these tasks and targets by sharing them with in-house organizations, including the design and development departments. We successfully reduced power consumption during suspension and use, exercised stricter control over chemical substances used in parts, and manufactured products that meet advanced environmental standards.

#### Environmental Management System Audits

Our ISO 14001 certification was maintained and updated in fiscal 2014 after a third-party institution conducted an external audit.



## Environmental Targets/Performance Report

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

Environmental Theme	Focus	Environmental Objective	FY 2014 Environmental Target	FY 2014 Actual Results	Self-evaluation	FY 2015 Targets
Efforts to prevent global warming	CO <sub>2</sub> reduction	Reduced power consumption	Reduce electricity consumption by 8.888 million kWh/year	Maintained electricity consumption under 8.336 million kWh/year	○	Reduce electricity consumption to no more than 9.20 million kWh/year Expand effort to upgrade interior lighting to LED
		Reduced fuel consumption	Reduce consumption of fuel LPG: up to 139 t; kerosene: up to 18 kl	Reduced LPG consumption to 121.2 t/year and kerosene consumption to 19.2 kl/year by optimizing air conditioning	△	Reduce consumption of fuel LPG: no more than 138 t; kerosene: no more than 20 kl
		Environmentally sound product design	Reduce product electricity consumption	EV series developed in fiscal 2014 achieved power consumption of 0.5 W in sleep mode and 0.5 W in off mode	○	Achieve compliance with ENERGY STAR 7.0 Incorporate energy-saving features
				Reduced body dimension and weight of models developed in fiscal 2014 by about 40% and 30%, respectively, compared to conventional models	○	Promote smaller, lightweight products; conserve resources consumed for packaging materials and circuit boards
Creating a sustainable society	3R (reduce, reuse, recycle)	3R design	Promote product recycling	Reused LCD units of some amusement monitors collected from the market	○	Respond to reuse of amusement monitor components (survey and review)
		3R activities	Reduce industrial waste Maintain industrial waste generation below 385 t and purchase of copier paper below 5.820 t	Industrial waste generation increased to 280.5 t, purchase of copier paper decreased to 5.639 t	○	Maintain industrial waste generation below 360 t and purchase of copier paper below 5.950 t
Environmental issues	Management of chemicals	Reduced consumption of chemicals	Manage and restrict emissions and transport of toxic substances	Continued screening for chemical substances used at facilities and extended scope to bonding materials	○	Reduce use of organic solvents and related waste (including those generated by the new optical bonding facility)
Environmental compliance	Compliance with environmental laws and standards	Standards compliance	Respond to revised RoHS/REACH (SVHC)	Managed chemical substance data based on EIZO Green Procurement Standards, responded to numerous requests for environmental surveys from corporate customers	○	Continue to pursue green procurement
			Respond to ENERGY STAR 6.0	Maintained compliance mainly for EV series products	○	Prepare to obtain ENERGY STAR 7.0
			Respond to TCO Certified Displays 6	Obtained TCO Certified Displays 6 certification for newly developed FlexScan products Responded to annual CSR audit	○	Obtain 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 EIZO Corporation Headquarters area and EIZO MS Corporation (Hakui Plant and Nanao Plant) were also applied to EIZO Display Technologies (Suzhou) Co., Ltd. from fiscal 2012 to establish an environmental management system that encompasses 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, 3R's 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 companywide 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.

## 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.

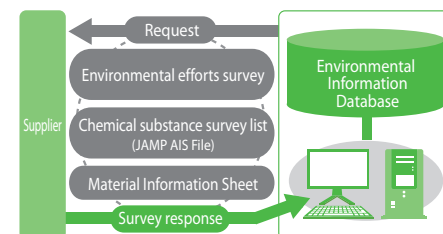
Our suppliers' efforts to reduce environmental impact and preserve the environment are just as important to us as their quality, prices, delivery schedule, services and technological excellence. In selecting products, parts and materials, including packaging, we place higher priority on those that are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

Flow of Chemical Content Survey



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 6 (international comprehensive standards for monitors), EPEAT (international environmental standard for PCs/monitors), ENERGY STAR 6.0 (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.

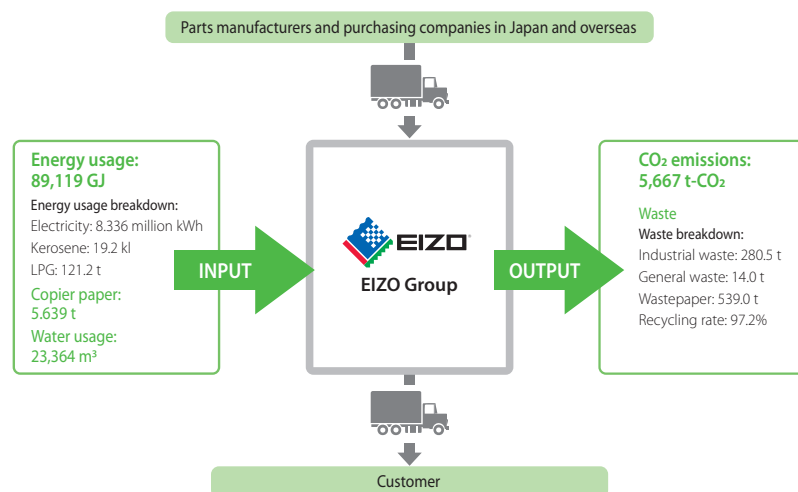
EIZO will continue to focus on developing green products while keeping an eye on the development of environmental labeling.





## Environmental Risk Management

Scope of calculations: four areas as listed below



## Environmental Impact by Area

Area		EIZO Corporation Headquarters area	EIZO MS Corporation		EIZO Display Technologies (Suzhou) Co., Ltd. (China)	Total
			Hakui Plant	Nanao Plant		
Operations		Development and manufacturing (assembly) of monitors	Production of circuit boards	Assembly of monitors	Development and manufacturing (assembly) of monitors	
Energy usage (GJ)		52,394	25,841	9,336	1,548	89,119
Energy Resources	Electricity (10,000 kWh)	465.3	259.2	93.6	15.5	833.6
	Kerosene (kl)	19.2	-	-	-	19.2
	LPG (t)	121.2	-	-	-	121.2
Copier paper (t)		4,188	974	250	227	5,639
Water usage (m³)		17,192	2,622	2,508	1,042	23,364
CO <sub>2</sub> emissions (t-CO <sub>2</sub> )		3,333	1,628	588	118	5,667
Waste	Industrial waste (t)	158.0	31.8	90.7	-	280.5
	General waste (t)	10.9	2.1	1.0	-	14.0
	Wastepaper (t)	249.5	73.9	215.6	-	539.0
	Recycling rate (%)	96.2	95.4	99.7	-	97.2

## Prevention of Global Warming, and Energy Conservation

### Facility Management

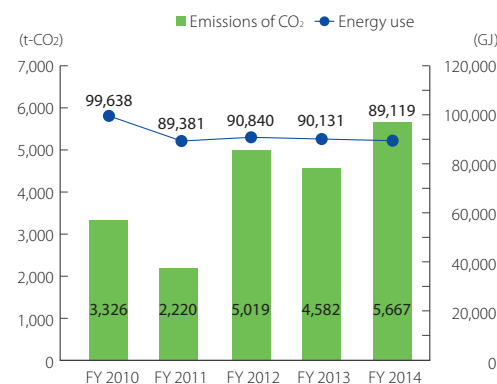
In principle, we ensure compliance with stringent voluntary management standards, including standards not bound by law.

### Regulatory Compliance

We strive to comply with 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 NO<sub>x</sub>, SO<sub>x</sub>, 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 2014, and no administrative guidance, admonitions, orders or reprimands were received. In addition, no complaints about environmental issues were received from our neighboring communities.

## Prevention of Global Warming, and Energy Conservation

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



With regard to greenhouse gas emissions, we measure CO<sub>2</sub> emissions by converting figures for electricity, kerosene and LPG use into CO<sub>2</sub>. We strive to reduce consumption of energy resources to reduce our CO<sub>2</sub> emissions. Although energy usage was almost the same as in the previous year, our greenhouse gas emissions rose during the current fiscal year, mainly due to an increase in the conversion factor for Hokuriku Electric Power Company.

• Calculations of CO<sub>2</sub> emissions associated with electricity use are based on the conversion factor of Hokuriku Electric Power Company and the conversion factor used in China.

• In fiscal 2014, CO<sub>2</sub> emissions doubled from the previous year due to a significant increase in the CO<sub>2</sub> conversion factor for electricity, resulting from an increase in the ratio of thermal power in Japan.

### ► Energy Use

In fiscal 2014, our electricity consumption increased due to the start of operations of a newly constructed clean room at the headquarters plant of EIZO Corporation. However, we replaced the lighting at the headquarters plant with LED lighting and the air conditioning units at the Hakui Plant of EIZO MS Corporation.

As for operations at our facilities, we continued our efforts from the previous year to save energy by optimizing the operation of our air conditioning units. We were not able to achieve our target for kerosene consumption, because the volume of kerosene we consumed was driven up by a change in use for the floor where kerosene is used for air conditioning. Total energy use, however, was essentially the same as in the previous year.

We will continue to pursue Group-wide energy savings while also maintaining comfortable working conditions.

### ■ Targets and Actual Results

	Electricity	Kerosene	LPG
FY 2015 targets	9.35 million kWh	19 kl	138 t
FY 2014 targets	8.888 million kWh	18 kl	139 t
FY 2014 results	8.336 million kWh	19.2 kl	121.2 t
Targets achieved	○	×	○

### ► Water Use

We use only groundwater in EIZO Corporation's Headquarters area (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. We use water in our corporate buildings as well as for the snow melting system and for watering plants in the summer. Our manufacturing processes do not use any water.

### ► Industrial Waste

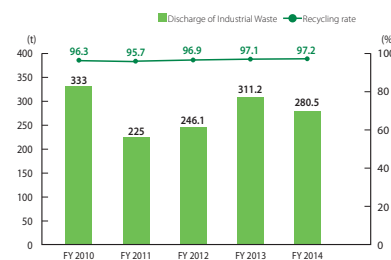
Our total volume of industrial waste increased 9.8% year-on-year to 280.5 t. In compliance with the Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes, we completed the disposal of used high-voltage transformers that contained trace amounts of PCB and had been stored at our sites.

### ► Appropriate Management of Chemical Substances

We closely manage kerosene and organic solvents in compliance with regulations such as the Fire Service Act and the Industrial Safety and Health Act. We do not use any chemical substances subject to the PRTR Law\*.

\* Pollutant Release and Transfer Register: Regulation governing the monitoring and promotion of efforts to more effectively manage the release of controlled substances into the environment.

### ■ Discharge of Industrial Waste and Recycling Rate



### ■ 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 free collection of monitors for home use.

End-of-Life EIZO Monitors (for Home Use) Collected in FY 2014		
	CRT monitors	LED monitors
Volume in weight (kg)	14,252	9,135
Quantity (units)	577	1,305
Recycled volume (kg)	9,359	7,995
Recycling ratio (%)	66	88

##### ◆ 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 FY 2014		
	CRT monitors	LED monitors
Volume in weight (kg)	1,260	2,506
Quantity (units)	51	358
Recycled volume (kg)	867	1,930
Recycling ratio (%)	69	77

#### Europe

##### ◆ EIZO Monitors Discarded in Europe

The European WEEE Directive went into effect in August 2005 toward reducing environmental impact through promotion of the three R'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.

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.

### Development and Production Network – Coherent Development and Production System

The EIZO Group has three production sites in Japan, three in Germany and one in the United States and China, forming a network that maintains a coherent development and production system throughout the Group. This system 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 18 global distributors (as of September 2015).

#### ► Direct Sales System in Europe

Our business extends to specialized markets for medical, graphics, industrial and air traffic control monitors. Customers in these markets demand direct, ongoing communication with the manufacturer as well as solid global support. In 2012, to more effectively respond to these specific market environments and diversified sales channels, we established sales subsidiaries in the United Kingdom and Germany and replaced local distributors with a direct sales system. We are striving to achieve further business growth in Europe by reinforcing regional sales centered on the two sales subsidiaries.

Furthermore, to expand our sales activities into emerging markets, where our specialized markets are expected to grow, we 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 exhibits 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 between Group companies.



#### ► 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 DRC (Democratic Republic of the Congo) and its nine neighboring countries are used to fund the 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, silver, 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 from raw materials purchased from companies that are not involved in any misconduct and conduct business lawfully. In addition, to fully comply with this policy, the EIZO Group reviews its entire supply chain using the Conflict Minerals Template, a widely-adopted international standard format.

We will conduct open and fair trade.

**Our suppliers are essential partners for ensuring the long-term viability of our business.**

**We therefore ensure 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 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 each employee to have the necessary level of knowledge and awareness. We seek to deepen employee understanding and awareness with a steady flow of compliance information through our intranet and study sessions. Topics include anti-trust regulations directly related to business transactions as well as procedures for handling confidential information as required by regulations that prohibit insider trading and that govern relationships with suppliers.

#### ► Handling of 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. We also pay the utmost care in handling information we have obtained and follow the appropriate procedures for managing it.

#### ► 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 explicitly ensure they understand our corporate stance.

#### ► EIZO Supplier Code of Conduct

The company established the EIZO Supplier Code of Conduct to globally ensure sound business operations

under the EIZO Group Principles of Conduct. We will pursue CSR through our business activities along 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.

#### ► 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 Standard 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 active involvement in environmental preservation

#### ► Developing Mutual Understanding with Suppliers

As a manufacturing company that strives 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 we and our suppliers share a common understanding of each others' 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. We also discuss the market environment and our future efforts. Many suppliers attend these briefings, which contribute to a greater understanding of EIZO and to gathering 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

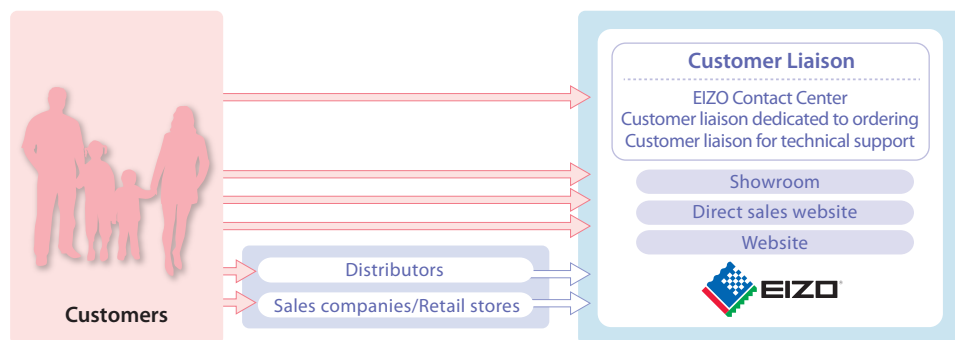
EIZO's Stakeholders		EIZO's Responsibility	Communication Channels
Customers P. 23	In addition to offering products that satisfy customers, we listen closely to their feedback and provide useful support.	<ul style="list-style-type: none"> <li>• Creating and offering products with new value.</li> <li>• 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>– Listening to customer opinions</li> <li>– 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 dialog</li> <li>• Providing and collecting information through participation in various trade shows</li> <li>• Providing timely information via the corporate website</li> </ul>
Suppliers P. 21	We view suppliers as essential and important partners in the continuation of our business, and forges 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. 27	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. 24	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> </ul>
Local Community P. 24	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. We strive to directly communicate with customers through various channels in order to fully answer questions and respond to customer requests and feedback.

### Feedback System for All Types of Customer Input



### Customer Liaison

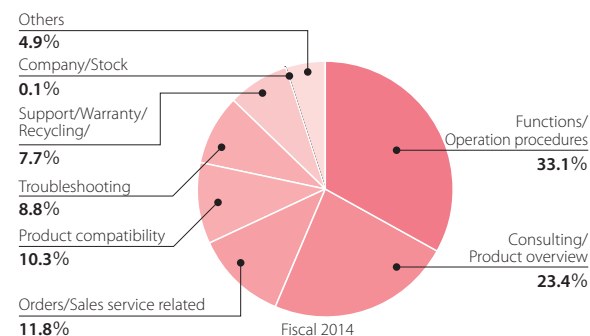
Each Group company has set up a customer liaison process (including access by phone or e-mail) to receive inquiries and questions related to EIZO products and technology. Customer inquiries and requests are promptly shared and appropriately addressed within the company, relevant departments and the Group.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

EIZO Corporation (Japan)	<ul style="list-style-type: none"> <li>Set up the EIZO Contact Center as a dedicated liaison for responding by phone and e-mail</li> </ul>
EIZO Technologies GmbH (Germany)	<ul style="list-style-type: none"> <li>Responds to inquiries through a dedicated liaison and website</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 has been set up as a convenient means for customers in Japan to communicate with the company. The center provides answers to inquiries related to product specifications and operating procedures as well as questions related to purchasing products through telephone, e-mail and fax.

### Calls to the Contact Center



### 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 well-received seminars 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.

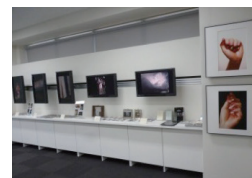
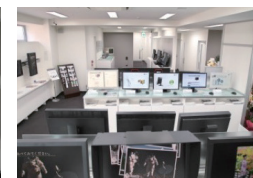


Photo exhibition



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 try to schedule our annual general shareholders meeting for a date that is convenient for shareholders by avoiding days on which other such meetings are being held. We also send out invitations as far in advance as possible to provide enough time for shareholders to examine the proposed resolutions and the state of our operations. Furthermore, we provide opportunities for direct communications with our shareholders, such as the display of products and holding of an informal meeting with shareholders during the general shareholders meeting.

### Company Presentations for Investors

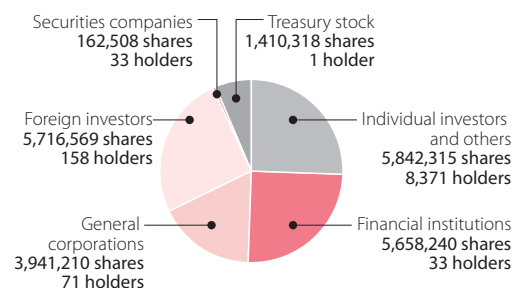
We invite institutional investors to our semi-annual earnings results briefings in Tokyo, where we report on our business direction, activities and performance. We also hold briefings for individual investors to promote a greater awareness of our company.

### Status of Shares and Shareholder Composition

#### Status of Shares (as of March 31, 2015)

Number of shares authorized	65,000,000
Number of shares issued	22,731,160
Number of shareholders	8,667

#### Distribution of Shares by Shareholder Type (as of March 31, 2015)



## Relationships with the Local Community

We seek to build and maintain good relationships with the local communities where each Group company operates. To contribute to developing these areas and creating better environments as a community member, we sponsor and donate local organizations and are actively engaged in activities.

### Examples of Contributions to Local Communities

EIZO Corporation (Japan)	<ul style="list-style-type: none"> <li>Voluntary participation in beach cleanups and snow shoveling</li> <li>Donations to local activities</li> <li>Ishikawa Keiei Tensho Juku: cooperation through operational advice and lectures on an educational project for young corporate managers and future entrepreneurs who will bear responsibility for the future of the regional economy</li> <li>Co-sponsorship and support for the Orchestra Ensemble Kanazawa in Ishikawa Prefecture</li> <li>Co-sponsorship and support for La Folle Journée Kanazawa Music Festival as a member of the executive committee</li> </ul>
EIZO Technologies GmbH (Germany)	<ul style="list-style-type: none"> <li>Donation to activities that support treatments for childhood cancer</li> <li>Distribution of T-shirts to children at a community running event</li> <li>Donation of projectors to a local school</li> </ul>
EIZO AG (Switzerland)	<ul style="list-style-type: none"> <li>Donation to organizations that support sports activities for the disabled</li> <li>Donation of monitors to an organization that supports children and adults with mental disorders</li> </ul>
EIZO Limited (United Kingdom)	<ul style="list-style-type: none"> <li>Donation to an organization that supports children whose safety is at risk and needs to be protected</li> <li>Co-sponsoring a graduation exhibition of the works of students in the community, who want to take on creative jobs</li> </ul>
EIZO Nordic AB (Sweden)	<ul style="list-style-type: none"> <li>Co-sponsoring an organization that gives health and environmental education to children</li> </ul>



Participating in a community beach cleanup



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

We believe each individual employee must raise their awareness of compliance and the company must conduct sound corporate governance to provide our stakeholders with trust through the ongoing creation of corporate value.

## Compliance

### ► Our Philosophy on Compliance

We recognize compliance as one of the most important concerns of management for fulfilling our social responsibility at the highest levels, and this includes ethical responsibility. Our action guidelines on compliance stipulate that we never become involved in illegal or unethical acts, and that we provide sufficient compliance training for all officers and employees. We have established an organizational structure for guaranteeing compliance and have been developing measures and systems to ensure effectiveness, and steadily promoting these measures based on 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 toward establishing 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. We also seek to instill a thorough awareness of compliance among all Group employees in Japan and overseas while further enhancing our compliance system based on the prior establishment of the Compliance Committee and by further strengthening our management structure.

### ► Strengthening the Information Management System

We ensure proper handling of confidential 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 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.

## Risk Management

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 designated as a “serious risk” by the Management Committee, comprising full-time officers and managing officers. Appropriate countermeasures are discussed and implemented.

As our business activities became even more global in nature, we expanded the scope of risk identification and evaluation to Group companies in and outside Japan.

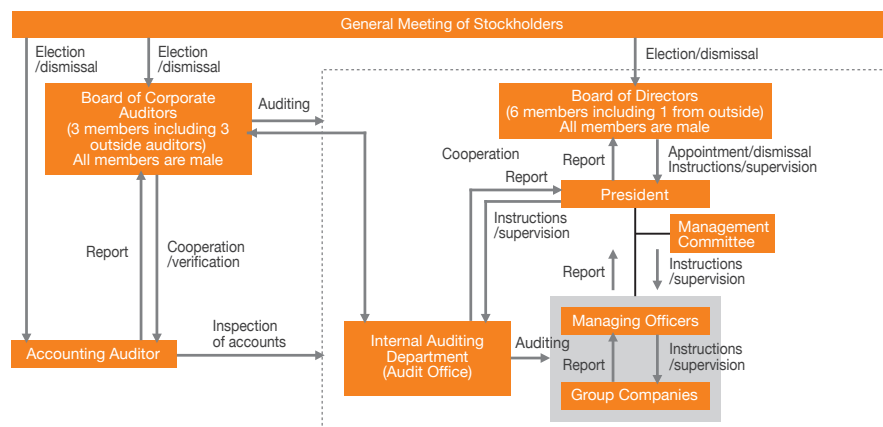
### ► Business Continuity Plan (BCP)

To be prepared in the event of a major disaster, EIZO formulated a BCP for responding to natural disasters and a BCP for handling the outbreak of the new influenza virus, and these plans have been 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.

## Corporate Governance

We strive to be a company that consistently produces satisfactory results with the support of our stakeholders. To this end, we view the ongoing improvement of corporate governance as a vital management concern.

### Corporate Governance System



### Board of Directors

The Board of Directors meets monthly and as required to support timely decision-making for today's business environment. All important matters related to the board's decisions are discussed and progress reports on the execution of operations are presented on a regular basis. One of the six directors is an outside director (as of June 29, 2015) who maintains no special interests in the company and therefore acts in a highly independent capacity. The outside director participates in decision-making on important matters from an objective and partial standpoint and supervises the execution of operations. We have designated the outside director and all outside corporate auditors as independent directors as stipulated under Tokyo Stock Exchange regulations.

### Management Committee

The Management Committee is composed of directors (excluding the outside director), a fulltime auditor and managing officers, and is convened as required to accelerate strategic decision making, respond to important issues, and deliberate or report on the status of operations.

### Managing Officer System

We have introduced a managing officer system to separate the supervision of management and the execution of operations, while accelerating the pace of operational execution.

### Board of Corporate Auditors

We have adopted a system of corporate auditors. The board of corporate auditors consists of three members (one full-time and three part-time, as of June 19, 2015) and includes three outside corporate auditors. Corporate auditors attend key meetings of the Board of Directors.

### Internal Auditing System

The Audit Office reports directly to the president and functions as the company's internal auditing department. It carries out internal audits in accordance with the Basic Regulations on Internal Audits, which specifies audit policies, and with the Basic Annual Audit Plan approved by the president. All findings of these internal audits are reported to the president.

### Compensation System

With respect to bonuses paid to officers, we have endeavored to further clarify directors' management responsibilities for corporate performance. Also, we have introduced a performance-based compensation system that explicitly limits bonuses to within 2% of operating income for each fiscal year (up to a maximum of ¥200 million) in an effort to ensure transparency of the calculation method.

### Internal Control System

We established our basic policy underlying a system that ensures directors execute their tasks in compliance with the law and the articles of incorporation, along with a system for ensuring the appropriateness of other operations. Based on the policy, we have proceeded to develop related systems and to complete the groundwork for establishing an internal control system. We have also established an internal control system for financial transactions in accordance with the Financial Instruments and Exchange Act, and exercise thorough control over our financial operations.

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. Many of our top managers at overseas Group companies are 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.

## Employee Dialogue

One of EIZO's Seven Promises in its Principles of Conduct is, "We will respect basic human rights and value a broadminded corporate culture," and the company is taking action to fulfill this promise. In May 2015 some younger employees gathered and exchanged their opinions under the theme, "What is the broadminded corporate culture of EIZO?"



Participants (from left):

Fumiki Kezuka, EIZO Corporation  
Yongkil Ko, EIZO Corporation  
Kotaro Makisaka, EIZO Corporation  
Yasuyo Shiimoto, EIZO Corporation  
Rachel Duplessis, EIZO Corporation  
Ayaka Kasuga, Irem Software Engineering Inc.  
Takuma Kameda, EIZO Support Network Corporation

## Broadminded Corporate Culture of EIZO

**Ko:** I am in charge of purchasing liquid crystal panels while ensuring coordination across many departments of the company. From my first year in the company, I have been given opportunities to talk directly with senior members of the development department and select suitable panels. I feel there is a flattened, open atmosphere that encourages discussion regardless of length of service or rank.



**Makisaka:** I agree. Because the nature of my responsibility involves quality, I work with many departments. Senior members of other departments responsible for product development sincerely face problems presented by inexperienced people like me and are willing to cooperate.

**Kameda:** In my first year in the company, I was entrusted with the inspection of products introduced to facilities across the country.

**Ko:** I see the broadminded corporate culture in that we are entrusted with important responsibilities and our opinions are heard, regardless of the length of our service.

**Kezuka:** Well, I'm entrusted with preparing monthly reports as important material for business decisions. Six months after joining the company, I went along with my superior on a visit to an overseas company for about three weeks to construct its accounting system. I think such opportunities are scarce for new employees.

**Kasuga:** When a design I proposed in my first year in the company was adopted and I saw the model actually at the store front, I felt really great about joining EIZO. I'm also happy to have opportunities to participate in multiple projects beyond the tasks in my charge, so that I can gain considerable experience, right from the first year.



**Duplessis:** We engage in lively discussions in the Sales Promotion Section and are free to speak out, regardless of length of service. I feel the atmosphere is very pleasant. I'm from the United States and have been in Japan and away from my home for four years. I like the working environment, find my job rewarding every day, and want to continue working for years to come in this atmosphere of freedom.



**Kameda:** I also feel there are no barriers that prevent speaking freely among Group companies.

**Shiomoto:** I like having an environment in which we can talk with each other and share our thoughts. In our section we talked about how we hope to shape the future of the company and what products and technologies we want, and then we developed a specific plan in the form of a road map. This kind of environment reflects a broadminded corporate culture that enables not only senior members but first-year employees as well to talk about what we want to do and put it into a concrete form.



### Why Has this Broadminded Corporate Culture Been Created?

**Makisaka:** Here, many people have the flexibility to think about new things, outside the box. This may have led to the creation of an atmosphere that encourages people to state their opinions freely, regardless of length of service.

**Kameda:** I agree. People openly accept statements of problems and suggestions for improvement, even coming from first-year employees; workers in ordinary companies might flatly reject such talk from new employees.

**Kezuka:** The mindset of the management may be a contributing factor as well. They take various measures to create an open atmosphere. For example, “working casual” has been adopted, and both officers and rank-and-file employees eat in the same company cafeteria. I think the management’s attitude has spread across the entire company.



**Kasuga:** I think active communication is in the background. In addition to many occasions for discussion during breaks, we have good welfare programs, including recreation activities and facilities, as well as a variety of activities like cherry blossom viewing and barbecue parties. Communications across sections, divisions and projects also contributes to this atmosphere.

**Duplessis:** The company provides a supportive atmosphere for planning such events.

**Shiomoto:** I agree. I wanted a casual exchange for the entire company and organized an event to gather employees from across the company. Typically the General Affairs Department is expected to organize this kind of event, but here an employee of the development division can do it. That’s because a spirit of mutual respect and support has been established in the company.

**Makisaka:** I agree. In addition to an open and cooperative atmosphere for young staff in business and event planning, people support their actions for the benefit of the company.

### For Further Improving Our Working Environment

**Shiomoto:** Because there’s a product I have wanted to create since joining the company, I’m taking the initiative to conduct market research with the cooperation of my subordinates. Although I haven’t received direction from my supervisor, I feel that the company has been backing the efforts. I want to continue to propose new products and services actively and provide good incentives to people in my workplace by taking on more new challenges.

**Kasuga:** I would also like to actively participate in other projects and events to get inspired for generating new ideas.

**Kameda:** I want to create opportunities such as round table talks for the field and the development division in order to better reflect customer feedback in product development.



**Ko:** I’ll always look for and propose better ways and processes for doing our work.



**Makisaka:** I’d be happy to create opportunities for divisions to present what they are doing to each other. Seeing what people in other divisions are doing inspires us and raises motivation. Expanding our horizons, presenting and providing stimuli to each other will lead to creating new things.

**Kezuka:** I agree. And I want to encourage more active communication with other departments, including the field and development division.

**Shiomoto:** So there’s active communication in each field without regard to years in service, post, division, project or Group company? Like you, I will actively develop new proposals and tackle my work with freewheeling imagination.



## 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 imaging 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.

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

#### ■ EIZO Group Including Overseas Affiliates (as of March 31, 2015)

Number of Employees (including temporary workers)	2,168	Engineering staff	779
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#### ■ EIZO Corporation (as of March 31, 2015)

Number of Employees (including term employees)	781	Male	395
		Female	386
		Engineering staff	247
		Foreign nationals	21
Graduate recruits Joined company in April 2015	32		
Mid-career recruits Joined company from April 2014 through March 2015	28		
Average age As of March 31, 2015	37.9		
Average length of service As of March 31, 2015	14.6 years		
Average annual working hours FY 2014	1,929 hours		

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.

### ► Promoting the Careers of Persons with Disabilities

Persons with disabilities are engaged in careers at many of our worksites, and as of March 2015, 11 disabled persons are currently employed by the Group. At EIZO Corporation, persons with disabilities represent 2.02% of the workforce, exceeding the minimum legal requirement of 2.0%. We intend to continue improving our workplace environment and expanding work opportunities for the disabled.

#### ■ Percentage of Employees Who Are Persons with Disabilities (EIZO Corporation)

March 2013	March 2014	March 2015
2.09%	2.09%	2.02%

### ► 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 conduct educational activities to keep all employees, including those at Group companies, informed of this position.

## Promoting Work-Life Balance

To respond to diversifying work styles and ensure employees are able to work with a sense of satisfaction, accomplishment and happiness, we believe it is important for employees to have extra time to refresh their minds and bodies. We also actively support employees who participate in social contribution or volunteer activities.

#### Voice from a Worksite

For about 11 months, from January to December 2014, I took a leave of absence and participated in volunteer activities in Palau as a private-sector volunteer partner of Japan Overseas Cooperation Volunteer. I was sent to the aquarium in the Palau International Coral Reef Center to improve the video equipment installed there and enhance its exhibits. I was able to energize the solution meeting to review the requests of local staff by introducing company touch panel monitors and creating a quiz and an on-site browsing system for visitors. I hope to use experience gained in this environment that is different from the company to enhance EIZO business.



**Yoshihisa Goto**  
Production  
Technology Section  
Manufacturing  
Department  
Joined the  
company in 2005

### ► Opportunities for Recreation and Exchange

A variety of sports and cultural activities have been established within the company, and employees are enthusiastically engaged. In addition, occasional recreation activities are planned in a division or across divisions contributing to the creation of a better working environment. The company provides an environment that supports these activities by, for example, supplementing costs and permitting the use of company facilities.



### ► 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 Corporation)

	FY 2012	FY 2013	FY 2014
Childcare/Nursing Care Leave	29	38	45
Reduced Working Hours For Childcare or Nursing Care	27	35	43

### ► Shorter Actual Working Hours

As part of our efforts to decrease the number of working hours, we undertake work improvement activities on a unit-by-unit basis and observe a weekly no-overtime day. We also vigorously encourage employees to take compensation days off for working on holidays and take sufficient paid leave. In fiscal 2014, we were able to reduce the hours through various efforts.

■ Average Working Hours (EIZO Corporation)

FY 2012	FY 2013	FY 2014
1,963 hours	1,941 hours	1,929 hours

#### column

### Recreation activities across divisions keep the company energized

Various activities are conducted across divisions, including athletic meets, bowling tournaments and marathon races. For example, a large number of runners from our Group companies in Japan entered as teams to compete in a marathon relay in Ishikawa Prefecture, and they finished strong. The event bolstered their sense of solidarity, and their strong showing sparked discussion across the company.



### ► Human Resource Development Efforts

#### ► 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. We are also actively encouraging participation in management training seminars conducted by outside institutions as part of our effort to promote women to management positions.

#### ► Emphasis on Educating Younger Employees

First-year employees participate in programs on organizational structure and basic knowledge for adulthood and independence, and receive on-site factory training to learn about the foundations of our company. We also conduct a variety of programs specifically targeting young employees, including technical training for new engineering staff to ensure they acquire a broad foundation of knowledge on our basic technologies. We also emphasize periodic group-based training for acquiring business skills and on-the-job training (OJT) in each department, and managers draw up three-year career plans in consultation with young employees, providing a basis for a systematic OJT program.

#### ► Supporting Career Development

We encourage employee career development by providing a complete and diverse range of self-development programs, including language classes, business seminars for increasing knowledge about such areas as finance and accounting, compliance, and marketing strategy, and by subsidizing the cost of distance learning or obtaining certifications.

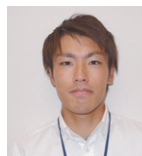
### ► Development of Global Human Resources

To develop global human resources, we provide English and Chinese classes in Japan as well as Japanese classes at affiliates outside Japan, and we hold seminars on cross-cultural communication. We also run an exchange program for engineers between affiliates outside Japan, in which employees are dispatched for one year, and a trainee program for young core personnel (short-term assignment, about three months). The program aims 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 from a Worksite

For about three months, from January to March 2015, I visited over 100 resellers and customers in 16 cities across North America, accompanying sales staff of each region as a trainee of EIZO Inc., a Group sales company in North America. This training program provided a unique and invaluable opportunity for me to listen to feedback directly from overseas customers, build relationships with local staff and experience the breadth of the company's overseas business. Furthermore, being able to encounter workplaces comprising diverse ethnicities and cultures enabled me to appreciate the ideal mobilization of global human resources who are capable of advancing business by forming decisions as a team in an environment of mutual respect.

I feel compelled by this experience to continue growing and working actively as a global human resource engaged in quality-related work.



**Tatsuya Oie**  
Customer Support  
Section  
Quality Assurance  
Department  
Joined the company  
in 2008

### ■ 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 strive to prevent workplace accidents by conducting risk assessments for each workplace in addition to KYT (hazard prediction training), "hiyari-hatto" (close call) 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 and achieving a goal of 100% follow-up.

#### 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 2013 to 2015)

Raise safety awareness by improving employees' sense to identify potential dangers and encourage self-management of physical and mental health in order to enhance operations.

### ■ Fiscal 2015 Targets/Key Action Points and Fiscal 2013 Performance

Management Area	FY 2015 Targets/Key Action Points	FY 2015 Performance	評価
Management Area	Achieve zero occurrence of workplace accidents, reduce traffic accidents during working hours	<ul style="list-style-type: none"> <li>Workplace accidents 2</li> <li>Frequency rate 0.57</li> <li>Severity rate 0</li> </ul>	△
	Key points • Implement risk assessment directly linked to business operations • Implement KYT in line with the situation of the workplace and operations • Promote 5S to improve operation quality and eliminate the causes of workplace accidents	<ul style="list-style-type: none"> <li>Traffic accidents during working hours 5 (4 offenses, 1 defense)</li> <li>Unacceptable risks 0</li> </ul>	
Health Management	100% follow-up on checkup results	Follow-up 97.7%	△
	Key points • Implement mental health measures in the workplace • Promote preventive measures for lifestyle-related diseases (including specific health guidance) • Proper management of chemical substances		

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

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

## GRI Guidelines (Version 4) Content Index

The EIZO Corporation Corporate Social Responsibility Report 2015 provides information on the Standard Disclosure items contained in the GRI Sustainability Reporting Guidelines (Version 4).

The following table lists the core items of the Standard Disclosures, for which we have received third-party confirmation from Sustainability Accounting Co., Ltd. (Chiyoda-ku, Tokyo).

Indicator	Report page
<b>Strategy and analysis</b>	
G4-1	A statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability
<b>Organizational profile</b>	
G4-3	The name of the organization
G4-4	The primary brands, products, and services
G4-5	The location of the organization's headquarters
G4-6	The number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report
G4-7	The nature of ownership and legal form
G4-8	The markets served
G4-9	The scale of the organization
G4-10	The breakdown of the employees
G4-11	The percentage of total employees covered by collective bargaining agreements
G4-12	The organization's supply chain
G4-13	Any significant changes during the reporting period
G4-14	Whether and how the precautionary approach or principle is addressed by the organization
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses
G4-16	Memberships of associations and national or international advocacy organizations
<b>Identified material aspects and boundaries</b>	
G4-17	All entities included in the organization's consolidated financial statements or equivalent documents; whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report
G4-18	The process for defining the report content and the aspect boundaries; how the organization has implemented the reporting principles for defining report content
G4-19	All the material aspects identified in the process for defining report content
G4-20	The aspect boundary within the organization for each material aspect
G4-21	The aspect boundary outside the organization for each material aspect
G4-22	The effect of any restatements of information provided in previous reports, and the reasons for such restatements
G4-23	Significant changes from previous reporting periods in the scope and aspect boundaries
<b>Stakeholder engagement</b>	
G4-24	A list of stakeholder groups engaged by the organization
G4-25	The basis for identification and selection of stakeholders with whom to engage
G4-26	The organization's approach to stakeholder engagement
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded; the stakeholder groups that raised each of the key topics and concerns
<b>Report profile</b>	
G4-28	Reporting period (such as fiscal or calendar year) for information provided
G4-29	Date of most recent previous report (if any)
G4-30	Reporting cycle (such as annual, biennial)
G4-31	The contact point for questions regarding the report or its contents

G4-32	The 'in accordance' option the organization has chosen; the GRI Content Index for the chosen option; the reference to the External Assurance Report, if the report has been externally assured	32-33
G4-33	The organization's policy and current practice with regard to seeking external assurance for the report	33
<b>Governance</b>		
G4-34	The governance structure of the organization; any committees responsible for decision-making on economic, environmental and social impacts	26
<b>Ethics and integrity</b>		
G4-56	The organization's values, principles, standards and norms of behavior	7
<b>Specific standard disclosures</b>		
<b>Disclosures on management approach</b>		
G4-DMA	Reasons why the Aspects are of material significance, impacts that affect judgment, approach to organizational management, and evaluation of management approach	11-31
<b>Environmental</b>		
<b>Materials</b>		
G4-EN1	Materials used by weight or volume	18
<b>Energy</b>		
G4-EN3	Energy consumption within the organization	18
G4-EN6	Reduction of energy consumption	16,18-19
G4-EN7	Reductions in energy requirements of products and services	17
<b>Water</b>		
G4-EN8	Total water withdrawal by source	18
<b>Emissions</b>		
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	18
G4-EN16	Indirect greenhouse gas (GHG) emissions (Scope 2)	18
G4-EN19	Reduction of greenhouse gas (GHG) emissions	16,18
<b>Effluents and waste</b>		
G4-EN23	Total weight of waste by type and disposal method	19
<b>Products and services</b>		
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	16-17
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	19
<b>Compliance</b>		
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Not applicable
<b>Environmental grievance mechanisms</b>		
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	Not applicable
<b>Social</b>		
<b>Labor practices and decent work</b>		
<b>Employment</b>		
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	30

<b>Occupational health and safety</b>		
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	31
<b>Training and education</b>		
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	30,31
<b>Diversity and equal opportunity</b>		
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	29
<b>Human rights</b>		
<b>Investment</b>		
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	29
<b>Non-discrimination</b>		
G4-HR3	Total number of incidents of discrimination and corrective actions taken	Not applicable
<b>Society</b>		
<b>Anti-corruption</b>		
G4-SO4	Communication and training on anti-corruption policies and procedures	25
G4-SO5	Confirmed incidents of corruption and actions taken	No incidents of corruption were reported.
<b>Anti-competitive behavior</b>		
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	No legal actions were reported.
<b>Compliance</b>		
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	No fines or non-monetary sanctions were received.
<b>Grievance mechanisms for impacts on society</b>		
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	Not applicable
<b>Product responsibility</b>		
<b>Customer health and safety</b>		
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcome	No incidents of non-compliance were reported.
<b>Product and service labeling</b>		
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	No incidents of non-compliance were reported.
G4-PR5	Results of surveys measuring customer satisfaction	23
<b>Marketing communications</b>		
G4-PR6	Sale of banned or disputed products	Not applicable
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcome	No incidents of non-compliance were reported.
<b>Customer privacy</b>		
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Not applicable
<b>Compliance</b>		
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Not applicable

## Comparison Table for the United Nations Global Compact

United Nations Global Compact		Coverage by EIZO Group Principles of Conduct – Seven Promises	Page
Principle 1	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.	20,21 27-31
Principle 2	Businesses should make sure they are not complicit in human rights abuses.		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.		
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labour.	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.	20,21 27-31
Principle 5	Businesses should uphold the effective abolition of child labour.		
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.		
Principle 7	Businesses should support a precautionary approach to environmental challenges.	2. We will promote our manufacturing and business activities in consideration of reducing their environmental burdens.	15-19
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility.		
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.		
Principle 10	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.	21, 25-26

## Independent Third-Party Assurance Statement



**Independent Assurance Statement**

August 27, 2014

To President Yoshihiko Jitsumori,  
EIZO Corporation

**1. Purpose**  
We, Sustainability Accounting Co., Ltd., were engaged by EIZO Corporation (the Company) to provide limited assurance on the Company's CO2 emissions for fiscal 2013 amounting to 4,582 t-CO2 (the CO2 emissions), as disclosed on page 4 of its CSR Report 2014. The purpose of this process is to express our conclusion on whether the CO2 emissions are calculated in accordance with the Company's standards. The Company's management was responsible for calculating the CO2 emissions. Our responsibility was to independently carry out a limited assurance engagement and to express our assurance conclusion.

**2. Procedures Performed**  
Our assurance engagement has been planned and performed in accordance with International Standard on Assurance Engagement 3000 (ISAE3000). The key procedures we carried out included:  

- Interviewing the Company's responsible personnel in order to understand the Company's standards
- Reviewing the Company's standards
- Performing cross-checks on a sample basis and performing a recalculation to determine whether CO2 emissions were calculated in accordance with the calculation policy.

**3. Conclusion**  
Based on the procedures performed, nothing has come to our attention that causes us to believe that the CO2 emissions are not calculated, in all material respects, in accordance with the Company's standards.

We have no conflict of interest relationships with the Company.

  
Takashi Fukushima  
Representative Director  
Sustainability Accounting Co., Ltd.



