

# CORPORATE SOCIAL RESPONSIBILITY REPORT 2010

EIZO NANA0 CORPORATION



## Corporate Philosophy

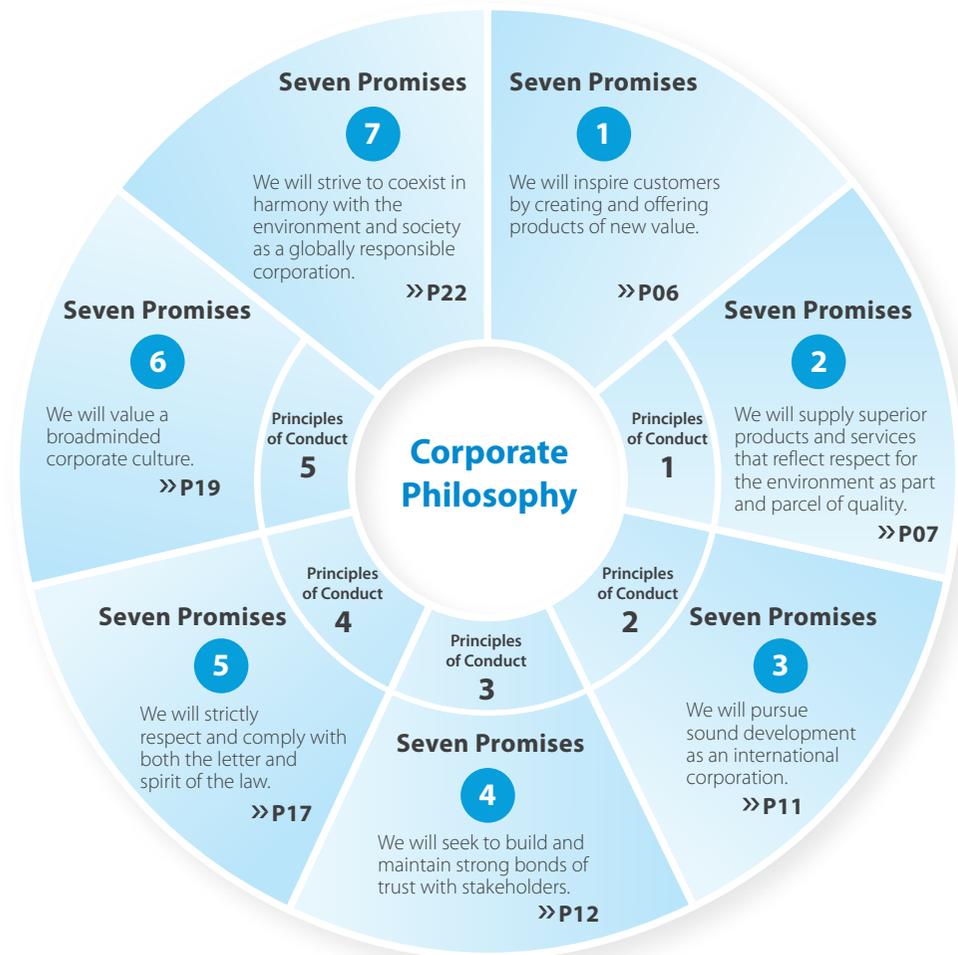
The EIZO NANAO Group pushes the limits of technology to create products of new value, inspires its customers through visual display systems and entertainment software, and strives for sound prosperity while coexisting in harmony with the environment and society.

## Principles of Conduct

1. We supply superior products and services by focusing on quality and following scientific operation procedures.
2. We act as an international corporation with a global outlook and mindset.
3. We aim to grow in a harmonious manner by building strong bonds of trust with our stakeholders (shareholders, suppliers, employees, and the local community).
4. We respect and comply with both the letter and the spirit of the law as a good corporate citizen.
5. We cultivate a broadminded corporate culture, establishing a vibrant workplace.

## The Seven Promises Toward Fulfilling Our Corporate Social Responsibility

We established the Eizo Nanao Group Code of Conduct as a statement of our standards for fulfilling our corporate social responsibility. The Corporate Philosophy and Principles of Conduct stated above are included in the Eizo Nanao Group Code of Conduct, which serves as a foundation for Eizo Nanao on which our promises to stakeholders stand. From this code, the Seven Promises of Eizo have been derived.



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**Editorial Policy for the CSR Report**

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- 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 Nanao Group  
Exceptions to the scope of coverage are explained in the notes to the relevant sections.
- Period covered: April 1, 2009 to March 31, 2010 (FY 2009)
- Issue date: September 2010
- Issue date of previous report: August 2009
- Issue date of next report: August 2011
- CSR Activity System: The General Affairs division is responsible for our CSR activities. Under the supervision of the officer in charge of general affairs, the division reports on its activities to the board of directors
- Contact information: Eizo Nanao Corporation General Affairs Department,  
Tel: +81-76-274-2406

## A globally responsible corporation that coexists in harmony with the environment and society

### —Friendly to users, and to the environment

#### Consideration for the Environment Means Introducing Products that will Become Longtime Favorites

Public awareness of the environment has significantly grown, and today I'm often asked about how we intend to address environmental issues. I have consistently responded that operating out of a genuine concern for the environment and being eco-friendly means providing outstanding products that can be used for a long time. It makes no difference whether the product is made of eco-friendly components if it easily breaks down and must be discarded, thereby increasing waste. In some cultures, old furniture is carefully preserved as antique heirlooms handed down from generation to generation. In a similar vein, I believe true consideration for the environment is about products that do not easily go to waste and become longtime customer favorites.

#### Friendly to the Environment —a Keen Sense of Awareness Cultivated in Europe

In 1985, we began selling our own products in Europe, home to a culture that values old furniture. Considered the vanguard in environmental policies, Europe at the time had already become very aware of the environment and required a sufficient level of environmental consideration in our products. Compliance with environmental standards was the key for winning recognition. For this reason, we proactively sought to develop eco-friendly products from the very onset of our sales. As a result of our ongoing efforts to sincerely respond to customer demand, we not only achieved superior performance in our products, but also

became acutely aware of environmental considerations.

#### Friendly to Users —the Ergonomic Standpoint

Friendly to users—in other words, adopting an ergonomic standpoint—is yet another aspect that we keep at the center of our awareness. We strive to maintain the user's standpoint, to make products that are less stressful for the body and the eyes, and more convenient to use. This approach has led us to create product with diverse functionality and unique mechanisms, which in turn allows us to consistently provide a comfortable environment for our customers.

#### Development of the EcoView Concept

In fiscal 2009, we announced our philosophy of being friendly to users and to the environment as our EcoView concept. One example of our philosophy in practice is a function that automatically adjusts screen brightness depending on the brightness of the surrounding environment. This function simultaneously reduces eyestrain—friendly to users—and saves energy—friendly to the environment. We have also incorporated presence sensors that automatically switch to power save mode when the monitor is not used for a long period, and adopted narrow bezels that do not impede the line of sight when multiple monitors are used side by side. Flexible stands have also been adopted for optimally repositioning the monitor based on our EcoView concept of being eco-friendly without inconveniencing our customers.

#### Friendly to Users —as a Global Corporation

We recently announced the establishment of a subsidiary in China. Our goal is to target China, which is undergoing rapid economic development, as a strategic priority, and bolster sales in the Chinese medical market by developing an integrated system that encompasses procurement, production and sales, thereby achieving local production and local consumption.

Over the past few years, the number of our overseas subsidiaries has grown to seven, including the one in China. Our approach to people holds the key in uniting employees with different cultural backgrounds as the Eizo Group. We value a corporate climate that offers a creative environment characterized by mutual respect for diverse cultures and a broadminded exchange of views. This resonates with our philosophy of being kind to people in the context of our corporate activities.

#### Friendly to Users, and to the Environment is the Common Thread of our Seven Promises

In promoting our CSR, we recognize that the Eizo Nanao Group Code of Conduct, which comprises our Corporate Philosophy and Principles of Conduct, serves both as the principles we must follow as well as our promises to stakeholders. These have been incorporated into the Seven Promises of EIZO. Our philosophy of being friendly to users and to the environment introduced here, however, is not limited to our first promise of inspiring customers by creating and offering products of new value, or to our second promise of supplying superior products and services that reflect respect for the environment as part and

parcel of quality. We recognize this philosophy as a common thread that runs throughout all our corporate activities. And moreover, integrity is another common element of everything we do. While this may seem natural enough, we are not intending to accomplish anything extraordinary. Our philosophy is to steadfastly do what is natural and what we should be doing. The very essence of our CSR is to earnestly and sincerely care for people and the earth.



July 2010

**Yoshitaka Jitsumori**

President, Eizo Nanao Corporation

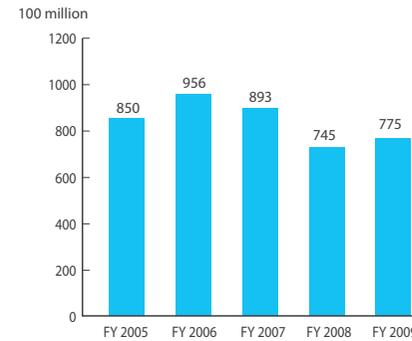
● Outline

Company Name: Eizo Nanao Corporation  
 Business Activities: Development, design, manufacture and sales of imaging systems including computer monitors, amusement applications and peripheral products  
 Established: March 6, 1968  
 President: Yoshitaka Jitsumori  
 Address of Headquarters: 153 Shimokashiwano, Hakusan, Ishikawa 924-8566, Japan  
 Group Sales: ¥77.5 billion (FY 2009)  
 Employees: 1,462 (consolidated, as of March 31, 2010) \*excluding temporary workers  
 Subsidiaries: Six domestic consolidated subsidiaries · Seven overseas consolidated subsidiaries (as of March 31, 2010)

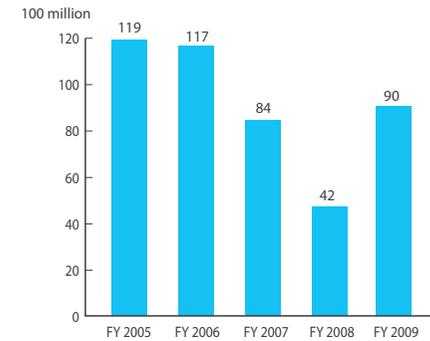
● Performance Results

Financial Information (consolidated)

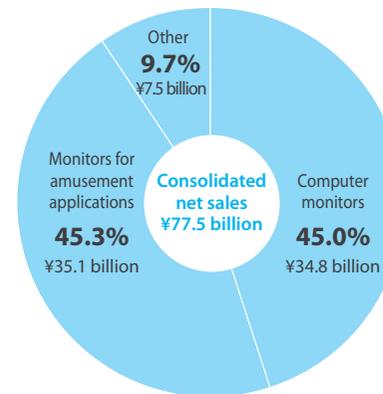
■ Trends in Net Sales



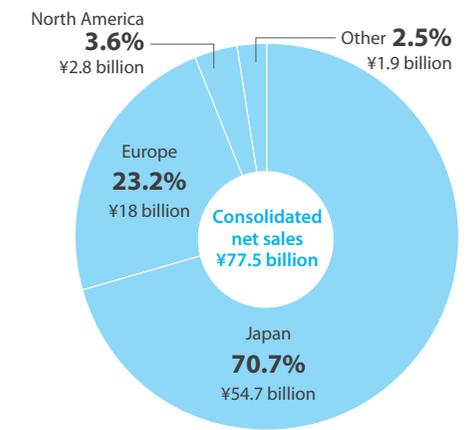
■ Trends in Operating Income



■ Sales and Percentage Breakdown by Product Category (FY 2009)



■ Sales and Percentage Breakdown by Region (FY 2009)



## Our Products

### For General Use

LCD monitors with superior picture quality that are widely used in offices, schools, public facilities and homes. These core Eizo products lay the foundation for our specialized monitors.



Standard monitors

### For Industrial Markets

Optimum solutions for diverse industrial needs, such as units incorporated into FA equipment and monitors for security control inside factories and kiosk terminals.



LCD monitors for industrial use

### For Amusement Markets

We design and manufacture LCD monitors installed in pachinko equipment. These models combine the Group's hardware technology, gained through the design and manufacture of computer monitors, with amusement software development technology to offer realistic expression, stories with a strong gaming feel, and lovable characters toward our goal of delivering products that become customer favorites year after year.



(C)SANYOBUSSAN CO., LTD.

LCD monitors for pachinko equipment

### Game Software

We create and manufacture a colorful variety of game software by developing new genre games and by adapting our titles that are popular in the Pachinko Market as game software for home use.



(C)SANYOBUSSAN CO., LTD.

(C)2009 IREM SOFTWARE ENGINEERING INC.

Game software

### For Medical Markets

A variety of solutions including monitors for displaying X-ray images, electronic medical records and images from medical equipment, and quality control systems for monitors installed at hospitals. Monitors with flexible arms that allow patients to watch TV while lying down in a relaxed posture for a more comfortable medical care environment.



Medical image display monitors



Multifunctional LCD monitors with flexible arm

### For Air Traffic Control

Comprehensive solutions that include main monitors for tracking aircraft flight status, auxiliary-monitors for displaying air traffic control information, training monitors and specialized high-definition graphics boards for displaying air traffic control data.



High-definition graphics boards



Main monitors for air traffic control

### For Graphic Markets

Color management LCD monitors that support the high-quality color reproduction and high-definition calibration required by professionals, such as designers, photographers and computer graphics artists, in their creative work.



Color management LCD monitors

### For Home Entertainment

Fully HD-capable LCD monitors and LCD TVs that are ideal for displaying moving pictures such as digital videos and DVDs. PC mouse with remote control functions that combines the functionality of a wireless PC mouse and a TV remote control to eliminate the hassle of shifting between control devices for those who use their TVs and PCs simultaneously.



PC mouse with remote control functions



Entertainment monitors

## Awards



TIPA Awards 2009

April 2009

### EIZO ColorEdge CG242W

Our color management LCD monitor, the EIZO ColorEdge CG242W, received the Best Photo Monitor Award at TIPA Awards 2009 sponsored by TIPA\* Europe.

This is the third time EIZO products have been recognized by TIPA, following awards received in 2005 and 2007.



ColorEdge CG242W

\*TIPA (Technical Image Press Association)

A non-profit organization composed of editors from 29 professional camera and video journals in 13 countries in Europe, the United States, Canada and South Africa. Once a year, members vote on the best product in each of the photography and imaging categories from all products launched over the previous 12 months. This award is recognized as one of the three major camera awards.



Good Design Award 2009

October 2009

### FlexScan EV series LCD Monitor Entertainment Monitor

EIZO received the 2009 Good Design Award for two products, a FlexScan EV series LCD Monitor and an entertainment monitor. The EV series was specifically recognized for its new energy-saving solution, which incorporates a presence sensor, and for its light-weight compact body. EIZO products have received this award for 14 consecutive years.



Seven Promises 1

## We will inspire customers by creating and offering products of new value.

Our products are used in offices and homes around the world, and each field requires different specifications and functions.

We not only listen and respond to customers' requests in each field, but also create and offer a new set of values that reaches farther ahead in our promise to continue turning out products that our customers appreciate.

### EIZO Solutions

#### ■ In Medical Treatment Settings

Monitors play an increasingly important role in the medical profession, where advances in digitization have meant that a broad array of data, from medical records to images including X-ray results, is now displayed on a monitor. EIZO supports highly accurate medical treatment and enhances operational efficiency through monitor solutions that offer high-precision displays and the outstanding reliability required for diagnosis, along with control applications that consistently guarantee the correct display of information.



#### ■ In Creative Work Settings

Design and photography demand extremely accurate color reproduction. EIZO possesses an established reputation for excellent color reproduction and enjoys strong support from creative professionals such as graphic designers and photographers. We broadly support their work by achieving the high level of display functionality they require and by developing and offering monitors compatible with high-definition hardware calibration\* for constantly maintaining accurate coloring.



#### \*Hardware calibration

Calibration method for setting the monitor display environment to enable users to directly adjust the color display by adjusting internal parameters

#### ■ On the Frontlines of Finance

High-quality display and reliability are required on the frontlines of finance to keep pace with constantly changing exchange rates and the need to make instant decisions. EIZO monitors have been widely installed to meet these needs. And for trading room environments with multiple, side-by-side monitors, we offer products with thinner screen rims that do not impede the line of sight, thereby enhancing operational efficiency.



#### ■ Enriching Home Use

A broad range of digital devices such as digital cameras and videos are available today for home use. To meet the demands for beautiful display of still photographic images and high-quality playback of moving images, EIZO offers new approaches for household digital environments by equipping monitors with a wide variety of connectors that enable users to hook up the latest digital devices.

### Supporting Universal Design

Universal design is a type of design that can be readily understood and used by anyone. Realizing this requires confirming that results can be easily viewed by anyone at the production stage. EIZO offers color vision deficiency simulation software for its ColorEdge series monitors targeted at the graphics market. The software provides clear, real-time display of color simulations as seen by persons who are color blind, enabling users to confirm the display of colors from a universal design perspective, and consequently improving the efficiency of creative work.



Seven Promises 2

## We will supply superior products and services that reflect respect for the environment as part and parcel of quality.

Based on our awareness that our products have an impact on the environment and our pledge to consider respect for the environment as an integral part of product quality, we have been consistently working to reduce the environmental impact of our products. An environmentally friendly product must, of course, use raw materials and components that are themselves environmentally sound, and also consume less energy. At the same time, we believe it is important for a product to be used over a long period of time.

### Quality Management Policy

The Eizo Nanao 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 Comply with legal and social requirements.

### 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.

#### Development Process

We develop and verify our products from the perspective of our customers from every conceivable viewpoint, starting with reliability and safety and including environmental compliance, energy saving, EMC performance\*, ergonomics, usability and service. In addition, we perform product longevity testing to confirm that the performance and functionality of our products are maintained even after long-term use.

\*EMC performance  
Electro-Magnetic Compatibility

#### Manufacturing Process

All EIZO products are manufactured under an integrated production process at our own factories, from the manufacturing of substrates to the final finished product. While automated robots are used in some processes in which results of human work tend to be inconsistent, all display performance inspections rely on the human eye, from the perspective of customers who will use the product.

#### After-sales Service

Under our system for ensuring that customers can use our products safely and for a long time, we respond to all requests for after-sales service at the Eizo Support Network Corporation located within our headquarters.

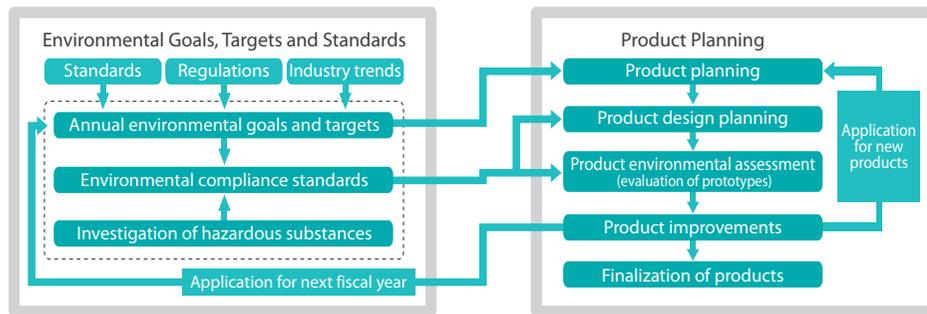
Feedback is incorporated into future product development.

### Basic Product Development Sequence

In product development, we endeavor to enhance the environmentally sound quality of our products, including compliance with domestic and overseas legal requirements and standards as well as due consideration for 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.

These Environmental Compliance standards are linked to our system for developing, implementing and meeting companywide environmental targets for each fiscal year, and are utilized to enhance the

environmental soundness of our products. In line with our corporate stance of steadfastly maintaining environmental vigilance, we annually revise the Environmental Compliance Standards to reflect changes in laws, regulations and industry trends. We have also reinforced our evaluation and control of chemical substances based on our Green Procurement Standards so that they correspond with regulations on chemical substances, such as the RoHS Directive and REACH Regulation, which are becoming increasingly more stringent, particularly in Europe.



### Example of Product Environmental Assessment

Category	Content of Assessment
1. Decomposability and recyclability	Can be disassembled to the unit level (disassembly is undertaken by specialized companies) Can be disassembled using standard tools (disassembly is undertaken by specialized companies) Component label is attached to plastic parts weighing 25g or more Plastic parts weighing 25g or more are made of recyclable materials Recycling label and component label are attached to plastic packaging materials Cardboard made of recycled paper is used in packaging boxes
2. User's manual	Includes information on product collection after use
3. Energy conservation	Complies with the ENERGY STAR program
4. Regulations on hazardous substances	Does not use ozone depleting substances as designated by the Montreal Protocol during internal production processes Plastic parts weighing 25g or more do not contain flame retardants based on chlorine or bromine

### Confidence in Our Quality—Five-Year Warranty

In 2003, we became the first in the industry to offer a five-year manufacturer's limited warranty. This reflects our confidence in the quality of our products, allowing us to state that the warranty reflects this quality in an easily understandable form. We believe that providing support to ensure continued safe use from the time of purchasing to any necessary repairs is an intrinsic component of our products. We promise to continue to be worthy of our customers' trust and meet their expectations.



## Compliance with Environmental Labeling Standards and Legal Requirements

We not only observe the legal requirements of Japan and other countries, but also comply with environmental labeling standards and proactively develop environmentally sound products. Furthermore, we not only ensure the compliance of our own products; we also actively participate in the development of standards as part of our role in reducing environmental impact as much as possible for entire ranges of products, including those made by other companies.

TCO Display 5.0, the next-generation standard after TCO'03 and TCO'06, one of the most widely recognized standards across the world, and ENERGY STAR 5.0 were announced in 2008. EIZO was involved in the planning of these standards. While both standards include extremely stringent requirements, we believe it is our mission to develop products that are in full compliance.

### TCO

Efforts to make our products more environmentally friendly have proceeded largely in response to the evolution of environmental standards in Europe, starting with ensuring compliance with the TCO'95 standard introduced in Sweden. This standard was subsequently upgraded to TCO'99 followed by TCO'03 and by TCO Display 5.0, the current version. In addition to environmental items, this standard also covers safety, electromagnetic radiation, and ergonomics, giving it a comprehensive character. EIZO has consistently participated in the formulation of TCO standards, and even as we scrutinized the content of the standards to ensure progressive and effective application, EIZO became the first in the world to receive certification for TCO Display 5.0 in April 2009. Nearly every monitor we produce is TCO compliant. In the years ahead we will continue to recognize the importance of meeting this standard in the development of new products.

### ENERGY STAR

The ENERGY STAR Program was launched by the U.S. Environmental Protection Agency in 1993 to help reduce the power consumption of computers and related devices. The International ENERGY STAR Program was adopted in Japan in 1995 on the basis of an agreement with the U.S. government.

We have participated in this program from the very beginning, and since becoming the first registered monitor manufacturer, we have had virtually all subsequent products registered under the program.

ENERGY STAR Ver. 5.0 went into effect in October 2009. While the new standard is even more stringent, our products have been in compliance since it went into effect. Future products will comply as well.



### EPEAT

EPEAT is a comprehensive evaluation standard for the environmental impact of personal computers and peripheral equipment. It has been applied by the related institution of the U.S. Environmental Protection Agency since 2006. EPEAT consists of 23 mandatory and 28 optional requirements covering a broad range of items including reduction of hazardous substances, recyclable design, long-life design, recovery and recycling, and corporate activities. Products are rated Gold, Silver or Bronze depending on the level of compliance with the optional requirements. EIZO has several monitors that were rated EPEAT Silver. And since 2009, we have several products rated Gold.



### RoHS Directive and WEEE Directive

The RoHS Directive is a European regulation restricting the use of hazardous substances that has been enforced within the European Union since July 2006. The directive covers electrical and electronic equipment and restricts or bans the use of six substances that are harmful to the global environment or human health: lead, mercury, cadmium, hexavalent chromium, PBB\* and PBDE\*\*. Products that do not comply with the RoHS Directive cannot be sold in Europe. We began the switchover in 2005 and achieved complete compliance in all products by May 2006.



The WEEE Directive went into effect in the EU in August 2005 toward reducing environmental impact through promotion of the three Rs of Reduce, Reuse, Recycling for used electrical and electronic equipment. We have responded by displaying recovery and recycling symbol logos, providing information on disassembly and hazardous substances for recycling facilities, and developing a system for recovery and recycling.

\* PBB : Polybrominated biphenyl

\*\*PBDE : Polybrominated diphenyl ether

### PC Green Label

This environmental labeling program is administered by the PC3R Promotion Association. The program is based on three concepts:

- (1) environmentally sound design and manufacturing;
- (2) post-use recovery and recycling of products;
- (3) environmental information disclosure.

EIZO has participated in revising the program as a member of the governing expert committee. We have also actively sought certification for our FlexScan and ColorEdge series and intend to maintain this policy.



Seven Promises 3

## We will pursue sound development as an international corporation.

As an international corporation, we respect the cultures and values of diverse countries across the world in choosing the best solution.

In order to ensure the delivery and ongoing worry-free use of our products worldwide, our group companies in Japan and abroad, and distributors in various countries that serve as the backbone of our worldwide sales, maintain strong mutual relationships to support customers and achieve sound corporate growth.

### One Country/Territory, One Distributor System

In our overseas sales, we have adopted a one country/territory, one distributor system in which a single subsidiary or distributor is responsible for the sales of a country or territory. This unique system enables us to accurately discern customer needs in each country or territory by distributors who fully understand the culture and values of their respective regions and share information more smoothly. It also allows us to offer products through sales methods that are appropriate for each country or territory.



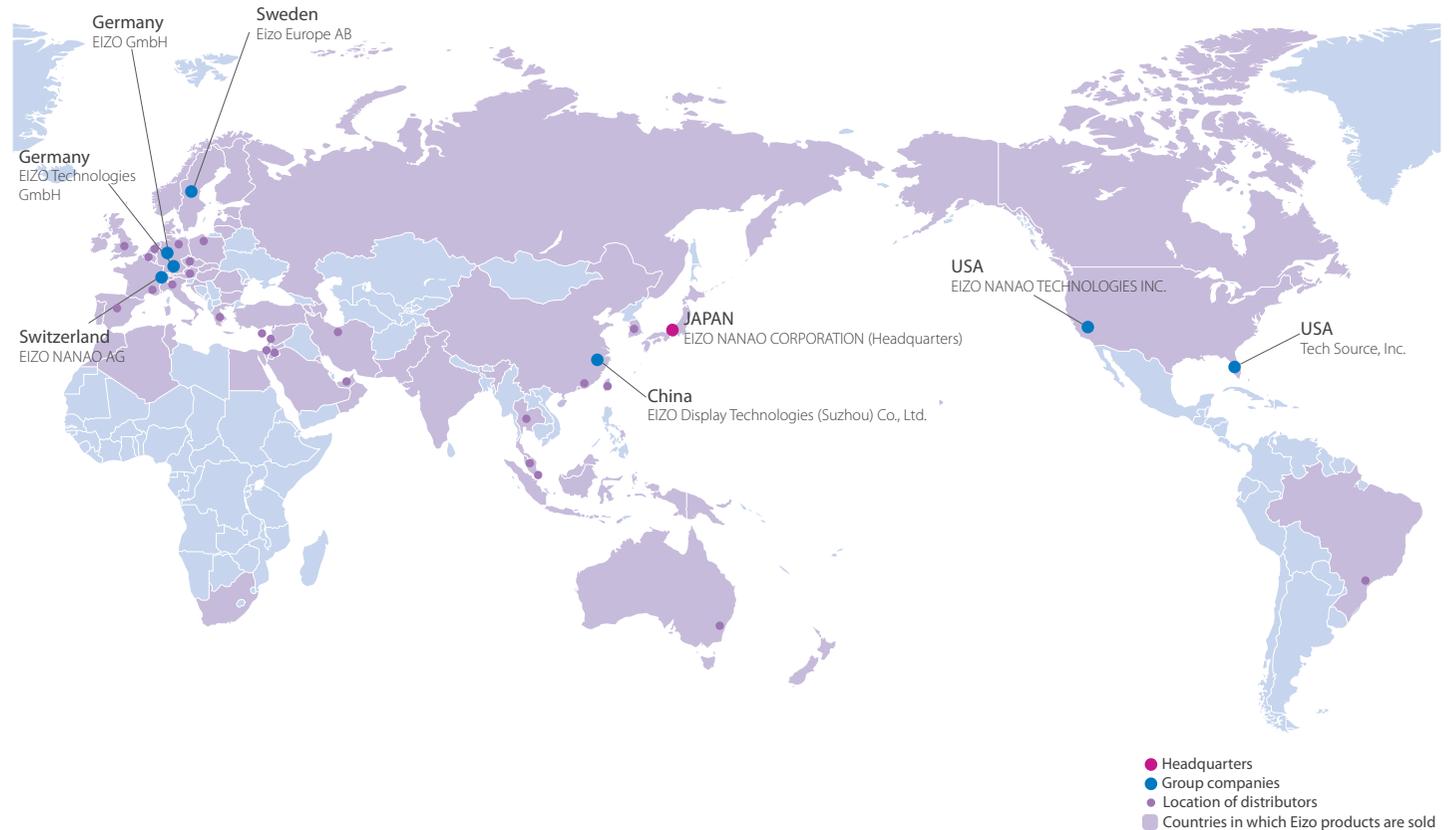
Once a year, distributors from around the world gather for the meeting, EIZO UNITED, to exchange information and acquire more knowledge.

### Globalization of Development and Production

The Eizo Group has a total of five production bases, two in Germany and one in the United States, China and Japan, a network that maintains a coherent development and production system within 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.

### Eizo Group's Overseas Sales Network

Our products are well received around the world, with current sales in more than 60 countries and territories through Group companies, including four in Europe, two in the United States and one in China, along with 25 global distributors.



Seven Promises 4

## We will seek to build and maintain strong bonds of trust with stakeholders.

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 Responsibility	Communication Channels
Customers	<ul style="list-style-type: none"> <li>Inspiring customers by 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> </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>
Shareholders	<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>
Suppliers	<ul style="list-style-type: none"> <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>
Local Community	<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> </ul>
Employees	<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>Creating workplaces that reflect employee opinions and sound labor-management relations through consultation conferences</li> </ul>

## Relationships with Customers

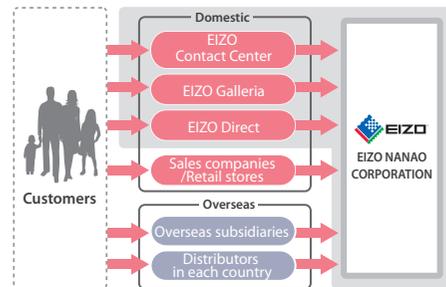
We strive to establish direct communication with customers through various points of connection to comprehensively answer questions and inquiries, and to respond to customer requests and feedback.

### Eizo Contact Center: Customer Liaison

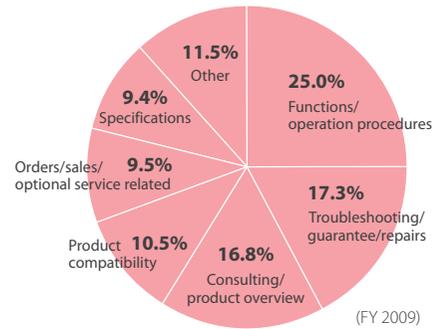
Eizo Contact Centers have been set up as a convenient way for customers in Japan to communicate with the Company. These centers provide answers to inquiries related to product specifications and operating procedures, product purchasing and technical questions through telephone, e-mail and fax.

Inquiries and requests received from customers are shared by relevant departments within the Company, and we strive to incorporate this information into product development as well as information provision to customers. In addition, we regularly conduct customer satisfaction surveys to proactively solicit opinions and use them to maximize customer satisfaction.

### Feedback system for all types of customer input



### Breakdown of call categories



### Eizo website

Via the Eizo Nanao Corporation website, we mainly provide information on our products, along with information on customer support, hiring, corporate data and investor relations. In particular, we present detailed information on our products' features and appealing characteristics using images and movies in an effort to provide customers with information they need in a way that is easy to find and understand, while striving for timely disclosure of necessary information. Our website is updated on a daily basis to present information in a progressively comprehensible manner while incorporating the opinions and requests we receive from customers.



## Relationships with Shareholders

We seek to earn and maintain the trust of shareholders and investors, and conducts investor relations activities based on the principle of providing fair and accurate information on management policies, business strategies and financial performance to all stakeholders.

### 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 make an effort to 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.

We also set aside space at the meeting site for displaying and explaining our products in an effort to provide shareholders with a deeper understanding of our company and products through direct communication.

In addition, we invite shareholders to an informal gathering following the general shareholders meeting. During these occasions, the president offers a detailed review of EIZO's philosophy and business. We think that this is a special opportunity for receiving honest opinions as well as questions from shareholders. We also strive to respond to all opinions and questions as comprehensively as possible.



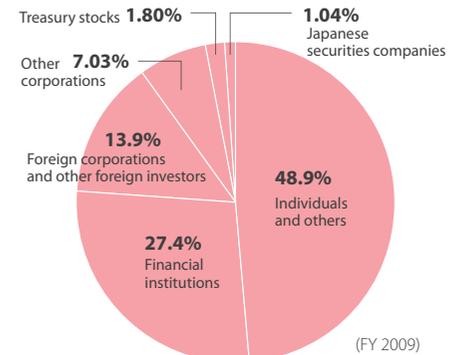
Product display and explanation corner

### Company Presentations for Investors

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



### Shareholder Composition



### Relations with Suppliers

We regard suppliers as essential and important partners for the continuation of our business. Therefore, we not only exchange detailed information on individual transactions, but also cultivate mutual understanding of management policies and technical strategies to achieve substantial results based on powerful partnerships.

#### ■ Basic Stance on Procurement

We deal with suppliers in Japan and overseas on an equal opportunity basis in accordance with procurement policies based on the principles of mutual coexistence and prosperity. Factors we consider essential in evaluating suppliers include a stable management foundation, supply capability, technological expertise, compliance with laws and social norms, and consideration for the global environment. We select suppliers who meet these standards.

#### 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

#### ■ Building Bonds of Trust with Suppliers

As a manufacturing company whose main production operation is assembly, we place a high priority on controlling quality, delivery schedules, and the cost of parts and materials we procure from suppliers as well as on ensuring that their operations are environmentally sound. We provide opportunities for regular exchanges of information addressing these issues and ensure that we and our suppliers share a common understanding of each others' management policies and technical strategies. This approach ultimately results in the achievement of substantial results and the creation of future value that neither partner could have achieved alone. We intend to continue building strong partnerships based on these attitudes and efforts.

#### ■ Materials Procurement Briefing

We conduct materials procurement briefings twice each year for our suppliers. During these briefings we go through our procurement policy and request their support, green procurement trends and information. We also report on the results of quality improvement efforts and explain related policies. Many suppliers attend these briefings, which contribute to a greater understanding of EIZO and to gathering information later utilized in business decisions.



### Relationships with the Local Community

We fulfill our responsibility as a corporate citizen through a variety of activities, such as protecting the regional environment, cooperating with regional development and publicly disclosing information. We are committed to developing our business while maintaining good relationships with the local community.

#### ■ Social Contribution Activity

##### For Children All Over the World

We participate in a program for collecting PET bottle caps toward the donation of vaccines (polio, measles, diphtheria, whooping cough) for children all over the world. The caps we collect are delivered to the organization through local waste disposal companies. In 2009, we collected 216kg of PET bottle caps, equivalent to the value of vaccines for 200 people.

#### ■ For Regional Development

##### Ishikawa Keiei Tensho Juku

The Ishikawa Keiei Tensho Juku is a project aimed at enhancing practical thinking and decision-making skills required for corporate management among young corporate managers and future entrepreneurs who will shoulder the future of the regional economy. The project is mainly undertaken in Ishikawa Prefecture and is managed through the unified efforts of industry, government and academic institutions. As a supporter of this objective, we advise on the operation of this project and offer lectures. EIZO's own story is included as a case study in the curriculum. We also cooperate in producing educational texts and classes.



#### ■ Educational and Cultural Support Cooperation in Promoting Culture

We co-sponsor Orchestra Ensemble Kanazawa in Ishikawa Prefecture. This creates an opportunity for employees to appreciate cultural expression as part of their benefits program. We have also co-sponsored La Folle Journée Kanazawa Music Festival as a member of the executive committee from the very beginning. We intend to continue contributing to local culture and regional development.



©LFJ Kanazawa Executive Committee

#### ■ Paper Recycling Initiative

##### Office Paper Recycle Kanazawa

This organization is a united effort by companies and organizations in Kanazawa City and its suburbs for building and operating a regional circle of paper recycling. As a member of this activity, we separate and collect wastepaper (so called "office paper" which includes copier paper, etc.) and purchasing and using recycled products (e.g., toilet paper).

Seven Promises 5

## We will strictly respect and comply with both the letter and spirit of the law.

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 will, therefore, establish an organizational structure for guaranteeing compliance, develop measures and systems to ensure effectiveness, and steadily promote these measures based on an annual plan from a long-term perspective.

#### Compliance Training

We conduct mandatory compliance training for new recruits. As for officers and other employees, compliance and regulatory-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 Nanao Group Code of Conduct 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 Compli-

ance 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.

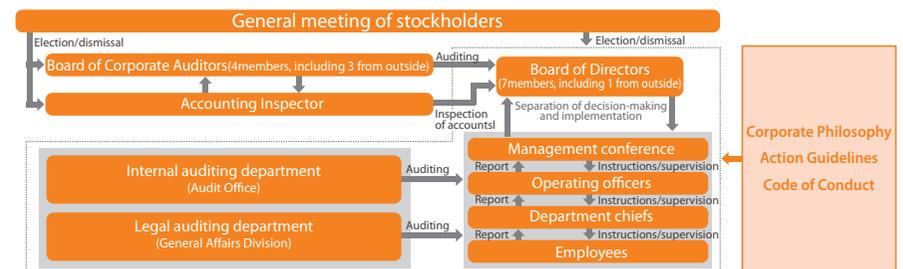
#### Internal Notification Program

To further strengthen our compliance system, we set up a liaison point to provide answers to questions and advice on problems, concerning legal issues or the content of the code of conduct, that 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 an internal notification program 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 reporter is protected and that the individual will not be placed at any disadvantage for reporting the violation. Based on established procedures, immediate action is taken in response to notification, including a fact-finding investigation, a report to the Ethics Committee and the issuing of a termination order or an operational improvement order. We received no reports of violation in fiscal 2009.

### 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



#### Overview of Management Organization

##### 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 business tasks are presented. Among the seven Board of Directors, we have appointed a single outside director (as of June 24, 2010) to provide supervision and advice from a third-party perspective and thereby increase the transparency of management decisions.

The current outside director possesses ample experience and broad insight, both as a corporate director and an auditor, as well as an objective perspective that is independent from management responsible for the execution of operations. He was selected based on our judgment that management would benefit from his appointment. We do not

foresee any conflicts of interest between the outside director and our general shareholders and therefore have appointed him as an independent officer.

##### Management Conference

The management conference is convened as required to support decision-making by the Board of Directors. The conference studies and reports on measures regarding key business operation issues and tasks at hand and their progress. A system of operating officers has been put into place to accelerate strategic decisions and strengthen the business operation system, and the management conference is composed of directors (excluding the outside director), a full-time auditor and operating officers.

### Board of Corporate Auditors

We have adopted a system of corporate auditors. The board of corporate auditors consists of four members (one full-time and three part-time, as of March 31, 2010) and includes three outside corporate auditors. Corporate auditors attend key meetings of the Board of Directors. The full-time corporate auditor reviews and discusses with directors important documents, such as draft proposals and contracts. He also collaborates with the Audit Office, the company's internal auditing department, on the review of internal regulation functions. The full-time corporate auditor also attends internal audits. The Audit Office reports on the findings of these audits in response to requests from directors. Finally, the full-time corporate auditor attends audits conducted by the accounting auditor and participates in meetings between the accounting auditor and our company.

### 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. Auditors for each internal audit are appointed by the general manager of the Audit Office as necessary.

### 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, at a Board of Directors meeting in May 2006 (revised May 2007). Based on the policy, we have proceeded to develop related systems and to complete the groundwork for establishing an internal control system. Prior to these efforts, an internal control system for financial transactions was established in accordance with the Financial Instruments and Exchange Act, and we exercise thorough control over our financial operations.

### Officer 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 3% of net income for each fiscal year (up to a maximum of ¥200 million) in an effort to ensure transparency of the calculation method.

#### Officer Compensation (FY 2009)

Directors (excluding outside director)	7	¥210 million
Corporate auditors (excluding outside corporate auditors)	1	¥3 million
Outside officers	5	¥26 million

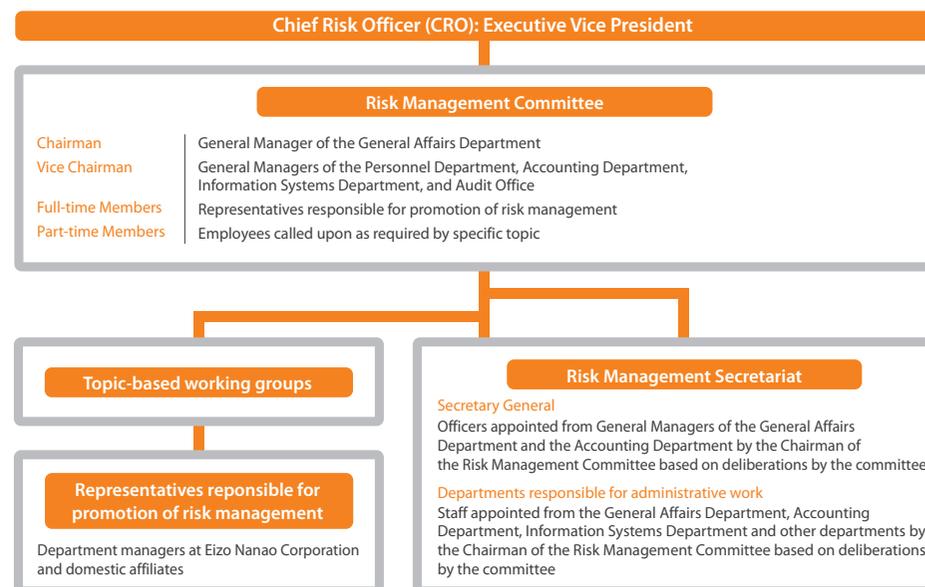
- Amounts paid to directors do not include the employee salary portion paid to employees concurrently serving as directors.
- Basic compensation is determined under the Officer Compensation Rules according to the office or concurrent positions held by the officer.
- Officers' bonuses are determined based on the performance-based compensation system that explicitly limits bonuses to within 3% of net income for each fiscal year (up to a maximum of ¥200 million).
- The upper limit for annual fixed-amount monetary compensation paid to directors is ¥300 million (excluding the employee salary portion).
- The upper limit for annual compensation paid to corporate auditors is ¥35 million.

## Risk Management

As part of our internal controls, we have established and operate a risk management system based on a group-wide perspective. The company's risk management activities are led by the Management Conference and the Risk Management Committee. In fiscal 2009, we reviewed 76 major vulnerabilities that remained under management since the previous fiscal year. We reduced the number to 62 items and confirmed existing countermeasures and implemented additional measures for each risk. In March 2010, we laid out new guidelines and conducted a further review from the standpoints of level of impact and frequency of occurrence, in-house responsiveness, involvement of multiple

organizations, increased public concern, and heightened sense of crisis. As a result, major vulnerabilities were narrowed down to 19 items, which will be discussed at the Management Conference for deliberation, including an outbreak of a new strain of influenza virus, occurrence of earthquakes and fires, and leakage of confidential information from an employee to a third party. While none of the major vulnerabilities were realized during fiscal 2009, we will continue to review our countermeasures to further limit the risks. At the same time, our immediate task is the formulation of a Business Continuation Plan (BCP) for risk resulting from disaster risk.

### Risk Management System



Seven Promises 6

## We will 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 climate by developing an environment that encourages free exchange of opinions and a workplace in which employees have a sense of security.

### 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.

#### ■ Employment (As of March 31, 2010, Eizo Nanao Corporation)

Number of employees (including contract workers) : 760 Men : 400 Women : 360	Engineering staff	320
	Foreign nationals	23
Graduate recruits	14	*Joined company in April 2010
Mid-career recruits	6	*Joined company from April 2009 through March 2010
Average age	36.3	*As of March 31, 2010
Average length of service	12.8 years	*As of March 31, 2010
Employee turnover	3.0%	*FY 2009
Average annual working hours	1,913 hours	*FY 2009

#### ■ Developing trust-based labor-management relations

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

#### ■ Promoting the Careers of Persons with Disabilities

Persons with disabilities at Eizo Nanao Corporation represent 2.2% of our workforce, exceeding the minimum legal requirement of 1.8% as of April 2010. These people are pursuing careers in many of our worksites, and we intend to continue enhancing the workplace environment and expanding their work opportunities.

#### ■ Paying due respect to human rights

To curtail behavior that undermines individuality at the workplace and throughout our operations, such as discriminatory remarks or actions and sexual or power harassment, we have clearly stated our position on the matter in our Code of Conduct and keep all employees informed about 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.

#### ■ Opportunities for recreation and exchange

We support employees in their varied sports and cultural activities within the company by supplementing costs and permitting use of company facilities to encourage participation. We also offer opportunities for recreation and exchange through numerous affiliated accommodation facilities and sports gyms.



#### ■ Supporting childcare and nursing care

We have put in place a variety of programs in addition to providing support for maternity leave, childcare leave and nursing care leave.

#### ■ 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, observe a weekly no-overtime day, and vigorously encourage employees who have not taken sufficient paid leave to take it.

## Human Resource Development Efforts

### ■ Supporting career development

Apart from seminars and training required for our operations, Eizo Nanao Corporation provides a complete and diverse range of educational opportunities for employees to select from on the basis of their own career plans. These programs vary from support for obtaining qualifications to in-house English language classes.

### ■ Emphasis on educating younger employees

First-year employees are the target audience for programs on organizational detail, basic knowledge required for adulthood and independency, on-site factory training, and on-site sales training to learn about the foundations of our company. For our new recruit engineering staff, we provide technical training to ensure they acquire a broad base of knowledge on our basic technologies. We provide a variety of other training programs specifically targeting young employees.

Our energies are also focused toward on-the-job training (OJT) in each department. Managers draw up three-year career plans in consultation with young employees as the basis for a systematic OJT program.

### ■ Reinforcing management capabilities

We recognize that training management candidates is a key task that is directly linked to cultivating human resources for shouldering the future of the company.

Eizo Nanao Corporation undertakes selective training for this class of employees. Selected members from diverse departments acquire qualities required of managers, such as management ability, leadership, and critical thinking. This approach affords various benefits, including the creation of a solid in-house network through training. We also offer training for newly appointed managers to deepen their understanding of fair job evaluations and appropriate allocation of work.



## Securing Safety and Health

We invest significant management resources into the development, design and production of new products. To continue creating products with high added value, we believe we must maintain workplace safety and ensure the health of our employees. We also consider this to be a vital aspect of corporate risk management and promote various activities for securing health and safety.

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

The basic policy on the safety and health of Eizo Nanao 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 2010 to 2012)

Promoting and establishing voluntary safety management and health management based on self-awareness.

#### ■ Fiscal 2010 Targets/ Key Action Points and Fiscal 2009 Performance

Management area	Targets/key action points	Fiscal 2009 performance	Evaluation
Safety management	Zero occurrence of workplace accidents, including traffic accidents ----- Key point: Continued risk assessment and reduced workplace risks	By implementing risk aversion measures against intolerable risks, risk levels were lowered in three out of six cases	○
Health management	100% follow-up on checkup results ----- Key point: Promotion of health management activities based on self-awareness	Compliance rate for follow-up remained below 90%	△

○ : achieved, △ : nearly achieved

Seven Promises 7

## We will strive to coexist in harmony with the environment and society, as a globally responsible corporation.

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, Eizo Nanao Corporation, 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 reserving 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 handling waste 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.

#### Activities under the Environmental Management System

As in fiscal 2008, we incorporated many tasks for meeting our environmental targets for fiscal 2009 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 achieved manufacturing that meets advanced environmental standards, which are being applied primarily in Europe and the United States.



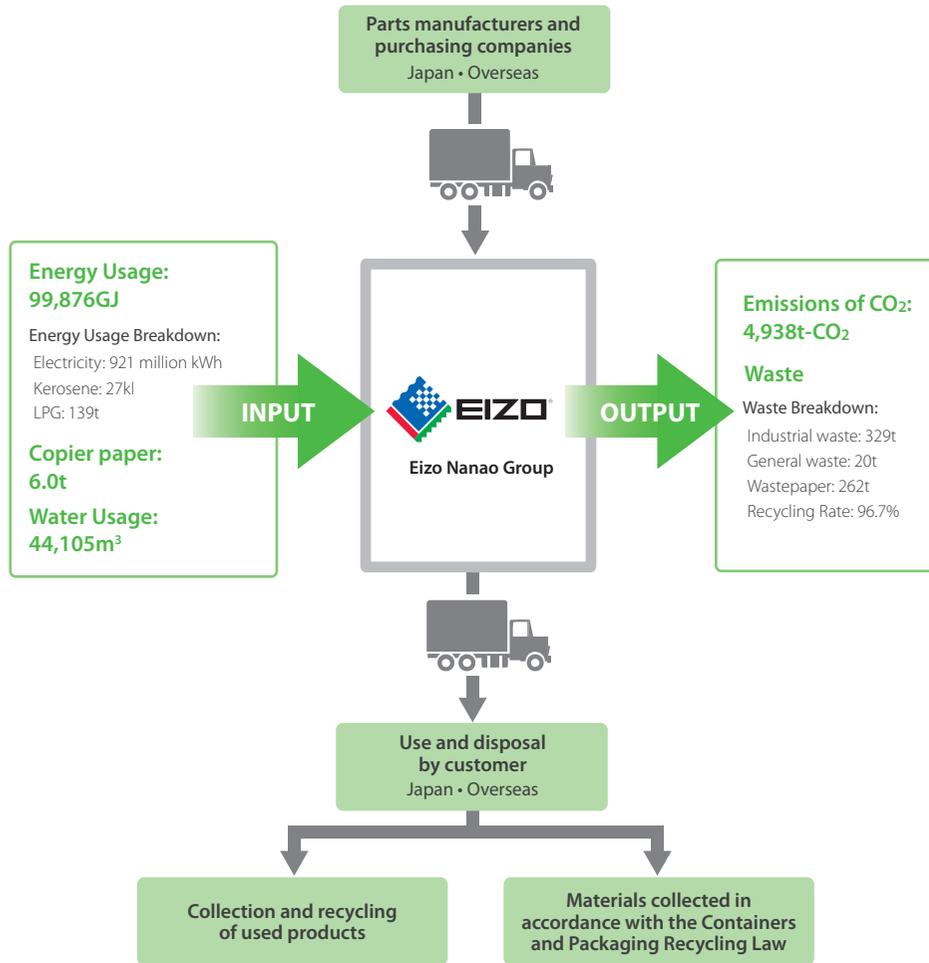
#### Environmental Management System Audits

Our ISO 14001 certification was maintained and updated in fiscal 2009 after a third-party institution conducted an external audit. Furthermore, in view of the strengthened awareness in recent years of management audits for controlling chemical substances, we conducted audits dedicated to this aspect internally as well as with clients.

#### Environmental Education Activities

We have set up an Environmental Promotion Committee composed of a cross-sectional selection of personnel to enhance the shared awareness of our unique in-house activities for environmentally sound products. Through the committee, Environmental Promotion Coordinators for each department provide concrete feedback on the environment surrounding the company, environmental considerations required for our products, and actual progress achieved through our efforts, thus enabling us to share a more practical awareness of environmental consideration and to more thoroughly educate employees.

Overall Environmental Impact of Business Activities



\*Scope of calculations: three domestic areas as listed right.

Environmental Impact by Area

Area	Eizo Nanao MS Corporation		Eizo Nanao Corporation Headquarters area*	Total
	Nanao Plant	Hakui Plant		
Operations	Assembly of printed circuit boards for Eizo Nanao Corporation products	Assembly of Eizo Nanao Corporation products		
Total Energy Usage (GJ)	9,771	37,088	53,017	99,876
Energy Resources	Electricity (10,000 kWh)	98	372	451
	Kerosene (kl)	—	—	27
	LPG (t)	—	—	139
Copier paper (t)	0.2	1.1	4.7	6.0
Water usage (m <sup>3</sup> )	2,304	2,383	39,418	44,105
Emissions of CO <sub>2</sub> (t)	473	1,797	2,668	4,938
Waste	Industrial waste (t)	77	67	185
	General waste (t)	1	4	15
	Wastepaper (t)	29	79	154
	Recycling rate (%)	97.4	95.1	97.5

\*Includes data for Eizo Support Network Corporation and Nanao Agency Corporation located within the area (site).

Environmental Targets/Performance Report

As in fiscal 2008, we focused our targets on environmentally sound design.

As a result, we achieved results exceeding 75% in seven initiatives, over 50% and under 75% in eight initiatives, and under 50% in one initiative.

Scope: Eizo Nanao Corporation Headquarters area and Eizo Nanao MS Corporation

Environmental theme	Environmental objective	Fiscal 2009 target	⇒	Fiscal 2009 actual results	Self-evaluation	Fiscal 2010 targets
Efforts to prevent global warming —CO <sub>2</sub> reduction	Reduced power consumption	Reduce electricity consumption—by 10.45 million kWh/year		• 9.21 million kWh	○	Reduce electricity consumption—up to 10 million kWh/year
	Reduced fuel consumption	Reduce consumption of fuel—LPG: up to 130 t; kerosene: up to 36 kl		• LPG: 139 t; kerosene: 27 kl	△	Reduce consumption of fuel—LPG: up to 150 t; kerosene: up to 33 kl
	Tracking CO <sub>2</sub> volume	Implement product LCA		• Closely monitored carbon footprint deliberations by the Ministry of Economy, Trade and Industry	×	Consider introduction of carbon footprint assessment
	Environmentally sound product design	Reduce product energy consumption		• Developed a model equipped with ambient light sensor • New EV series achieved power consumption of 1 W or below in sleep mode and 0.1 W or below in off mode	△	Further reduce electricity consumption of products—0.1 W for sleep mode, 0.1 W for off mode
	Increased transport efficiency	Increase product transport efficiency		• Implemented compact packaging by separating stand bases	△	Increase product transport efficiency (promote lightweight, compact products)
	Green procurement	Green purchase of office supplies		• In-house dissemination of information on products eligible for green purchasing as recommended items	○	Green purchase of office supplies
Creating a sustainable society —Three R's (reduce, reuse, recycle)	Reduce	Reduce industrial waste—up to 360 t for industrial waste generation, up to 7.6 t for purchases of copier paper		• Industrial waste generation: 329 t • Purchases of copier paper: 6.0 t	△	• Industrial waste generation: 340 t • Purchases of copier paper: 6.5 t
		Introducing specifications for products that have no unnecessary accessories		• Removed unnecessary accessories from 7,300 units		—
	Reuse	Promote reuse of office supplies		• Promoted reuse of office supplies and in-house furniture and fixtures through the corporate intranet	△	Promote reuse of office supplies
Recycle	Expand use of recycled materials in products		• Considered use of recycled plastic materials in products	○	• Expand use of recycled materials in products • Review collection routes for used commercial products	
	Target: 96% recycling of waste generated on company premises		• Recycling rate of waste generated on company premises: 97%			
Environmental issues —Management of chemicals	Reducing consumption of chemicals	Management and limitation of emissions and transport of toxic substances		• Changed cleansing agent used in the substrate assembly process to one with lower environmental impact	○	Management and limitation of emissions and transport of toxic substances
	Green procurement	Management of chemicals used in products		• Introduced new evaluation and control system for chemical substances	△	Management of chemicals used in products (Started management under new system)
Environmental communication —Maintaining communication	Education and training	Implement in-house education		• Implemented environmental training for all employees	○	Implement in-house education
	Disclosure of environmental information	Report corporate environmental activities		• Published CSR Report in accordance with GRI application level C • Registered companies participating in the Team Minus 6% campaign, set up website for in-house publicity, utilized promotional stickers and name card ads • Disclosed product environmental information through the corporate website and catalogs • Introduced products based on environmentally sound concepts through the corporate website and e-mail magazines	○	Report corporate environmental activities
	Survey of market trends	Provide in-house feedback on market needs and trends		• Collected information on local environmental standards from overseas subsidiaries and distributors, implemented ongoing internal feedback • Conducted research on power-saving effects of EcoView Sense	△	Provide in-house feedback on market needs and trends
Environmental compliance —Compliance with environmental laws and standards	Standards compliance	Compliance with environmental laws and standards		• New models achieved compatibility with ENERGY STAR 5.0 and TCO Display 5.1	△	Comply with environmental laws and standards
	In-house environmental labeling			• Developed EIZO Eco Products 2009	○	— (The term "Eco Products" will be used to describe EIZO's environmental efforts as a whole and will be deleted from the fiscal 2010 environmental targets.)

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

## Social and Environmental Timeline

	Product Standards	Corporate Action
1988	Started utilizing bromine-free flame retardants in plastic parts.	
1992	Started survey of toxic substances in parts (20 substances).	
1993	Began working toward TCO'92 certification. Began working to acquire ENERGY STAR registration (major product models).	
1996	Started utilizing halogen-free flame retardants in plastic parts. Began working toward TCO'95 certification.	Appointment of Environmental Management Officer to General Affairs Division.
1997	Started environmental compliance assessment. Expanded survey of toxic substances in parts (to 34 substances). Started registering products under International ENERGY STAR Program.	Adoption of Environmental Policy. ISO 9001 certification.
1998	Began working toward TCO'99 certification.	ISO 14001 certification.
1999	Began working toward Eco Circle certification. Eliminated cadmium from parts. Expanded survey of toxic substances in parts (to 920 substances).	Closed waste incinerators. Established environmental preservation website on company intranet.
2000		Switched from water-cooled to air-cooled air conditioners.
2001	Began Eco Mark registration. PC Green Label registration.	Issued first Environmental Report. Began collecting and recycling commercial products. Adopted Corporate Philosophy.
2002	Established the company's environmental labeling (established Eizo Eco Products 2002).	Introduced monitoring and computerization systems.
2003	Began working toward TCO'03 certification. Established Eizo Eco Products 2004.	Received Governor of Ishikawa's Green Enterprise award. Received Health Minister's Award for Excellence in health and safety initiatives. Began collecting and recycling household products.
2004	Launched efforts to comply with the RoHS Directive.	Started collecting and recycling commercial products in response to requests and over an expanded region. Implemented energy conservation measures in conjunction with equipment upgrades (climate control, lighting) at Headquarters. Implemented traffic safety guidance in local communities.
2005	Began product shipments in compliance with the RoHS Directive.	Issued first Social and Environmental Report. ISO 14001 certification of Environmental Management System including sales offices. ISO 13485 certification.
2006	Adopted Eizo Eco Products 2006 standards. Launched J-Moss compliance efforts. Started compliance with WEEE Directive (displayed recycling logo and completed providing data on hazardous substances to recycling contractors).	Added Eizo Galleria locations to scope of operations included in ISO 14001 certification.
2007	Started compliance with China RoHS (Management Methods for Controlling Pollution by Electronic Information Products).	Substantial increase in energy consumption as R&D building is completed and brought into use.
2008	Adopted Eizo Eco Products 2006 standards. Began working toward EPEAT certification.	
2009	Began working toward TCO Display 5.0 certification. Began working toward ENERGY STAR (version 5.0) certification. Launched efforts to comply with the Home Appliance Recycling Law (Act for Recycling of Specified Kinds of Home Appliances).	Issued first CSR Report. Added Eizo Nanao MS Corporation to scope of operations included in ISO 14001 certification.

## GRI Index

Sustainability Accounting Co., Ltd. (Chiyoda-ku, Tokyo) conducted a third-party check to confirm that the report meets Application Level B.

Item	Indicator	Report page
<b>1. Strategy and Analysis</b>		
1.1	Statement from the most senior decisionmaker of the organization about the relevance of sustainability to the organization and its strategy.	3
1.2	Description of key impacts, risks, and opportunities.	3
<b>2. Organizational Profile</b>		
2.1	Name of the organization.	4
2.2	Primary brands, products, and/or services.	4
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	4
2.4	Location of organization's headquarters.	4
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	10
2.6	Nature of ownership and legal form.	4,12
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	4
2.8	Scale of the reporting organization.	4
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Not applicable
2.10	Awards received in the reporting period.	5
<b>3. Report Parameters</b>		
<b>REPORT PROFILE</b>		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	2
3.2	Date of most recent previous report (if any).	2
3.3	Reporting cycle (annual, biennial, etc.).	2
3.4	Contact point for questions regarding the report or its contents.	2
<b>REPORT SCOPE AND BOUNDARY</b>		
3.5	Process for defining report content.	2,12
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	2
3.7	State any specific limitations on the scope or boundary of the report.	2
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Not applicable
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report.	Not applicable
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	Not applicable
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Not applicable
3.12	Table identifying the location of the Standard Disclosures in the report.	22
3.13	Policy and current practice with regard to seeking external assurance for the report.	23
<b>4. Governance, Commitments, and Engagement</b>		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	14
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	14
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	14
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	12
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives, and the organization's performance.	15
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	14
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	14
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	1
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	2
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	2
<b>COMMITMENTS TO EXTERNAL INITIATIVES</b>		
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	8,9
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Not applicable
4.13	Memberships in associations and/or national/international advocacy organizations in which the organizations.	9
4.14	List of stakeholder groups engaged by the organization.	11
4.15	Basis for identification and selection of stakeholders with whom to engage.	11
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	11
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	10-13

<b>Economic</b>		
Disclosure on Management Approach		Mid-Term Business Plan <a href="http://www.eizo.com/global/investors/pdf/Mid-Term_Business_Plan.pdf">http://www.eizo.com/global/investors/pdf/Mid-Term_Business_Plan.pdf</a>
<b>Economic Performance</b>		
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	13
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind, or pro bono engagement.	13
<b>Environmental</b>		
Disclosure on Management Approach		1,18-20
<b>Environmental Performance</b>		
EN3	Direct energy consumption by primary energy source.	19
EN4	Indirect energy consumption by primary source.	19-20
EN5	Energy saved due to conservation and efficiency improvements.	20
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	8-9
EN8	Total water withdrawal by source.	19
EN16	Total direct and indirect greenhouse gas emissions by weight.	19-20
EN22	Total weight of waste by type and disposal method.	19-20
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	7-9
<b>Labor Practices and Decent Work</b>		
Disclosure on Management Approach		1,16-17
<b>Labor Practices and Decent Work Performance</b>		
LA1	Total workforce by employment type, employment contract, and region.	16
LA2	Total number and rate of employee turnover by age group, gender, and region.	16
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	16
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region.	17
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	17
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	17
<b>Human Rights</b>		
Disclosure on Management Approach		1,16
<b>Human Rights</b>		
HR4	Total number of incidents of discrimination and actions taken.	We have not identified any incident of non-compliance with any discrimination.
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Not applicable
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	Not applicable
<b>Society</b>		
Disclosure on Management Approach		1,14
<b>Society Performance</b>		
S04	Actions taken in response to incidents of corruption.	We have not identified any incident of non-compliance with any corruption.
S07	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.	Not applicable
S08	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	Not applicable
<b>Product Responsibility</b>		
Disclosure on Management Approach		7-10
<b>Product Responsibility Performance</b>		
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	We have not identified any incident of non-compliance with any regulation voluntary codes.

To President Yoshitaka Jitsumori,  
Eizo Nanao Corporation



Takashi Fukushima  
President, Sustainability Accounting Co., Ltd.

Serving primarily as an introduction to corporate efforts for developing good relations with diverse stakeholders, the CSR Report has also become a focus of attention in recent years as a tool for explaining sustainability, in which society and the company shall coexist and co-prosper into the future. While the former requires an all-encompassing report, the latter requires a materiality report that probes deeper, with a focus on key areas related to the company's sustainability. In simpler terms, it is my view that the latter report must provide content that fully expresses the unique social value of the company and its singular appeal for the future.

I would like to start with my evaluation of EIZO's efforts for developing good relations with its diverse stakeholders. Since the previous fiscal year, EIZO has adopted a style for its CSR Report through which the company's overall efforts are summarized under the Seven Promises, which combine the Corporate Philosophy and Code of Conduct. This is an excellent approach for developing an understanding of the relationship between EIZO's policies, management and actions.

Turning to the content, for example in the "Seven Promises 6—We will value a broadminded corporate culture," which deals with the relationship with employees as key stakeholders, I was able to gain a strong sense of how EIZO's open atmosphere encourages employees to cultivate imaginative ideas that are in turn applied to product development, which represents the lifeline of the company.

As for whether I think the report fully expresses EIZO's appeal for the future, I felt that the first one of the Seven Promises, "We will inspire customers by creating and offering

products of new value," and the second promise, "We will supply superior products and services that reflect respect for the environment as part and parcel of quality," were particularly connected to EIZO's appeal.

The report described the diverse social contexts in which EIZO's advanced technological capabilities were being appreciated and the speed with which EIZO has achieved compliance with various environmental labeling standards, as well as the company's Eco View concept introduced in fiscal 2009. I was able to understand that these aspects constitute EIZO's appeal as a company.

However, these descriptions seemed to be primarily focused on the "D" part of the PDCA (Plan-Do-Check-Act) cycle. To communicate EIZO's appeal for the future in addition to its appeal from the past to present, the company should aim to clearly define its ideals and explain the status of its current efforts with respect to its roadmap and to how its present capabilities are preparing the company to take future action toward its goal. In other words, the company should present an overall picture with respect to its future.

As monitors are the company's core products, EIZO appropriately adopted a horizontal PDF format starting with this year's CSR Report, which allows it to be read on a computer screen instead of having to print it out. Considering that only a few companies are currently making this particular effort, I was impressed by this good idea.

I look forward to seeing the further evolution of EIZO's CSR efforts in the future.

