



# CORPORATE SOCIAL RESPONSIBILITY REPORT 2014

**EIZO Corporation**

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<b>Editorial Policy for the CSR Report</b>	
• 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, 2013 to March 31, 2014 (FY 2013)	
• Issue date: September 2014	
• Issue date of previous report: September 2013	
• Issue date of next report: September 2015	
• 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/ Our Products

### Corporate Information

<b>Company Name</b>	EIZO Corporation
<b>Business Activities</b>	Development, design, manufacture and sales of imaging systems including computer monitors, amusement applications and peripheral products
<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>	73,641 million yen (FY 2013)
<b>Group Employees</b>	2,021 including temporary workers (consolidated, as of March 31, 2014)
<b>Group Companies</b>	16 (EIZO Corporation and its 5 domestic subsidiaries and 10 overseas subsidiaries, as of September 1, 2014)
<b>Development, Production, Sales</b>	<ul style="list-style-type: none"> <li>• EIZO MS Corporation Japan: Manufacturing of computer monitors and amusement monitors</li> <li>• EIZO GmbH Germany: Development, manufacturing, and sales of medical monitors</li> <li>• EIZO Technologies GmbH Germany: Development, manufacturing, and sales of industrial monitors, air traffic control monitors and controller boards for monitors</li> <li>• Tech Source, Inc. USA: Development, manufacturing, and sales of graphics boards for air traffic control</li> <li>• EIZO Display Technologies (Suzhou) Co., Ltd. China: Development, manufacturing, and sales of computer monitors, etc.</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 of computer monitors, etc.</li> <li>• EIZO Nordic AB Sweden: Sales of computer monitors, etc.</li> <li>• EIZO Europe GmbH Germany (and branch offices in Belgium, Czech Republic, Italy and the Netherlands): Sales of computer monitors, etc.</li> <li>• EIZO AG Switzerland: Sales of computer monitors, etc.</li> <li>• EIZO Limited United Kingdom: Sales of computer monitors, etc.</li> <li>• EIZO Austria GmbH Austria: Sales of computer monitors, etc.</li> </ul>
<b>Others</b>	<ul style="list-style-type: none"> <li>• EIZO Support Network Corporation Japan: Providing field service, security and maintenance for computer monitors, etc.</li> <li>• EIZO Engineering Corporation Japan: Development and designing of computer monitors, and temporary staff services</li> <li>• EIZO Agency Corporation Japan: Insurance service</li> </ul>

### Our Products

#### ■ LCD Monitors for Computers, Peripheral Equipment and Related Solutions

##### For General Markets

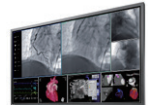
Standard LCD monitors featuring a variety of user-friendly functions, consideration for the environment and high reliability that are at the core of our business and products. These computer monitors are widely used in offices, schools, public facilities and homes.



Standard monitors

##### For Medical Markets

A varied lineup of solutions for a broad spectrum of medical operations, including monitors for displaying CT and X-ray images as well as monitors for operating rooms and electronic medical records.



Medical image display monitors

##### 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 Industrial Markets

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



LCD monitors for industrial use

##### 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 Home Entertainment

LCD monitors for entertainment systems using proprietary resolution technology, such as the world's first shade visibility improvement function, which enable users to enjoy the maximum impact of digital content on their PCs, game machines and AV equipment.



Entertainment monitors

#### ■ Amusement Monitors

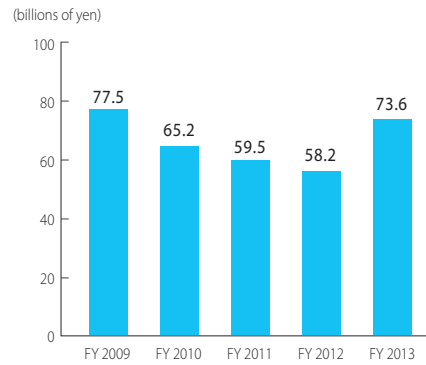
We design and manufacture LCD monitors installed in pachinko equipment. These models combine the EIZO Group's hardware technology, gained through the design and manufacture of computer monitors, with amusement software development technology to offer realistic expression, stories with a strong gaming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



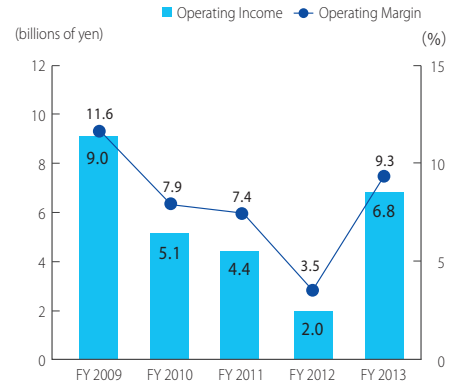
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LCD monitors for pachinko equipment

Financial Information

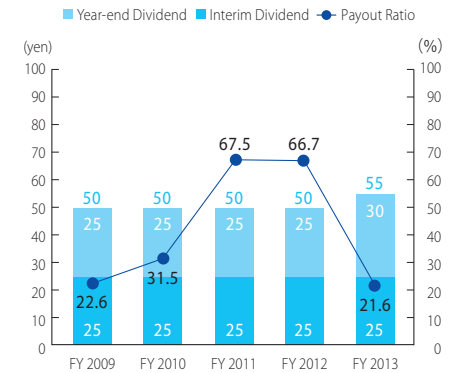
■ Net Sales



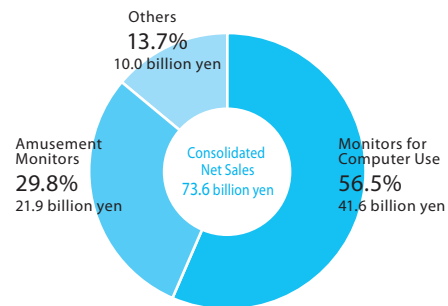
■ Operating Income/Operating Margin



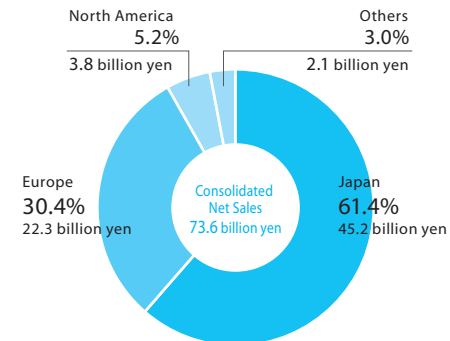
■ Five-year Change in Dividends



■ Sales and Percentage Breakdown by Product Category (FY 2013)

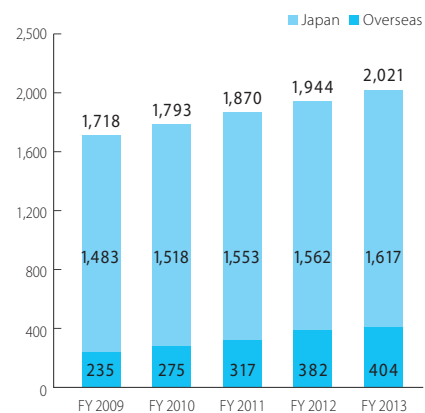


■ Composition of Net Sales by Region (FY 2013)

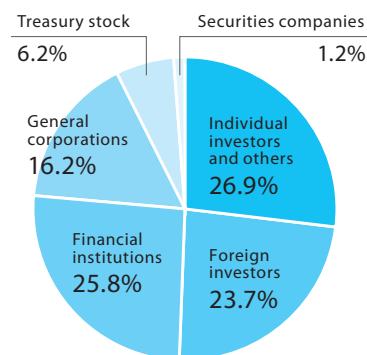


Non-Financial Information

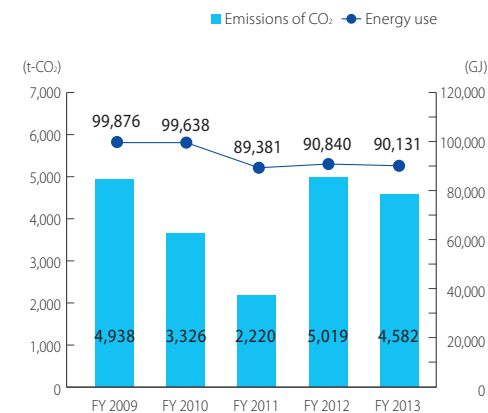
■ Group Employees  
(including term employees)



■ Shareholder Composition  
(proportion of shareholding) FY 2013



■ 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.



## President's Message

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### Ensuring EIZO's Ongoing Contribution to Society

#### Our CSR Approach and Basic Policy

At EIZO we believe our business activity in itself constitutes our most important CSR. We strive to consistently provide products and services that offer solutions for diverse challenges in various areas to pursue business with integrity by complying with laws and regulations while respecting human rights, and to return all the benefits produced through our business to society. We also enthusiastically engage in regional activities with the understanding that this support represents another aspect of our corporate social responsibility.

We have been participating in the United Nations Global Compact since 2012 with clear recognition of the need to fulfill our social responsibilities with a broader perspective on the world and society as EIZO operations become increasingly globalized. The concepts behind the United Nations Global Compact have been incorporated into the guidelines that each individual member of the EIZO Group is expected to follow, and in the EIZO Group Principles of Conduct – Seven Promises that we uphold as our promise to stakeholders. The Principles of Conduct also serve as the basic policy of our CSR, and this CSR Report has been compiled in line with the Seven Promises.

#### Bringing about a Paradigm Shift

Last year we adopted “Changing the Paradigm” as the slogan expressing our goal of becoming an enterprise that delivers high value on a global scale to address evolving social needs with an eye on the next ten years. We must steadfastly address this challenge to facilitate specific, clearly defined paradigm shifts. Just as we have asked each employee to break free from conventional thinking and change the way they think and work, we have also taken action as a company, including the transition to direct sales by Group companies in Europe in 2012 and the change in our corporate name in 2013. In addition, we have boldly transferred personnel in ways that significantly depart from conventional



thinking, such as promoting younger employees to management positions in order to ensure we assign the best possible people to specific situations. I believe this has had a considerable impact on our employees, and that creating a greater sense of openness within the company has had a positive effect on employee attitude, focus and motivation.

### **From Hardware to Solutions**

As for the paradigm shift required in our business model, the challenge lies in making the transition from hardware to solutions. We can no longer expect to satisfy customers by selling hardware alone. In future, we will focus on offerings for imaging environments that are even more comfortable and optimal, rather

than simply providing display equipment. With this basic idea, we are working on presenting a total solution that comprises not only our products but other companies' products as well, after verifying compatibility and ease of use, if they are necessary for creating the ideal imaging environment for the customer. We have established a dedicated organization for this purpose and are reinforcing our structure to meet customer requirements through a coordinated effort that unites all departments.

### **Seeking to Enhance Our Corporate Capabilities**

In considering our policy for future growth, accurately evaluating our own corporate ability will be an important factor for decision making. For example, we should not pursue unreasonable global deployment that places an excessive strain on our logistics and results in the deterioration of our quality management. EIZO had its start in Europe, where we have been focusing on market development. Although the ideal approach might be to simultaneously allocate resources to all strategic regions, this would be unlikely to succeed without developing the necessary corporate ability. Our capacity for delivering satisfactory services varies in accordance with our corporate ability. We have therefore been making a steady and consistent effort to strengthen our sales in Europe, focus on a specific market in the United States and

concentrate our resources in the medical market in China. We now feel these efforts have led to establishing a considerable reserve in our corporate ability, and we intend to adopt an even more aggressive course in the future. For example, we plan to make additional investments in the United States to raise our presence specifically in the medical market as well as the graphics and imaging market, and allocate more resources in the Middle East and Southeast Asia.

### **The Power to Hand Down Our Corporate Culture**

We also recognize the development of human resources as a significant aspect for maintaining and enhancing our corporate ability. Although practical training offered by external lecturers can contribute important content for human resource development, I also believe we should encourage our employees to become well acquainted with the history of EIZO. By understanding EIZO's past turning points and how the company has overcome specific situations to arrive at where it is today, we can share a deeper affiliation with the company and its products.

For example, soon after the company listed its shares on the Second Section of the Tokyo Stock Exchange in December 2002, we discovered a flaw that occurs when a monitor is left on for an extended period of time while the PC has been turned off or was in power save mode. Since this flaw was the result of misuse and not a product defect, we debated whether a product recall was required. This became a significant turning point. In the end, we announced a recall that cost us about 1 billion yen. Our decision was backed by a firm determination to remain faithful to users who counted on EIZO monitors and our desire to safeguard our corporate culture of open disclosure. I believe that recounting these episodes and drawing our own conclusions will empower us to transmit our corporate culture to the next generation.

This is how EIZO is striving to enhance its corporate ability and apply that ability as the foundation upon which to grow our business, which we hope will, in turn, offer greater contributions to society. This CSR Report represents a means for reporting on our efforts and as a tool for addressing public expectations for information disclosure. We look forward to comments and feedback from our stakeholders who read this report.

September 2014

**Yoshitaka Jitsumori**  
President, EIZO Corporation

## Corporate Philosophy/ Principles of Conduct

### – Seven promises

### Corporate Philosophy

The EIZO 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.

### 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.

### 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.

### 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.



## Stakeholder Dialog

### Group Discussion on CSR

As stated in our corporate social responsibility (CSR) policy, first, we are committed to contributing to society through our business and, second, we are committed to dedicating ourselves as a corporate citizen to assist local communities through cooperative efforts.

Today, we would like to hear from you about the activities you are implementing based on those policies, and about your ideas or views in your countries concerning CSR.

#### ◆ Diversified CSR Activities

**Rob Musson:** I think one of the activities we must carry out from the viewpoint of CSR is to give back to the local community, and I am constantly thinking about what can be given back to local communities through our business and monitors.

Based on such thoughts, we are providing monitors to an organization called Special Effect, which supports people with disabilities to enjoy leisure technology such as video games. This is not a large-scale project, but I think it's important to connect with people who our technology can help.

**Thomas Henkel:** My understanding is that CSR is not merely about compliance, but about practicing business with considerations surpassing general legal requirements. Although not all matters that take place between people and between businesses can be legislated, I believe CSR extends to such areas as well. For instance, while there is no law forbidding business transactions with companies employing child labor, by refusing to purchase materials from such companies through engagements between companies, child labor can be prevented. I think this is also CSR.

Also, though there are differences in ideas and behaviors between people of various countries, I think all employees of our group must be treated equally regardless of differences in nationality. I believe this is particularly important and is an aspect of CSR as well.

**Thomas J. Waletzki:** Of course our countries are regulated so we are open to this corporate responsibility. Is China regulated to have this kind of concept?



• Rob Musson (Managing Director), EIZO Limited (United Kingdom)



• Thomas Henkel (Managing Officer & Director R&D), EIZO Technologies GmbH (Germany)

• Rudi Dörrler (Director, Controlling & Accounting), EIZO GmbH (Germany)



• Antonin Chavat (General Manager of Czech Branch), EIZO Europe GmbH (Germany)

• Thomas J. Waletzki (President & CEO), EIZO Inc. (U.S.A.)



• Susan Angermeier (CFO), Tech Source, Inc. (U.S.A.)

• Hidenori Kojima (Chairman & CEO), EIZO Display Technologies (Suzhou) Co., Ltd. (China)

**Hidenori Kojima:** The concepts of CSR in the broad sense are yet to become widespread in China. More than that, the highest importance is placed on the very basics of CSR, that *a company should make a profit and pay sufficient tax*. Therefore, I believe our company needs to start from there and fully deal with those challenges.

#### ◆ Paying Back in the Form of Knowledge and Experience

**Rob Musson:** For example, we were contacted about monitors and held a discussion with an organization of medical specialists. These specialists were focusing on the effects of early detection and treatment of glaucoma, and were researching early diagnosis of glaucoma by visual check. We were aware that there would not be much return in terms of business, but we thought our knowledge should be utilized for the sake of society. We lent them our product, and after testing it, they purchased an EIZO monitor. While we sold just one single monitor, we believe that our activities leading up to that purchase, the sharing of our experiences and technology, led to supporting an organization that will help people in the long run.

## Stakeholder Dialog

**Rudi Döerrler:** In the sense of contribution to the medical field, in Germany we have set up a 24-hour hotline service. In clinics and hospitals, doctors need information from our products, and any trouble with our products can be a matter of life or death. Therefore, maintaining an environment where we are able to respond to such matters at all times is a highly important CSR activity.

**Antonin Chavat:** I believe understanding the circumstances of local markets and responding to those conditions to optimize our business is also one aspect of CSR. I think the 24-hour hotline service for medical staff in Germany is one such example. In Czech, not the medical market but photographers are in need of a 24-hour hotline service. In light of our wide range of customers from amateur photographers enjoying photography as a hobby to professional photographers, I think optimizing the business means to understand such local market conditions and to respond to their needs.

Also, the purchasing power of the Czech currency is only about one third of that of German or Austrian currencies. In other words, 400 Czech euros are equivalent to 1,200 German euros. How can business be created in a market with a purchasing power of one third of that of other countries when the monitor price is the same in all countries? Our understanding is that there is a need to provide special solutions for the Czech users. It is necessary to understand circumstances particular to the region and to make proposals based on those conditions to open up business.

**Susan Angermeier:** At our company, we sometimes mentor younger people and have them work with us for a short time to inform them of our technology and our business. They don't necessarily return to our company as employees, but we think it is a great opportunity for young people to see a different world and that such activities lead to their becoming interested in technology. Since we have challenges finding qualified engineers, our current activities may benefit us in the future.

**Thomas J. Waletzki:** CSR is a part of life in America and its concepts are understood, so I don't regard CSR activities as anything special since it is only natural to follow the rules. However, on consideration of the original meaning of CSR, which is giving back

to, sharing with, giving benefits to, and contributing to society, we approached the local community. For example, we approached the people who protect our business area and local residents such as police and fire department staff. As Rob mentioned, we wanted to find a way to help others by using our expertise. Such engagements are exactly the activities that share with and contribute to society.

In another case, we gave monitors to young photographers in New York who had no money and had never been given a chance to learn about photography but still were burning with ambition. Cameras and teachers were also provided similarly from an organization that teaches them photography methods. The children are now sharing EIZO monitors, learning and polishing their techniques.

While compliance is simple since we are just practicing the requirements, I think what is required of us is to think about what and how to give to society.

**Rob Musson:** I agree. How each company acts as a member of the group is also a part of CSR since that is indeed what composes our business activities.

It is now time to close our discussion. Thank you all for your participation today. We have learned that there is a wide range of CSR concepts and that there is a great variety in the CSR activities practiced within our group. Taking hints from these examples, let's continue to promote and pursue CSR activities to contribute to society through activities that we should engage in and activities that no other company can match.

## The Competitive Advantages of EIZO

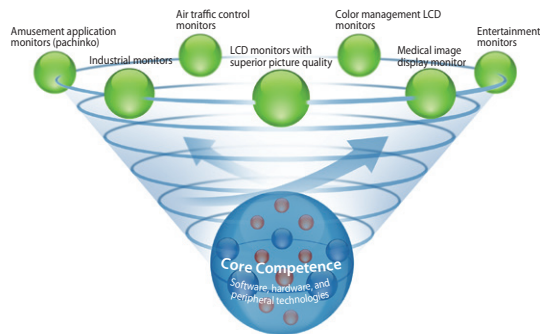
Since its founding, the EIZO Group has consistently focused its technology and passion on creating visual display products. We continue to concentrate our energy and efforts on developing products that are a step ahead of the times by using advanced devices and pursuing cutting-edge technologies. Our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

\* Our core competence: Technological expertise that allows for a significant competitive advantage

### ◆ 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

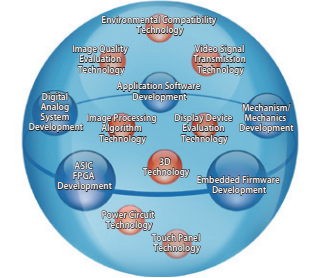
We have a proven track record of incorporating the principle of environmental preservation into product development, and since the early years of our company, we have been highly regarded in Europe, where environment-related standards are particularly stringent. As public concern for the environment 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.



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



### ◆ 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 22.

## Creating New Value

**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

We serve diverse markets by meeting their specific needs and improving our customers' imaging environments with new value that exceeds their expectations.

### ◆ For Greater Diagnostic Accuracy

Monitors are playing an increasingly important role in the medical profession, where advances in digitization have allowed for the display of a broad array of data, from medical records to images including X-ray results and data required for operations. EIZO assists medical institutions around the world to enhance on-site operational efficiency by presenting medical sites with total solutions for their imaging environments, incorporating various monitors that provide high-precision images required for diagnosis with outstanding reliability, and quality control applications that consistently maintain the correct display of information. In recent years, advances in hospital systems and medical photographic equipment are producing a variety of image types, leading to the transmission of massive volumes of image data. EIZO has proposed a multi-modality approach for simultaneously displaying different medical images on a single monitor, thus raising the efficiency and flexibility of image display at sites such as radiography reading rooms and operating rooms, which have become cluttered with multiple monitors.



### ◆ For Maximizing Creativity

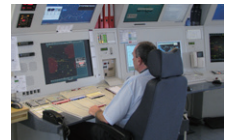
Color is an all-important aspect of design, photography and video editing, and a monitor's display functionality can decisively impact operational quality and efficiency. EIZO offers monitor solutions that achieve and maintain excellent



color reproduction to broadly support the work of professionals. The efficiency and accuracy of creative work can be further enhanced when multiple users adopt EIZO monitor solutions and share correct color reproduction.

### ◆ For Ensuring Safety in the Sky

Monitors displaying information that ensures safety in the sky require high display performance and reliability. EIZO supports air traffic control operations by providing main monitors as well as high-brightness LCD monitors capable of clearly displaying flight status information under daylight conditions and specifically designed for use in air traffic control towers subject to external light. We also provide sub-monitors for displaying relevant information, training monitors, graphics boards capable of displaying images at special resolutions, and flight status recording systems as part of our total solution for the imaging environment required for air traffic control.



### ◆ Finely Tuned Response to the Specialized Needs of the Industrial Market

EIZO is highly precise in meeting the diverse requirements of each industry by offering a broad product line and flexible customization drawing upon the technology, quality and reliability we have cultivated over the years. We also respond with small-lot production utilizing our flexible production system, the capacity to provide stable, long-term supply based on our procurement capabilities and a maintenance system that ensures customers can conduct business with a sense of security.



## Delivering Greater Enjoyment and Comfort to Gaming

### Gaming Monitors: FORIS

EIZO has been developing its FORIS series of monitors for the gaming market, such as the eSports (electronic sports) field, which is generating so much excitement around the world. These EIZO functions have been incorporated into FORIS to bring greater enjoyment and comfort to gaming.

#### ■ The World's First\*<sup>1</sup> 240Hz Gaming Monitor (FORIS FG2421)

\*<sup>1</sup> In color LCD monitors for computers as of October 2013, according to EIZO research.



#### ◆ New Turbo 240 Function Reduces Motion Blur

The new Turbo 240 function features backlight processing that converts 120 Hz input signals to 240 Hz to realize a sharp, high-speed display. With less motion blur than conventional gaming monitors, Turbo 240 offers the smoothest motion display for accuracy in first-person shooter, racing, and other fast-action game genres.



#### ◆ Quick Scoping with Extremely Low Input Lag

Input lag, or the time it takes for commands from a keyboard, mouse, or controller to appear on the screen, can be the difference between hitting your target and missing it. EIZO developed its own integrated circuit to ensure your commands appear on the screen without delay.



#### ■ New Design Immerses Users in the Game (FORIS FS2434)

#### ◆ Frameless Design

The FORIS FS2434 features an extremely thin 6 mm frame on both sides and the top\*<sup>2</sup>. With a multi-monitor gaming environment, you get almost seamless viewing for a more immersive and enjoyable experience.



\*<sup>2</sup> Combined value of 2.0 mm bezel and 4.0 mm border area.

#### ◆ Unique Technology Vastly Improves Visibility

Smart Insight is a unique technology that automatically improves visibility in dark areas of the screen. EIZO sought to further advance this technology by adjusting color saturation in addition to automatically increasing brightness to display games, video and animation in vivid detail.

#### ◆ Various Functions Make the Product Easy on the Eyes

EIZO offers superior basic performance that is ideal for displaying games, video and animation, including the IPS panel featuring vivid color and wide viewing angles, rapid response time and low input lag of less than 0.05 frame. Also, considerable care has gone into making the monitor easy on the eyes, including the Paper mode that reduces blue light, backlight that offers flicker-free viewing at all brightness levels, and the Auto EcoView function that detects changes in the ambient brightness and automatically adjusts the screen to the ideal brightness.

### ■ Awards ■ Good Design Award 2013

#### FlexScan T2381W

#### A 58 cm (23 inch) Color LCD Monitor with Touch Panel Optimized for Multitouch Operation

EIZO received the 2013 Good Design Award for the FlexScan T2381W. EIZO brand products have now received the Good Design Award for 18 consecutive years.

Accolades from the judges included: "The product was highly recognized for the simple shape of its design, which allows adjustment of monitor angle for viewing by several people and touch-screen operation. It also offers excellent synchrony between finger-tip movement and monitor output during touch-screen operations."



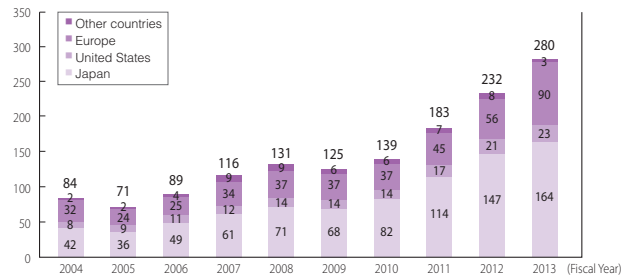
## Protecting Intellectual Property that Enhances Value

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

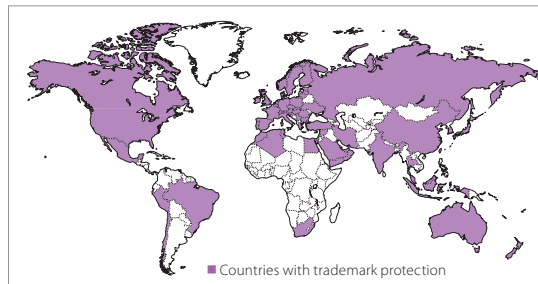
Our recent focus has been on attaining patents and design rights in countries and regions where we expect product sales to grow such as China, India and Russia, in addition to Japan, Europe and the United States, our current main markets. Overall, our goal is to construct a global network of intellectual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

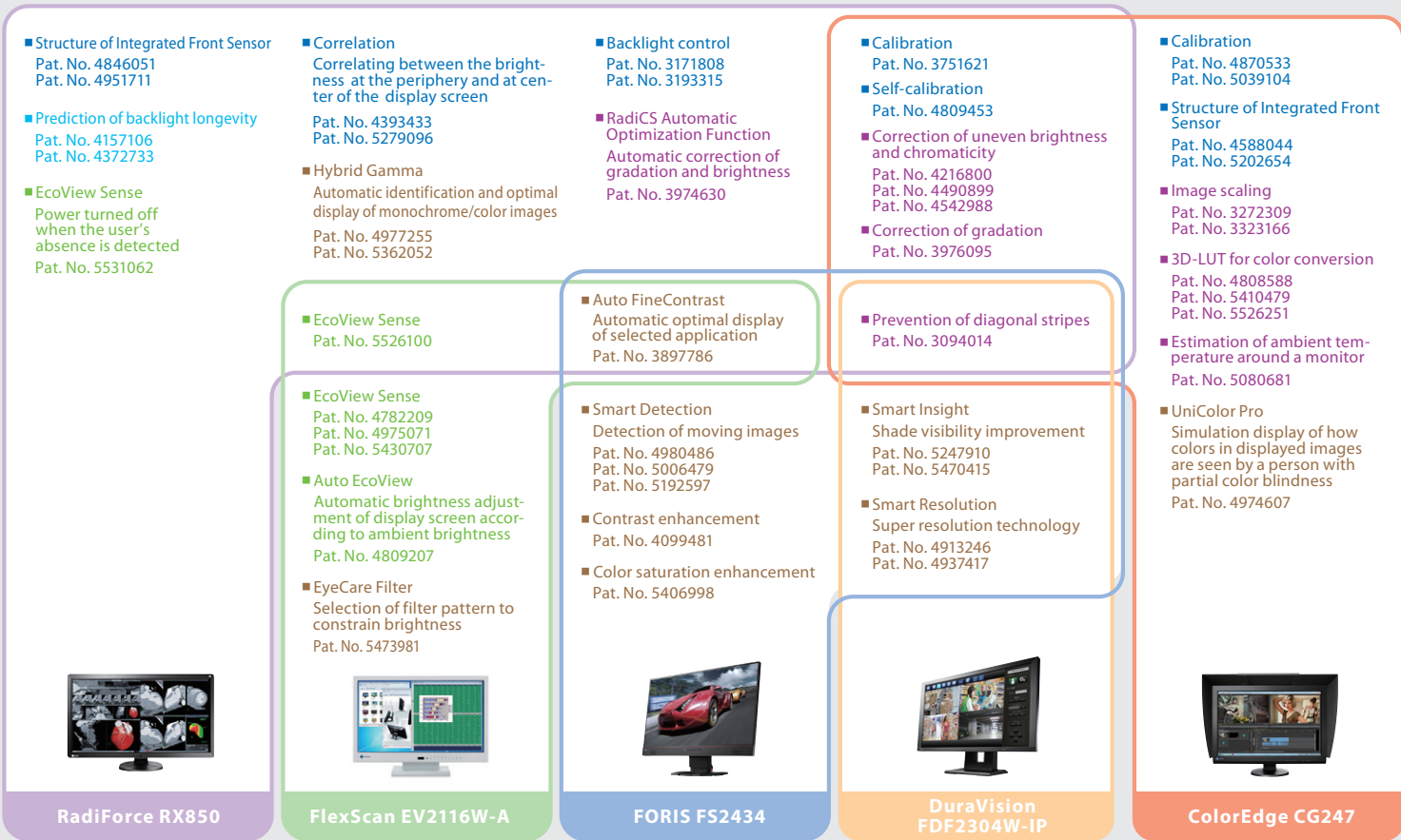
We have established and manages an incentive program for employee inventions to encourage employees to produce patents and designs. We also have an internal awards program for inventors and creators of patents and designs that have contributed to our business.

### ◆ 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.

### Japanese Patents that Apply to EIZO Product Technologies

EIZO products include numerous patent-protected technologies. Here we introduce various Japanese patents on technologies used in our RadiForce RX850 (medical monitor), ColorEdge CG247 (color management monitor), FlexScan EV2116W-A (standard monitor), FORIS FS2434 (gaming monitor) and DuraVision FDF2304W-IP (industrial monitor).



■ For producing superior picture quality ■ For maintaining superior picture quality ■ For optimal display of each image ■ For power saving ■ For quality control

## 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.



Environmental Consideration for Our Products and Business Operations

**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, EIZO 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 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

As in fiscal 2011, we incorporated many tasks for meeting our environmental targets for fiscal 2012 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

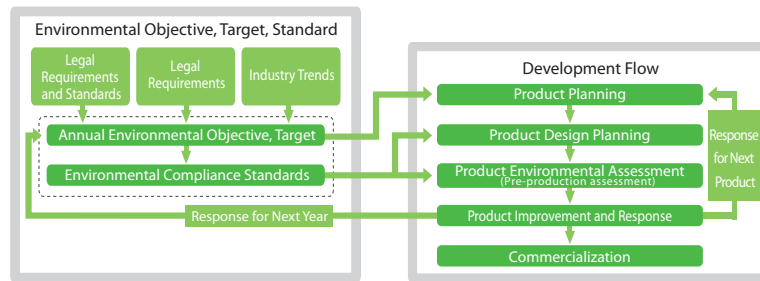
Our ISO 14001 certification was maintained and updated in fiscal 2012 after a third-party institution conducted an external audit.

### 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.

#### Basic Product Development Sequence



#### Product Assessment Example (partial list)

Category	Assessment Content
1. Disassembly and Recycling	<ul style="list-style-type: none"> <li>• Can be disassembled to unit level (by specialized company)</li> <li>• Can be disassembled using common tools (by specialized company)</li> <li>• Material labels are attached to plastic parts weighing 25 grams or more</li> <li>• Plastic parts weighing 25 grams or more are made of a recyclable material</li> <li>• Recycling labels and material labels are attached to plastic for packaging</li> <li>• Cardboard made of recycled paper is used for container boxes</li> </ul>
2. Instruction Manual	<ul style="list-style-type: none"> <li>• Provides information on collection of used products</li> </ul>
3. Energy Conservation	<ul style="list-style-type: none"> <li>• Complies with international ENERGY STAR Program</li> </ul>
4. Toxic Substance Regulation	<ul style="list-style-type: none"> <li>• Does not use ozone-depleting substances, regulated under the Montreal Protocol, in internal processes</li> <li>• Flame retardants based on chlorine or bromine are not used in plastic parts weighing 25 grams or more</li> </ul>

### Green Procurement

#### ◆ Our Philosophy on Green Procurement

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

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

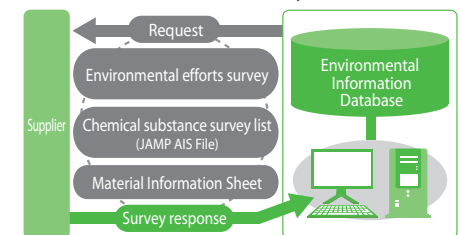
Our suppliers' efforts to reduce environmental impact and preserve the environment are just as important to us as their quality, prices, delivery schedule, services and technological excellence. In selecting products, parts and materials, including packaging, we place higher priority on those that are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

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

#### ◆ Management of Chemical Content Information

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

#### Flow of Chemical Content Survey



## Compliance with Environmental Labeling 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 environmental labeling standards in each market for our flagship products. Furthermore, as we ensure that our own products are in full compliance, we also play our role in guiding the entire industry by actively engaging in the development of standards, such as the internationally recognized TCO Display 6 and ENERGY STAR 6.0.

### ◆ 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 has evolved into TCO Displays 6 following subsequent upgrades. EIZO has consistently participated in the formulation of TCO standards, scrutinizing the content of the standards to ensure progress in their effective application and immediately obtaining certification as each new version comes into effect. In the years ahead we will continue to recognize the importance of meeting this standard in the development of new products and maintain our policy of obtaining certification.



### ◆ 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. 6.0 went into effect in June 2013. While the new standard is even more stringent, our products have been in compliance since it went into effect. We will continue to actively seek compliance with these standards for the models we develop in the future.



### ◆ EPEAT

EPEAT, developed by the U.S. Environmental Protection Agency and managed by the Green Electronics Council since 2006, is a tool for evaluating the environmental impact of computers and peripheral equipment. Products are comprehensively evaluated against 23 required and 28 optional requirements to award them gold, silver or bronze ratings. Many EIZO monitors sold in the United States have received the highest EPEAT Gold ranking.



### ◆ European Directives (RoHS/WEEE/REACH)

EIZO products comply with the RoHS Directive (banning lead, mercury, cadmium, hexavalent chromium, PBB and PBDE), the WEEE Directive (for the collection and recycling of discarded electrical and electronic equipment in Europe), and the REACH regulation (for the handling of chemical substances in Europe).



### ◆ China Energy Label

China Energy Label was launched in 2004 as a legally mandated labeling system for displaying the energy efficiency of products to promote technologies that save and more efficiently use energy. Compliance is essential to selling products in China, and EIZO has ensured the compliance of products bound for China since the system was first applied to monitors in 2009.



### 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 2013		
	CRT monitors	LED monitors
Volume in weight (kg)	22,008	10,563
Quantity (units)	891	1,509
Recycled volume (kg)	14,195	9,231
Recycling ratio (%)	65	87

##### ◆ 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 2013		
	CRT monitors	LED monitors
Volume in weight (kg)	716	966
Quantity (units)	29	138
Recycled volume (kg)	453	769
Recycling ratio (%)	63	80

##### ◆ Collection of Used TVs

In compliance with the Home Appliance Recycling Law, We established our Product Collection and Recycling System for the collection and recycling of used TVs regardless of whether they were manufactured by EIZO or by other manufacturers.

End-of-Life TV Sets Collected and Recycled in FY 2013	
Quantity collected from designated collection sites (units)	242
Quantity of products discarded for recycling (units)	227
Weight of products discarded for recycling (kg)	4,701
Weight of recycled products (kg)	4,092
Recycling rate (%)	87

#### Europe

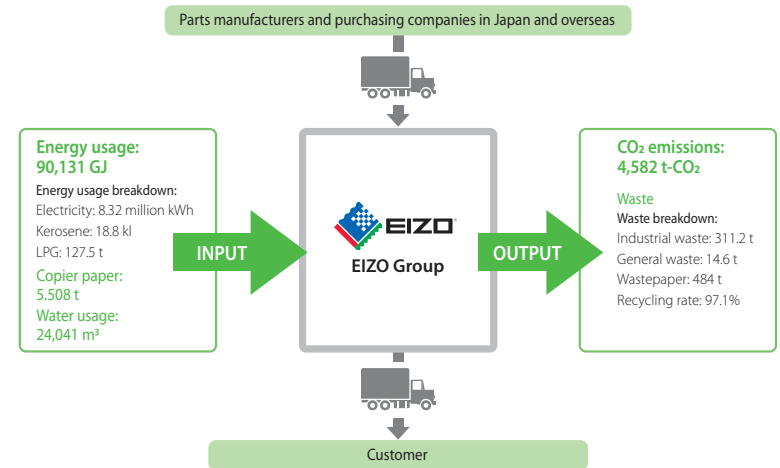
##### ◆ EIZO Monitors Discarded in Europe

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.

### Overview of the Environmental Impact of Our Business Operations

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)	50,840	27,922	9,827	1,542	90,131	
Energy Resources	Electricity (10,000 kWh)	438	280	98.6	15.4	832
	Kerosene (kl)	18.8	—	—	—	18.8
	LPG (t)	127.5	—	—	—	127.5
Copier paper (t)	4,238	0.819	0.200	0.251	5,508	
Water usage (m³)	18,409	2,264	2,478	890	24,041	
CO <sub>2</sub> emissions (t-CO <sub>2</sub> )	2,593	1,383	487	119	4,582	
Waste	Industrial waste (t)	186.8	33.9	90.5	—	311.2
	General waste (t)	10.8	2.6	1.2	—	14.6
	Wastepaper (t)	242	62	180	—	484
	Recycling rate (%)	95.0	99.4	96.4	—	97.1

## Environmental Risk Management

### ◆ 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 NOx, SOx, soot and dust are regularly measured in accordance with the Air Pollution Control Act and have remained well below the legal limit. In addition, we adhere to our own voluntary management standards, even in operations for which there are no applicable laws. No compliance problems were found in fiscal 2013, and no administrative guidance, admonitions, orders or reprimands have been 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)

Please refer to page 4 for data.

### ◆ Energy Use

In fiscal 2013, we continued our efforts from the previous year to save energy by optimizing the operation of our air conditioning units. As a result, we were able to limit total energy use to below 1,500 kl in crude oil equivalent, which is the target for energy efficiency under the Energy Savings Law. We also began replacing the lighting inside the buildings of the EIZO Corporation Plant with LED lighting in March 2014. We will continue to pursue group-wide energy saving activities while also maintaining comfortable working conditions.

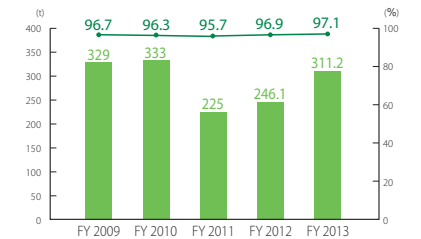
■ Targets and Actual Results (Scope: EIZO Corporation Headquarters and EIZO Display Technologies (Suzhou) Co., Ltd.)

	Electricity	Kerosene	LPG
FY 2014 Targets	8,888 million kWh	18kl	139t
FY 2013 Targets	8,325 million kWh	19kl	140t
FY 2013 Actual Results	8.32 million kWh	18.8kl	12.75t
Target 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.

■ Discharge of Industrial Waste and Recycling Rate



### ◆ Industrial Waste

Our total volume of industrial waste increased 26% year-on-year to 311.2 t. Waste increased significantly in terms of weight, as plastic transport pallets for materials procured overseas were replaced with wooden pallets. We also disposed of unused materials and equipment in one sweep as part of our 5S activities, representing another factor in the increase.

### ◆ Appropriate Management of Chemical Substances

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

\* 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.

## 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 2013 Environmental Target	FY 2013 Actual Results	Self-evaluation	FY 2014 Targets
Efforts to prevent global warming	CO <sub>2</sub> reduction	Reduced power consumption	Reduce electricity consumption by 8.325 million kWh/year	Maintained electricity consumption under 8.32 million kWh/year	○	Reduce electricity consumption to no more than 8.888 million kWh/year Expand effort to upgrade interior lighting to LED
		Reduced fuel consumption	Reduce consumption of fuel LPG: up to 140 t; kerosene: up to 19 kl	Reduced LPG consumption to 127.5 t/year and kerosene consumption to 18.8 kl/year by optimizing air conditioning	○	Reduce consumption of fuel LPG: no more than 139 t; kerosene: no more than 18 kl
		Environmentally sound product design	Reduce product electricity consumption	EV series developed in fiscal 2013 achieved power consumption of 0.5 W in sleep mode and 0.5 W in off mode	○	Reduce electricity consumption during suspension when connected to DVI/Display port – 0.5 W for sleep mode and 0.5 W for off mode
				Reduced body thickness of models developed in fiscal 2013 by more than 10 mm compared with conventional models	○	Promote slimmer, lightweight products; conserve resources used for packaging materials
Creating a sustainable society	3R (reduce, reuse, recycle)	3R design	Promote product recycling	Reused LCD units of some amusement monitors collected from the market	○	Explore developing the same reuse initiative for multiple models Develop the initiative for other products
		3R activities	Reduce industrial waste Maintain industrial waste generation below 255 t and purchase of copier paper below 5.9 t	Industrial waste generation increased to 311.2 t, purchase of copier paper decreased to 5.508 t	△	Maintain industrial waste generation below 385 t and purchase of copier paper below 5.82 t
Environmental issues	Management of chemicals	Reduced consumption of chemicals	Manage and restrict emissions and transport of toxic substances	Began screening for chemical substances used at facilities Reduced volume of organic solvents used at circuit board assembly plants to below target	○	Reduce use of organic solvents and related waste (Apply to new toxic substances including those generated by a 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	Achieved compliance mainly for EV series products	○	Maintain compliance with ENERGY STAR 6.0 (Increase number of models that comply)
			Respond to China Energy Label (CEL)	Obtained CEL Class 2 certification for newly developed products	○	Maintain compliance for newly developed products
			Respond to TCO Certified Displays 6	Obtained TCO Certified Displays 6 certification for newly developed FlexScan products Responded to annual CSR audit	○	Maintain compliance for newly developed products Maintain system compliance for CSR requirements

○ : 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.

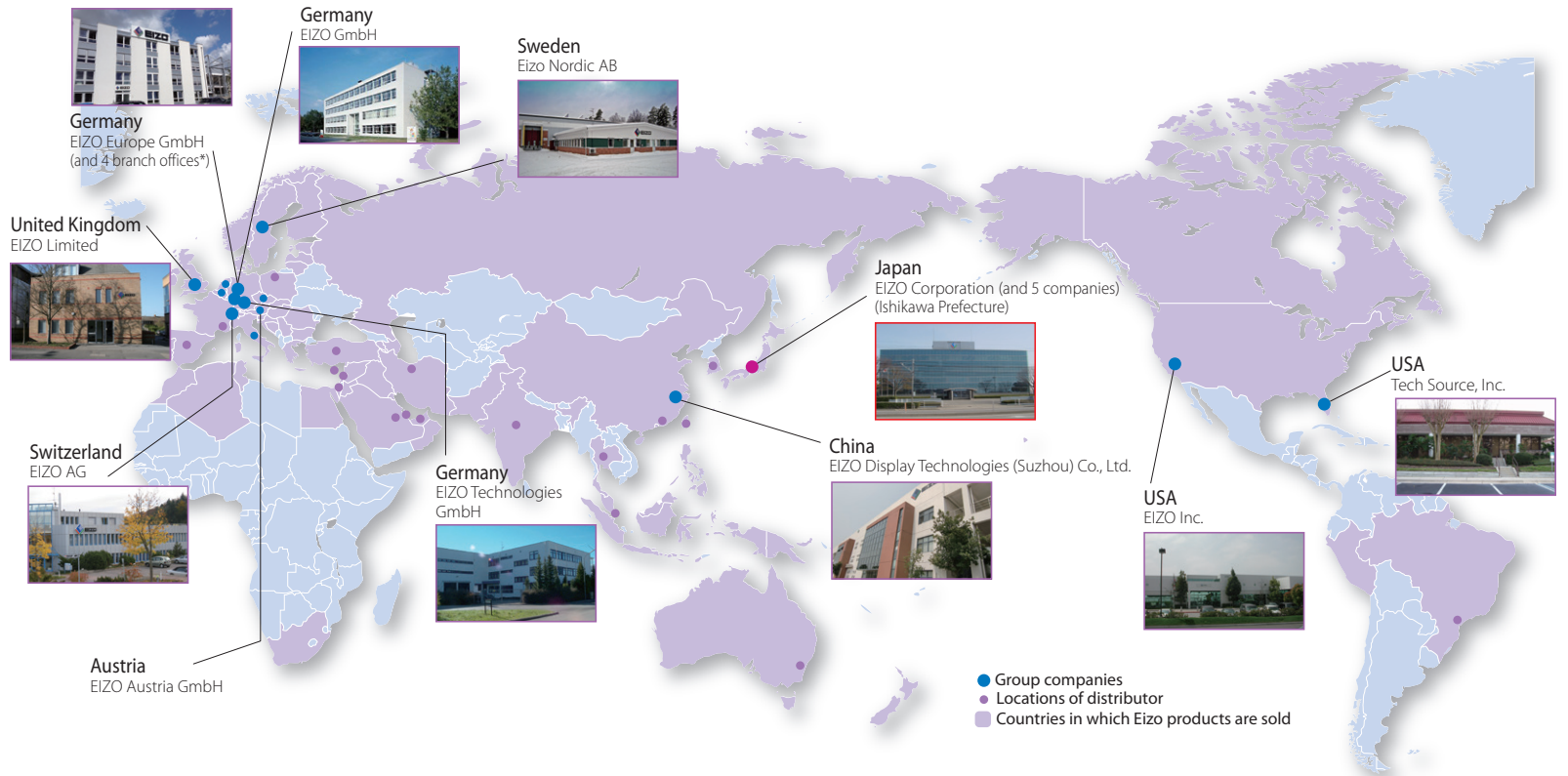
Operating as an International Corporation

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

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

### EIZO Group Global Network

The EIZO Group comprises 16 companies in Japan, Europe, the United States and China. While leveraging the individual strengths of each Group company, we generate synergies in development, production and sales across the Group and utilize our comprehensive, worldwide capabilities to meet the needs of the market while enhancing our product lineup and expanding our market share.



Our products are well received around the world, with current sales in 72 countries and territories through our Group companies and 18 global distributors. (As of September 2014)  
 \* EIZO Europe GmbH is composed of the head office in Germany and four branch offices in Belgium, Czech Republic, Italy and the Netherlands.

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

The EIZO Group has three production sites in Japan, two 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 70 countries and territories through our Group companies and 18 global distributors. (As of September 2014)

#### ◆ Direct Sales System in Europe

In 2012, we changed our sales system in Europe to allow for direct sales by Group companies instead of selling through distributors.

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. 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. Full-scale operation of this new system began in 2013, and we are striving to achieve further business growth in Europe by reinforcing regional sales centered on the two sales subsidiaries.

#### ◆ 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.

#### ◆ Collaboration among Group Companies

There is active collaboration between our Group companies to accurately grasp customer needs in highly specialized areas and promptly respond to their requirements, particularly in the markets for medical, industrial and air traffic control monitors.

#### 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.





## Open and Fair Trade

**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.

◆ **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.



Strong Bonds of Trust with Stakeholders

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.

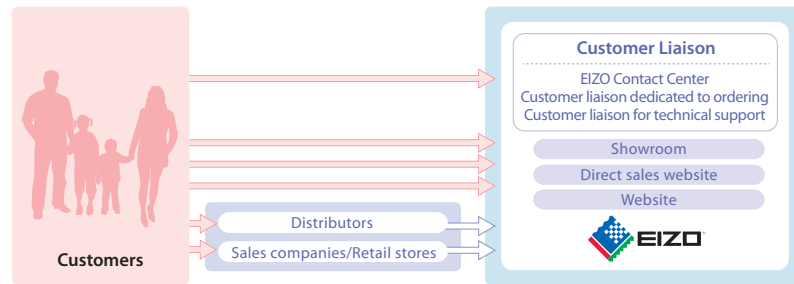
Relationship with Each Type of Stakeholder

EIZO's Stakeholders		EIZO's Responsibility	Communication Channels
Customers P. 26	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. 24	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. 30	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. 27	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. 27	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

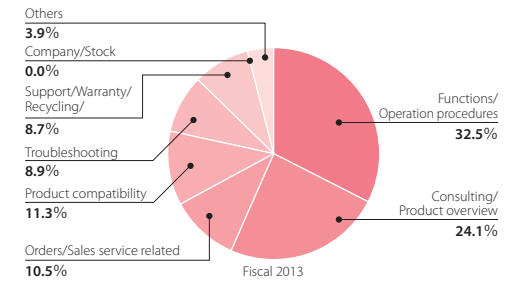
Each Group company has set up a customer liaison process (including access by phone or e-mail) to receive inquiries and questions related to EIZO products and technology. Customer inquiries and requests are promptly shared and appropriately addressed within the company, relevant departments and the Group. 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



### Customer Satisfaction Survey

In fiscal 2013, customers who have had contact with our sales and support operations answered questions in a survey about their level of satisfaction. We analyzed the 248 responses (response rate: 52%) toward effectively applying the results in our sales and support activities by strengthening product training for staff and improving the way we provide information to our customers. We plan to continue maintaining communication with our stakeholders by conducting these kinds of surveys along with other means.

### 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 (Japan)

EIZO Galleria is a showroom located in the Ginza district of Tokyo. Our dedicated on-site 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.



## 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.

During the general shareholders meeting, we provide opportunities for direct communication with our shareholders, such as by offering explanations about products exhibited at the meeting site. We also invite shareholders to an informal meeting following the general shareholders meeting to listen to their questions and comments.

### ◆ 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.

### ◆ Shareholder Benefits

As a benefit for our shareholders, we offer a 20% discount on monitors purchased through the EIZO Direct online store. We hope this makes it easier for shareholders to use our products and feel comfortable while using their computers, and consequently deepen their understanding of EIZO products.

## Relationships with the Local Community

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

### ◆ Relationships with Local Communities

We strive to contribute to communities through sponsorships and donations to local organizations and activities.

#### Examples of Community Contribution Activities

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> </ul>
EIZO Technologies GmbH (Germany)	<ul style="list-style-type: none"> <li>● Participation in local environmental protection programs</li> <li>● Donation to activities that support children fighting intractable diseases at a children's hospital</li> </ul>
EIZO Limited (United Kingdom)	<ul style="list-style-type: none"> <li>● Donation to “SpecialEffect,” an organization that utilizes IT in activities for enhancing the quality of life for persons with disabilities</li> </ul>
EIZO Inc. (United States)	<ul style="list-style-type: none"> <li>● Donations to activities aimed at providing underprivileged people access to community services</li> <li>● Donations to organizations undertaking community contribution activities (Boys &amp; Girls Club, the Cypress College Fund, the Southern California Special Olympics, etc.)</li> </ul>

### ◆ For Regional Development

EIZO takes part in a variety of local activities for regional development.

#### Examples of Support for Regional Activities

EIZO Corporation (Japan)	<ul style="list-style-type: none"> <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>● Membership and participation in activities undertaken by United Way Worldwide, a corporate organization that discusses local issues and solutions</li> <li>● Ongoing participation in local events such as marathons</li> </ul>
EIZO Inc. (United States)	<ul style="list-style-type: none"> <li>● Local development of the arts: support for projects aimed at increasing the artist population by creating opportunities for dance performances and photo exhibitions; projects aimed at developing the world of photography by providing educational settings</li> </ul>

Strict Respect  
and Compliance  
with both the Letter  
and Spirit of the Law

**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.

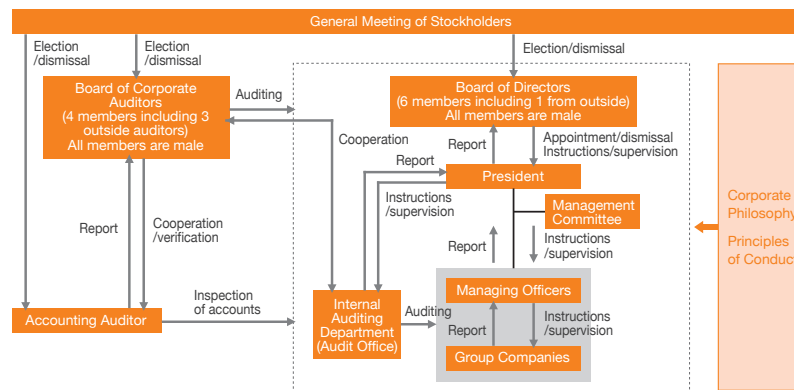
### ◆ Business Continuity Plan (BCP)

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



### ◆ 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 the execution of operations are presented on a regular basis. One of the six directors is an outside director (as of June 20, 2014) 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 full-

time 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 four members (one full-time and three part-time, as of June 20, 2014) 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 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.

### ◆ 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 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 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 to create the most suitable working environments.

### Laying the Foundations for a Motivating Workplace

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

#### ◆ Employment

To ensure that EIZO continues to develop cutting-edge 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.

#### ■ EIZO Group Including Overseas Affiliates (as of March 31, 2014)

Number of Employees (including term employees)	2,021	Engineering staff	728
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#### ■ EIZO Corporation (as of March 31, 2014)

Number of Employees (including term employees)	756	Male	393
		Female	363
		Engineering staff	234
		Foreign nationals	21
Graduate recruits Joined company in April 2014	23		
Mid-career recruits Joined company from April 2013 through March 2014	5		
Average age As of March 31, 2014	37.9		
Average length of service As of March 31, 2014	14.7 years		
Average annual working hours FY 2013	1,941 hours		

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

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

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

Persons with disabilities are engaged in careers at many of our worksites, and as of March 2014, 17 disabled persons are currently employed by the Group. At EIZO

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

March 2012	March 2013	March 2014
2.09	2.09	2.09

Corporation, persons with disabilities represent 2.09% of the workforce, exceeding the minimum legal requirement of 1.8%. We intend to continue improving our workplace environment and expanding work opportunities for the disabled.

#### ◆ 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.

### ◆ 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

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 2011	FY 2012	FY 2013
Childcare/Nursing Care Leave	29	29	38
Reduced Working Hours For Childcare or Nursing Care	31	27	35

### ◆ 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. While average working hours increased in fiscal

2012, we were able to reduce the hours in fiscal 2013 through various efforts.

■ Average Working Hours (EIZO Corporation)		
FY 2011	FY 2012	FY 2013
1,908 hours	1,963 hours	1,941 hours

## 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 hold seminars on cross-cultural communication.

We also run an exchange program for engineers between affiliates outside Japan, in which employees are dispatched for between 6 and 12 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

I was temporarily transferred to Tech Source, Inc. in Florida for about 10 months from January to November 2013. There I worked on developing the Condor series of graphics boards, which are assembled into monitors for the aerospace market. I was involved in the entire process, from formulating product specifications to design and evaluation. Performing my tasks at a company having a different organizational scale and development process broadened my perspective and allowed me to grow as an engineer. Observing the differences in culture and climate in daily life and communicating with local engineers has also proved to be an invaluable experience. Drawing energy from this opportunity, I will work to accelerate the pace of globalization in all our fields, including development, products and services, by collaborating with Group companies around the world.



Yu Kosugi  
Joined EIZO in 2006  
Visual Products  
Department  
Visual Products 1

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 2014 Targets/Key Action Points and Fiscal 2013 Performance

Management Area	FY 2014 Targets/Key Action Points	FY 2013 Performance	Evaluation
Safety Management	Achieve zero occurrence of workplace accidents, reduce traffic accidents during working hours	<ul style="list-style-type: none"> <li>Workplace accidents 1</li> <li>Frequency rate 0.68</li> <li>Severity rate 0</li> </ul>	Almost
	Key point: Ongoing risk assessment	<ul style="list-style-type: none"> <li>Traffic accidents during working hours 1</li> <li>Unacceptable risks 0</li> <li>Traffic accidents during working hours 1 (offense)</li> <li>Unacceptable risks 0</li> </ul>	
Health Management	100% follow-up on checkup results	Follow-up 92.2%	Almost
	Promote preventive measures for lifestyle-related diseases		

• 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.

## 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).	Obtained ISO 9002 certification for quality management system.
1995		Obtained ISO 9002 for EIZO NANAO MS CORPORATION <sup>*1</sup> .
1996	Started utilizing halogen-free flame retardants in plastic parts. Began working toward TCO'95 certification.	
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. Obtained ISO 9001 certification for quality management system.
1998	Began working toward TCO'99 certification.	Obtained ISO 14001 for environmental management system.
1999	Began working toward Eco Circle certification. Eliminated cadmium from parts. Expanded survey of toxic substances in parts (to 920 substances).	
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 business-use products. Adopted Corporate Philosophy.
2002	Established the company's environmental labeling (established EIZO Eco Products 2002).	
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 home-use products.
2004	Launched efforts to comply with the RoHS Directive.	Started collecting and recycling business-use 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. Obtained ISO 14001 certification for environmental management system, including at sales offices. Obtained ISO 13485 for quality management system for medical equipment.
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).	EIZO Support Network Corporation was added to the scope of operations included in our ISO 13435 certification. EIZO Galleria locations were added to the scope of operations included in our ISO 14001 certification.
2007	Launched efforts to comply with REACH regulations.	Substantial increase in energy consumption as R&D building is completed and brought into use. Obtained ISO 9001 and ISO 13485 for EIZO GmbH.
2008	Adopted EIZO Eco Products 2009 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 <sup>*1</sup> to scope of operations included in ISO 14001 certification. Obtained ISO 14001 for EIZO GmbH.
2010	Began complying with Chinese energy efficiency labeling standards. Upgraded chemical substance survey system based on new industry format.	Obtained ISO 9001 and ISO 13485 for EIZO NANAO TECHNOLOGIES, INC. <sup>*2</sup>
2011		Obtained ISO 9001, ISO 13485 and ISO 14001 certification for EIZO Display Technologies (Suzhou) Co., Ltd.
2012	Began working toward TCO Certified Displays 6 certification.	Obtained ISO 14001 for EIZO Technologies GmbH. Installed LED lighting in some areas of the Hakui Plant at EIZO MS Corporation.
2013		Installed LED lighting at the EIZO Corporation plant. Installed LED lighting at the Ishikawa Office of Irem Software Engineering Inc.

\*1 Currently EIZO MS Corporation \*2 Currently EIZO, Inc.

## GRI Content Index

The EIZO Corporation Corporate Social Responsibility Report 2014 provides information on the Standard Disclosure items contained in the GRI Sustainability Reporting Guidelines. 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	5-6
<b>Organizational profile</b>		
G4-3	The name of the organization	2
G4-4	The primary brands, products, and services	2
G4-5	The location of the organization's headquarters	2
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	22
G4-7	The nature of ownership and legal form	2
G4-8	The markets served	2, 22
G4-9	The scale of the organization	2-4
G4-10	The breakdown of the employees	4,30
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	Not applicable
G4-14	Whether and how the precautionary approach or principle is addressed by the organization	28
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	7
G4-16	Memberships of associations and national or international advocacy organizations	18
<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	2
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	Not applicable
G4-23	Significant changes from previous reporting periods in the scope and aspect boundaries	Not applicable
<b>Stakeholder engagement</b>		
G4-24	A list of stakeholder groups engaged by the organization	25
G4-25	The basis for identification and selection of stakeholders with whom to engage	25
G4-26	The organization's approach to stakeholder engagement	25
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	24-27, 30-32
<b>Report profile</b>		
G4-28	Reporting period (such as fiscal or calendar year) for information provided	1
G4-29	Date of most recent previous report (if any)	1
G4-30	Reporting cycle (such as annual, biennial)	1
G4-31	The contact point for questions regarding the report or its contents	1

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	34-35
G4-33	The organization's policy and current practice with regard to seeking external assurance for the report	36
<b>Governance</b>		
G4-34	The governance structure of the organization; any committees responsible for decision-making on economic, environmental and social impacts	29
<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	11-32
<b>Environmental</b>		
<b>Materials</b>		
G4-EN1	Materials used by weight or volume	19
<b>Energy</b>		
G4-EN3	Energy consumption within the organization	19
G4-EN6	Reduction of energy consumption	20-21
G4-EN7	Reductions in energy requirements of products and services	17-18
<b>Water</b>		
G4-EN8	Total water withdrawal by source	19
<b>Emissions</b>		
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	4, 19
G4-EN16	Indirect greenhouse gas (GHG) emissions (Scope 2)	4, 19
G4-EN19	Reduction of greenhouse gas (GHG) emissions	21
<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	18,21
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
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	31

## Appendix

Occupational health and safety		
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	32
Training and education		
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	31
Diversity and equal opportunity		
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	30
Human rights		
Investment		
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	30
Non-discrimination		
G4-HR3	Total number of incidents of discrimination and corrective actions taken	Not applicable
Society		
Anti-corruption		
G4-S04	Communication and training on anti-corruption policies and procedures	28
G4-S05	Confirmed incidents of corruption and actions taken	No incidents of corruption were reported.
Anti-competitive behavior		
G4-S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	No legal actions were reported.
Compliance		
G4-S08	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.
Grievance mechanisms for impacts on society		
G4-S011	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	Not applicable
Product responsibility		
Customer health and safety		
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.
Product and service labeling		
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	26
Marketing communications		
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.
Customer privacy		
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Not applicable
Compliance		
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.	22, 23 24 30–32
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.	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.	22, 23 24 30–32
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labour.		
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.		
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility.		
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	2. We will promote our manufacturing and business activities in consideration of reducing their environmental burdens.	16–21
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.	24 28, 29

## Independent Third-Party Assurance Statement



Sustainability Accounting Co., Ltd.

### Independent Assurance Statement

August 27, 2014

To President Yoshitaka 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.

A handwritten signature in black ink, appearing to read "Takashi Fukushima", is written over a horizontal line.

Takashi Fukushima  
Representative Director  
Sustainability Accounting Co., Ltd.

