

EIZO CORPORATION
**CORPORATE
SOCIAL
RESPONSIBILITY REPORT 2017**



Contents

Contents	01
Corporate Information / Financial Highlights	02
President 's Message	03
Corporate Philosophy / EIZO Group Principles of Conduct – Seven Promises	05
Our CSR Approach and Materiality Analysis	06
Major Results of Activities in Fiscal 2016	07

Seven Promises 1: Creating New Value

Wherever You Look, You See EIZO	08
EIZO Solutions	09
Competitive Advantages of EIZO	11
Protecting Intellectual Property that Enhances Value	12
Quality Management Policy / EIZO's Quality Assurance System	13

Seven Promises 2: Environmental Consideration for Our Products and Business Operations

Environmental Policy / Environmental Management System	14
Environmental Targets / Performance Report	15
Basic Product Development Sequence / Green Procurement / Compliance with Environmental Standards and Legal Requirements	16
Overview of the Environmental Impact of Our Business Operations / Environmental Risk Management / Energy Consumption and Greenhouse Gas Emissions	17
Collection and Recycling of Used Products	18

Seven Promises 3: Operating as an International Corporation

Development and Production Network – Coherent Development and Production System / Sales Network – Group Companies and Distributors	19
	20

Seven Promises 4: Open and Fair Trade

Seven Promises 5: Strong Bonds of Trust with Stakeholders

Relationship with Each Type of Stakeholder	22
Relationships with Customers	23
Relationships with Shareholders / Relationships with the Local Community	24

Seven Promises 6: Strict Respect and Compliance with both the Letter and Spirit of the Law

Corporate Governance	25
Risk Management / Compliance	26
Outside Directors Dialogue	27

Seven Promises 7: Broadminded Corporate Culture

Laying the Foundations for a Motivating Workplace	29
Work Style Innovation / Human Resource Development	30
Securing Safety and Health	32

Appendix

GRI Guidelines (Version 4) Content Index	33
Comparison Table for the United Nations Global Compact / Independent Third-Party Assurance Statement	34

Editorial Policy for the CSR Report

• Editorial Policy: We have compiled an explanation on topics we consider important and a report on the impact and effects of our business activities on society and the environment, using the GRI Guidelines as reference.

• Scope of the report: EIZO Group Exceptions to the scope of coverage are explained in the notes to the relevant sections.

• Period covered: April 1, 2016 to March 31, 2017 (FY 2016)

• Issue date: October 2017

• Issue date of previous report: October 2016

• Issue date of next report: October 2018

• CSR Promotion System: CSR activities come under the responsibility of the General Affairs Division, are supervised by the operating officer responsible for CSR and implemented by all Group companies. They are also subject to a management review by the CSR Committee, comprising the heads of each department.

• Contact information: EIZO Corporation General Affairs Department
Tel: +81-76-274-2406

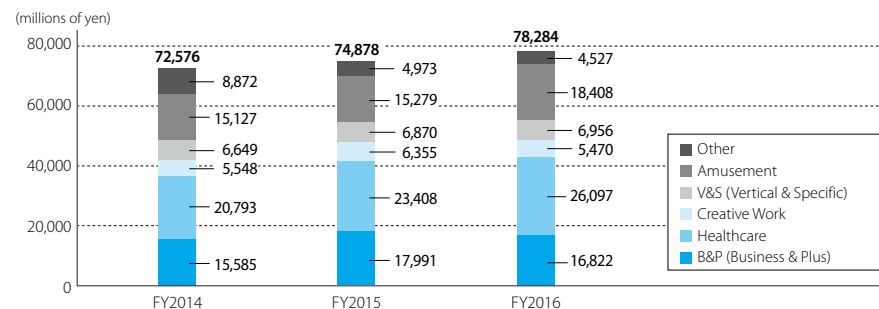
Corporate Information

Company Name	EIZO Corporation
Business Activities	Development, design, manufacture and sales of total visual solutions and related services
Established	March 6, 1968
President	Yoshitaka Jitsumori
Address of Headquarters	153 Shimokashiwano, Hakusan, Ishikawa 924-8566, Japan
Group Sales	78,284 million yen (FY2016)
Group Employees	2,238 including temporary workers (consolidated, as of March 31, 2017)
Group Companies	17 (EIZO Corporation and its 6 domestic subsidiaries and 10 overseas subsidiaries, as of September 1, 2017)

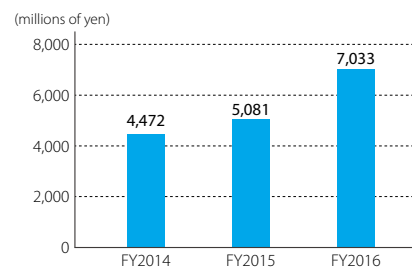
Development, Production and Sales	EIZO Support Network Corporation (Japan)
	EIZO Medical Solutions Inc. (Japan)
	Irem Software Engineering Inc. (Japan)
	EIZO MS Corporation (Japan)
	EIZO Engineering Corporation (Japan)
	EIZO GmbH (Germany)
	EIZO Technologies GmbH (Germany)
	EIZO Rugged Solutions Inc. (USA)
	EIZO Display Technologies (Suzhou) Co., Ltd. (China)
	EIZO Inc. (USA)
Sales	EIZO Nordic AB (Sweden)
	EIZO Europe GmbH (head office in Germany and branch offices in Belgium, Czech Republic, Italy and the Netherlands)
	EIZO AG (Switzerland)
	EIZO Limited (United Kingdom)
	EIZO Austria GmbH (Austria)
Other	EIZO Agency Corporation (Japan)

Financial Highlights

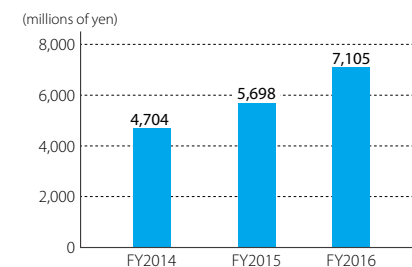
● Sales and Percentage Breakdown by Category (Consolidated)



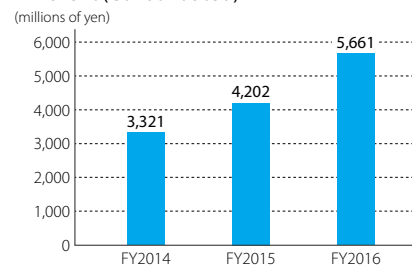
● Operating Income (Consolidated)



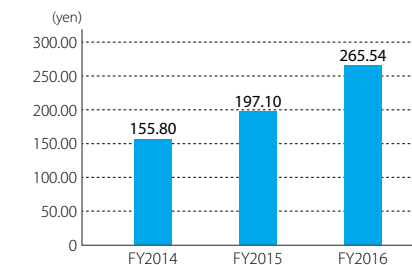
● Ordinary Income (Consolidated)



● Net Income Attributable to Owners of Parent (Consolidated)



● Basic Net Income (Consolidated)





Realizing a Prosperous Future Society through the Value of Images as Only EIZO Can

Abundant Opportunities for Serving Society

Images are everywhere, such as on desktops at home or the workplace, at train stations to provide service information, at convenience stores from surveillance cameras, on airport ticket machines and in hospital exam rooms. All sorts of information come through PCs and networks in the form of such images, and this is where EIZO is of service. Where images are used, we provide the optimal visual environments to help improve users' convenience for their purposes and needs, boost

operational efficiency and quality and most of all, contribute to addressing social issues. We believe this is how we will contribute to society in a way that is unique as an "imaging professional."

EIZO Quality Is More than High Image Quality and Reliability

EIZO is not only responsible for the products delivered to customers but also for the processes of creating these products and its services, as well as after-delivery service.

In addition to high image quality and reliability, EIZO provides a type of quality that in the process of making products and using products does not burden people and impact the environment. This was our objective right from the start of developing, manufacturing and selling our products, and we remain committed to this as our company continues to evolve.

To deliver the best products in the world, EIZO values the powerful bonds it has with people working at group companies and sales and procurement partners in countries and regions across the world. It is therefore only

natural that we respect human rights and all cultures while maintaining fair and open relationships.

Since these are key priorities we must continue to revisit, they have been clearly laid out in the EIZO Group Principles of Conduct, and we have organized the content of our CSR report so that it correlates with the Seven Promises stated in the principles.

EIZO's Work Style Innovation to Ensure the Health of Employees and the Company

We have long considered the low productivity of



Japanese companies to be a problem and have been urging our employees to keep an inventory of their tasks and streamline their operations while also taking action to eliminate overtime. Today various initiatives are underway across industries in Japan to reform the way people work, and we have launched a project to push forward our ongoing efforts related to this issue. Through this project, we have begun reviewing our operations at the individual level as well as across departments from the perspective of the internal operations toward forging ahead with bold reforms. Our goal here is to achieve zero overtime, which we know will in practice be difficult. In other words, we intend to be a sound company in terms of both business performance and employees with no overtime work. Rather than simply tightening overtime restrictions, maximizing productivity within standard business hours will make way for higher employee satisfaction, and in turn lead to company growth while maintaining the high quality and reliability of our products.

Another one of our initiatives is applying a mechanism whereby the results of increased efficiency are in effect returned to our employees. For instance, if they have more private time and effectively use it to revitalize themselves or engage in self-development, the quality of their life and work will certainly be enhanced, enabling them to enjoy their jobs even more. And I hope this will further enrich our broadminded corporate culture.

Maintaining DESIGN 2025 Initiatives to Achieve Sustained Growth

We must maintain sound growth so that we can serve customers by solving their problems under increasingly diverse circumstances and can contribute to addressing social issues for years to come. To that end, we will scrutinize the company with the viewpoint that our future business model is not necessarily a simple extension of our current business, and continue to actively implement the DESIGN 2025 initiative in fiscal 2017 in light of our future growth strategy. Moreover, we will be guided by our slogan, "Seeking greater breadth and depth" as a shared policy for this fiscal year. And we will strive to expand the breadth and depth of our business by engaging in activities uniquely aligned with EIZO's strengths, while seeking results that only EIZO can achieve as a visual professional.

We will continue to broaden our connections with society as a Visual Technology Company, providing solutions for social issues by leveraging our imaging expertise and contributing to the creation of a prosperous society.

We welcome the comments and feedback of our stakeholders in response to this report.

September 2017

Yoshitaka Jitsumori
President, EIZO Corporation

Corporate Philosophy

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

EIZO Group Principles of Conduct – Seven Promises

We establish the following “EIZO Principles of Conduct” as guidelines for each EIZO Group employee and as a commitment to our stakeholders.

We pledge to conduct our business in accordance with these Principles.

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

Participation in the United Nations Global Compact



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

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

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

Organizing issues

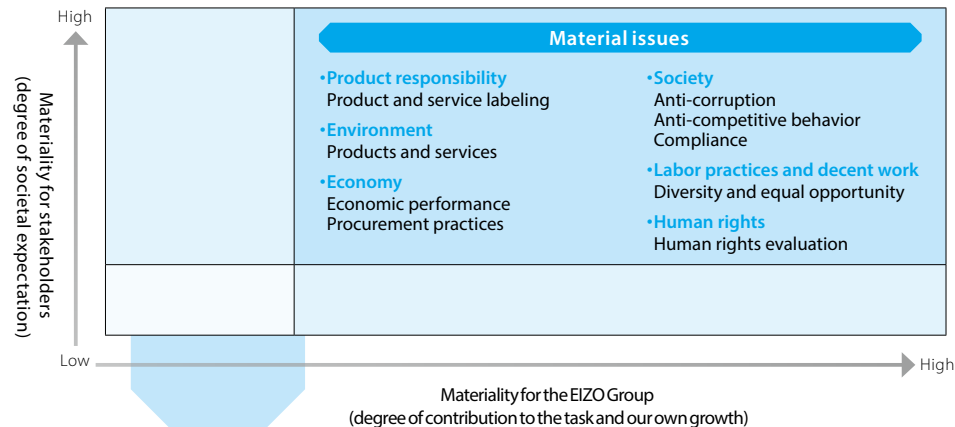
Organizing material issues for CSR with a panoramic view of the EIZO Group's value chain
Organizing activities with key stakeholders [see page 22 for details](#)

Evaluating materiality

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

Extracting aspects

Extracting material aspects using the GRI G4 Guidelines as reference



Reconfirming Principles of Conduct

Reconfirming they are represented in the EIZO Group Principles of Conduct – Seven Promises [see page 05 for details](#)

EIZO's Approach to CSR

Our business activity in itself constitutes our most important social responsibility. We are aware that our social responsibility lies in engaging in business with integrity, which includes contributing to society with products, solutions and services, returning all the benefits produced through our business to society, and complying with laws and regulations while respecting human rights. In addition, with the view that participating in and supporting regional activities constitute part of our social responsibility, we enthusiastically engage in such activities. In this context and as the basic policy underlying our CSR, we uphold the EIZO Group Principles of Conduct, which serve as both a guideline for the EIZO Group and our promise to stakeholders.

Sustainable Development Goals (SDGs)

EIZO will identify the areas where it can contribute to achieving the SDGs adopted in 2015 by the United Nations and will present its related efforts in the CSR Report.



The following table shows the major results of our activities in fiscal 2016 as well as newly disclosed information.

Seven Promises	Major Results of Activities in Fiscal 2016 and Newly Disclosed Information	Report Page	Fiscal 2017 Activity Goals
Creating New Value	<p>Activity We focused on ease of use from the perspective of users and also introduced a new design and functions, such as an ultra-slim, fully flat design and Work-and-Flow for greater efficiency in image reading and for saving work space.</p>	P.9-10	We will continue striving to provide products and services that contribute to addressing social issues, by creating and presenting new value through our pursuit of unique ideas and technologies.
Environmental Consideration for Our Products and Business Operations	<p>Activity We attained Environmental Targets for all items except "reduced fuel consumption."</p>	P.15	We will continue creating products and promoting business activities with the aim of reducing environmental impact in accordance with our environmental targets for fiscal 2017.
	<p>Disclosure We began disclosing Scope 3 data.</p>	P.18	
Operating as an International Corporation	<p>Activity We expanded sales activities to emerging countries where growth of particular markets is expected and assigned local sales personnel to Saudi Arabia, the United Arab Emirates and India to enhance our approach to customers.</p>	P.19	We will implement education and other activities for employees in and outside of Japan to broaden their perspectives and global mindset as members of an international corporation.
Open and Fair Trade	<p>Activity We obtained an agreement on the EIZO Supplier Code of Conduct in the form of the Supplier Declaration from all business partners involved in procurement.</p>	P.21	We will continue to conduct open and fair trade as a matter of course while seeking to establish relationships of trust based on mutual prosperity with our suppliers.
Strong Bond of Trust with Stakeholders	<p>Activity We conducted a customer survey to measure satisfaction levels with our sales and support staff.</p>	P.23	We will strive to forge even stronger bonds with our stakeholders through ongoing dialogue.
	<p>Disclosure We continued to introduce initiatives that contribute to local communities, not only at the head office in Japan but also at overseas Group companies.</p>	P.24	
Strict Respect and Compliance with both the Letter and Spirit of the Law	<p>Disclosure We organized and published the content of a discussion among outside directors on our corporate governance.</p>	P.27- P.28	We will maintain our efforts to raise awareness of compliance among employees.
Broadminded Corporate Culture	<p>Disclosure We expanded disclosure of quantitative information, including the status of employment and initiatives for promoting women's careers. Also, we worked to improve the description of our program for having children visit the workplace as well as educational programs for young employees.</p>	P.29- P.31	We will seek to balance employee happiness and corporate growth by improving operational efficiency and productivity so that employees can work with a sense of satisfaction, achievement and well-being.

Our products are used around the world in a variety of fields, with different specifications and functions in visual solutions required for each one. Beyond listening and responding to customer requests in each of those fields, we relentlessly pursue proprietary technologies and ideas toward creating and offering new sets of values that extend our promise to consistently deliver products that customers appreciate.

Wherever You Look, You See EIZO

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

Office

- For business



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



Home

- Digital photos, illustrations, games, etc.



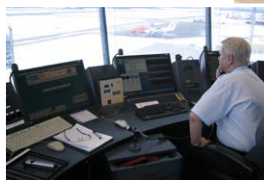
Marine vessels

- For marine chart display, etc.



Airport

- Air traffic control, etc.



Hospital

- For diagnosis, including display of electronic charts and image reading, therapy, treatment, etc.



Railway

- Railway platform monitoring, digital signage systems for onboard installation, etc.



Factory

- For incorporation into production and inspection equipment, etc.



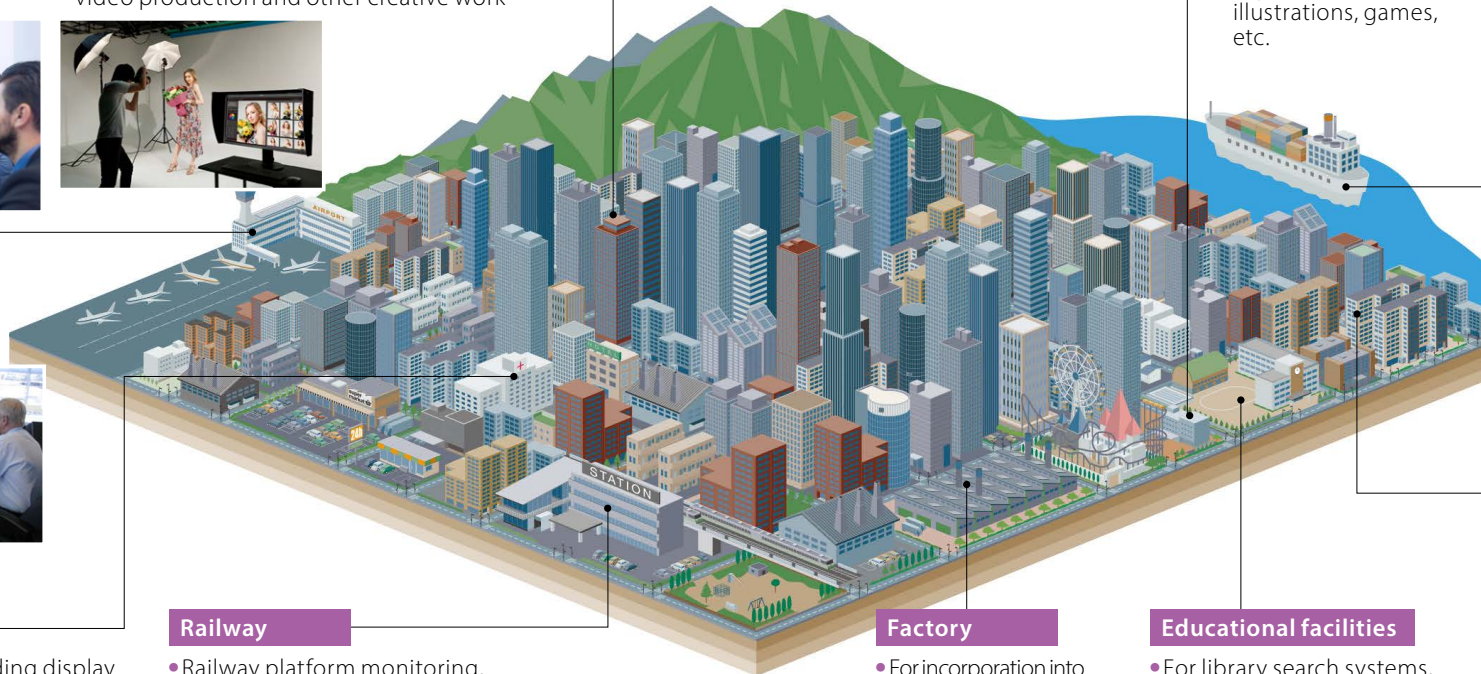
Educational facilities

- For library search systems, schools, etc.



Security room

- For monitoring, security and surveillance



EIZO Solutions

For the Business & Plus Markets

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

In addition to ergonomics-based design for continuous stress-free use, we provide functions that enable Auto Brightness Control to reduce backlight brightness and minimize power consumption during suspension, as well as other power saving functions, to raise work efficiency and save energy during long work hours.

Case Study Treasury Unit, Sumitomo Mitsui Banking Corporation

Creating a Comfortable Working Environment with FlexScan EV2450

The Treasury Unit moved into a new building that had been completed in July 2015, and as part of its replacement of equipment, one thousand EV2450 monitors were installed in its dealing room. Dealers spend a considerable amount of time concentrating on screens so they can immediately respond to market fluctuations. EIZO proposed a solution for their visual environment for seamless viewing of several monitors, with extremely thin bezels and large screens with reduced blurring and flickering. The users have remarked on how much easier it is to stare at the screens over many hours and that they are experiencing much less eye strain since the monitors were introduced.



For the Healthcare Market

Constructing Optimal Visual Environments to Keep Pace with Advances in Healthcare

In today's increasingly advanced and complicated healthcare systems, not only healthcare doctors but also nurses, clinical engineers and other healthcare professionals are cooperating in the treatment of patients. It is therefore essential to create environments that facilitate information sharing and cooperation. Moreover, there is now a much greater need to refer to a diverse array of medical data during operations due to the spread of operating rooms hybridization, minimally invasive surgeries, and robotic surgeries. EIZO provides consulting services to propose comprehensive visual solutions that encompass image display equipment and image control software, as well as network layout, toward the construction of the optimal visual environment that meets operating room needs and development of innovations in visual environments for medical care.

Case Study Schön Klinik in Germany

Introducing a Surgical Panel with In-built 47-inch Monitor to Achieve Highest Level of Operations

Schön Klinik is a major medical institution that manages 17 hospitals, including Schön Klinik Vogtareuth, where an operating room was set up in October 2015. The hospital has planned to provide the most advanced surgery in the world. EIZO met its needs with a customized Surgical Panel with an in-built 47-inch monitor installed in the wall. This has created an environment where surgeons can easily check the screen from the operating table and provide accurate treatment.



Column Jordan Breast Cancer Program—Supporting Early Detection and Screening

A workshop on enhancing diagnostic imaging of breast cancer was held in Jordan in March 2017, and EIZO provided its support by leasing RadiForce RX850 and RX650 medical monitors. About 260 radiologists and other medical practitioners attended the workshop, and EIZO received a certificate of gratitude from the JBCP for its support that contributed to raising breast cancer awareness and improving the early detection rate.

The RX850 is a super-high resolution 8-megapixel color monitor capable of displaying eight million pixels of information onto a 31.1-inch wide screen. It has been cleared by the U.S. Food and Drug Administration (FDA) for use in digital mammography and tomosynthesis.

Digital breast tomosynthesis is a technique for capturing images of the breast aimed at the early detection of cancer. Compared with the two-dimensional imaging technique used in conventional digital mammography, digital tomosynthesis provides a three-dimensional tomographic image of the breast from various directions. Used in combination with digital mammography, it is expected to facilitate detecting and locating minute calcifications that are the early signs of breast cancer.

In addition to the RX850, EIZO has obtained FDA approval for marketing its 5-megapixel monochrome monitors, the GX550 and GX540, as displays for digital mammography and tomosynthesis in the United States.



For the Creative Work Markets

Raising Work Efficiency by Displaying and Maintaining Accurate Colors

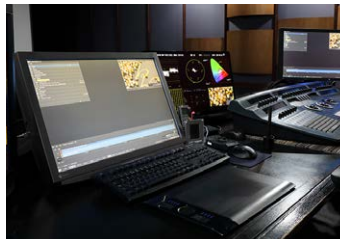
We are committed to accurate color reproduction and seek to enhance efficiency and accuracy in every creative setting by offering monitor solutions that facilitate achieving and maintaining accurate color display. Our ColorEdge series of color management monitors and

the exclusive calibration software ColorNavigator 6 installed with the monitor enable users to adjust the displays. Furthermore, using ColorEdge monitors that have been pre-calibrated for a specific purpose allow several users to work under the same display environment. This means that when several users are working at the same time, their entire workflow, from production to referencing, is supported by a uniformly correct color display, thereby boosting the efficiency of their work.

Case Study Q-TEC, Inc.

Chosen as the Final Confirmation Monitor for Video Production

Q-TEC is an editing and post-production company for audiovisual products such as television programs, commercials, films and promotional videos. At its video production studio, EIZO's 4K color management monitor, the ColorEdge CG318-4K, is being used for the final review of images and CG before delivery to a client. Stable color reproduction and faithful reproduction of the DCI-P3 standard used in digital cinema enables users to work under the correct color specifications starting from the production stage.



Color Management Workshops

EIZO periodically holds free workshops to provide customers with opportunities to print their own photographs using our Quick Color Match software, which simplifies the color matching process. The goal of these workshops is to instruct the general public on how to match the colors of a photo print to reduce reprinting time and cost, essential for enjoying creative work. We held the workshops in Sapporo, Sendai, Tokyo, Nagoya, Osaka and Fukuoka in March 2017 with a total of 155 attendees, who experienced the joy of matching colors.



For the Vertical & Specific Markets

We flexibly respond to diverse needs that vary with each purpose and environment, and we support critical operations with high reliability and display functions.

ATC (Air Traffic Control)

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

Maritime

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

Security & Surveillance

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

Factory Automation

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

Case Study Tokyu Corporation

Ensuring the Safety of Platforms

Tokyu Corporation selected the DuraVision FDX1513, EIZO's LCD monitor for railways, in 2016 as a surveillance monitor for observing passenger movement in and out of carriages on trains that travel between Shibuya and eastern Kanagawa Prefecture. By providing monitors that feature excellent durability and high visibility regardless of the weather, under well-lit or shaded conditions, we ensured a stable visual environment for observing the opening and closing of carriage doors.



For the Amusement Market

Enlivening the Market by Providing Products Supported by Our Technological Excellence

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



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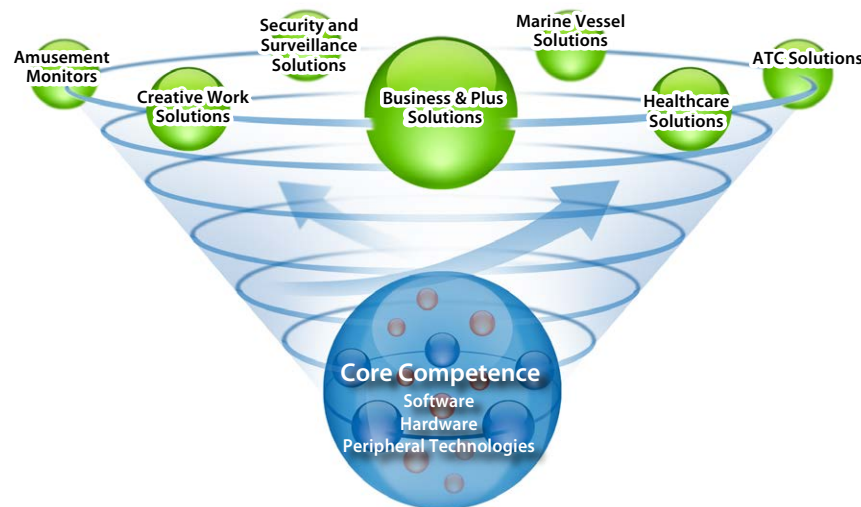
Competitive Advantages of EIZO

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

By developing new products with the added performance and functions required in various fields, we have built on our core competence of software, hardware and peripheral technologies developed through our work on monitors for the Business & Plus (B&P) market in order to expand into the Vertical & Specific (V&S) market. Leveraging the technologies, 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 leveraging the synergies among business units



Excellence in Development and Quality

Development

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

Quality

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

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

- **Development of environmentally sound products**

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

- **Rigorous attention to quality control**

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



Global Network

We leverage our extensive capabilities by generating synergies in development, production and sales among our 17 Group companies worldwide. For details on our global network, please refer to page 19.

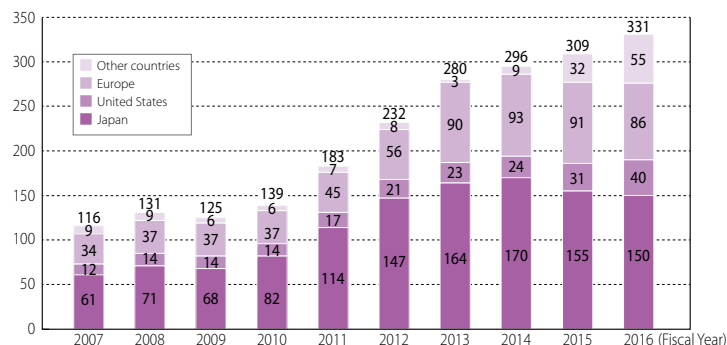
Protecting Intellectual Property that Enhances Value

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

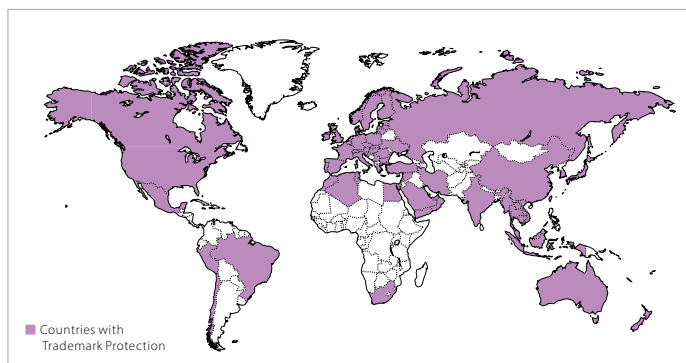
Our recent focus has been on attaining patents and design rights in countries and regions where we expect product sales to grow such as China, India and Russia, in addition to Japan, Europe and the United States, our current main markets. Overall, our goal is to construct a global network of intellectual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

● Number of Patents Obtained by the EIZO Group



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



Centralized Management of Intellectual Property for the Entire Group

We have centralized the management of all intellectual property (including patents, design rights, and trademarks) owned by the Group and 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 manage 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

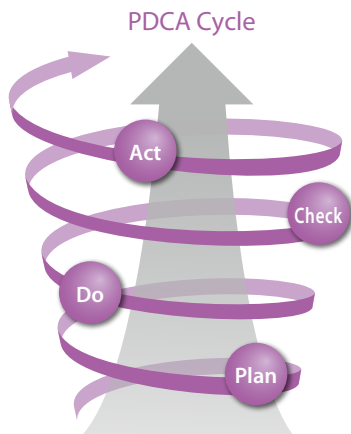
Beyond creating intellectual property, we also exercise the utmost care to ensure our products and applied technologies do not infringe upon any third-party intellectual property rights. In the event a third party is found to have infringed upon intellectual property rights of EIZO, we demand that appropriate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

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.

EIZO's Quality Assurance System



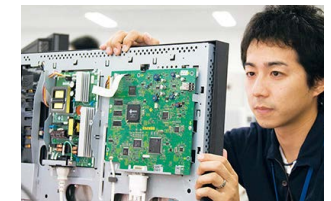
Under our Quality Management Policy, we seek to deliver a sense of security and excitement to customers and other people who depend on EIZO products. We do this by constructing an integrated quality management system encompassing the entire process, from planning and development to manufacturing, sales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

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

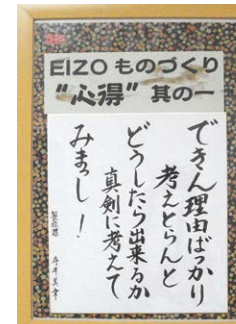
Planning and Development Process

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

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



Manufacturing Process



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

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

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

Sales and After-Sales Service Process

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

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

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

Environmental Policy

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

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

Environmental Management System

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

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

Activities under the Environmental Management System

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



Environmental Management System Audits

Our ISO 14001 certification was maintained and updated in fiscal 2016 after a third-party institution conducted an external audit.

Environmental Targets/Performance Report

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

Environmental Theme	FY2016 Environmental Targets	FY2016 Actual Results	Self-evaluation	FY2017 Targets
Pollution control	Proper control and reduction of chemical substances used in our facilities	Appropriately managed chemical substances through a series of controls, including risk assessment, survey of storage status and employee education	○	<ul style="list-style-type: none"> ● Assess risks for chemical substances ● Introduce new format for managing chemicals in products (chemSHERPA)
Sustainable use of resources	Promote smaller, lightweight and resource-saving products	Reduced the body dimension and weight of models developed in fiscal 2016 by about 25% and 20%, respectively, compared to conventional models	○	<ul style="list-style-type: none"> ● Develop flat monitor products ● Explore lightweight structure technology ● Develop reuse products ● Reduce industrial waste <ul style="list-style-type: none"> • Optimize inventory • Effectively use waste materials
	Continue to respond to the reuse of amusement monitor components	Conducted full-scale initiative to reuse units and components	○	
	Maintain industrial waste generation below 360 t and purchase of copier paper below 5,950 kg	Reduced industrial waste generation to below 315.8 t; purchased 6,283 kg of copier paper, partly due to the start of operations at a new factory building	△	
Climate change mitigation and adaptation	Reduce electricity consumption to no more than 10.125 million kWh/year Constrain and manage energy consumption in new company buildings and equipment	Maintained electricity consumption at 9.061 million kWh	○	<ul style="list-style-type: none"> ● Reduce energy consumption in business activities <ul style="list-style-type: none"> • Reduce overtime (raise operational efficiency) • Comply with energy saving law • Upgrade to energy saving equipment (air conditioning, production facility, LED lighting, hybrid vehicles, etc.) • Optimize management of servers and client PCs ● Develop and expand sales of low electricity consumption products
	Prepare for compliance with the energy saving law	Completed compliance with management criteria	○	
	Reduce consumption of fuel LPG: 145 t max; kerosene: 20 kl max	Maintained consumption of fuel LPG at 140 t max; kerosene at 18 kl max	○	
	Further expand products with lower electricity consumption Increase and upgrade products with EU energy labels	Achieved compliance with EU energy label A++ standard for 2 products in the FlexScan series	○	
Environmental protection/ Biodiversity preservation	—	—	—	<ul style="list-style-type: none"> ● Appropriately manage the environment of company premises <ul style="list-style-type: none"> • Greening of premises • Develop waterways around premises
Legal compliance and standards compliance	Continue green procurement	Appropriately managed component procurement by including newly restricted substances under RoHS, the latest REACH, restricted substances under TCO and red phosphorous in the EIZO Green Procurement Standards to ensure that products comply with environmental standards	○	<ul style="list-style-type: none"> ● Respond promptly to environmental rules and standards, such as chemical substance rules and energy standards
	Obtain ENERGY STAR 7.0 certification	Obtained certification for 15 products in the FlexScan series	○	
	Develop models compliant with TCO Certified Displays 7	Obtained certification for 12 products in the FlexScan series	○	

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

Status of Group Companies

The current status of Group companies is as follows.

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

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

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

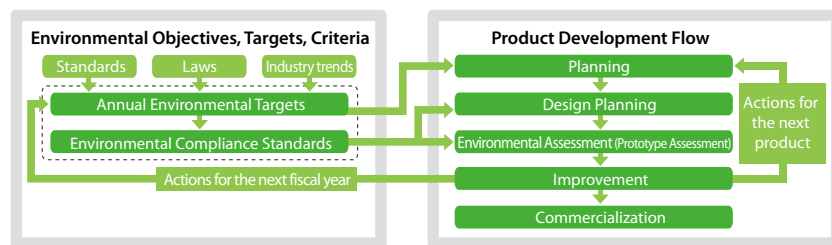
Both companies operate in accordance with local environmental conditions and regulations, including those for CO₂ emissions reduction, the 3Rs and management of chemicals.

Basic Product Development Sequence

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

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

● Basic Product Development Sequence



Green Procurement

Our Philosophy on Green Procurement

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

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

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

These efforts are helping to reduce the environmental impact of our business operations while at

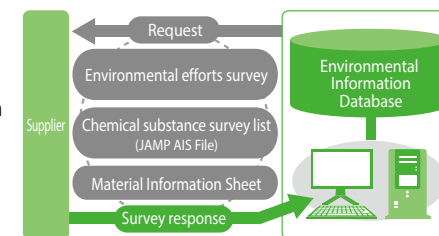
the same time expanding markets for environmentally friendly products.

Management of Chemical Content Information

Amid growing concern for the environment across the globe, we voluntarily monitor chemical substances toward obtaining certifications for environmental standards in Japan and overseas, and support our green procurement efforts. These efforts include surveying the environmental activities of our suppliers and the chemical substances contained in the parts we procure from them.

We have established a database for collecting and managing the results of these surveys to determine which suppliers and materials best align with our values, and we also use the information in evaluating the environmental compliance of our own products.

● Flow of Chemical Content Survey



Compliance with Environmental Standards and Legal Requirements

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

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

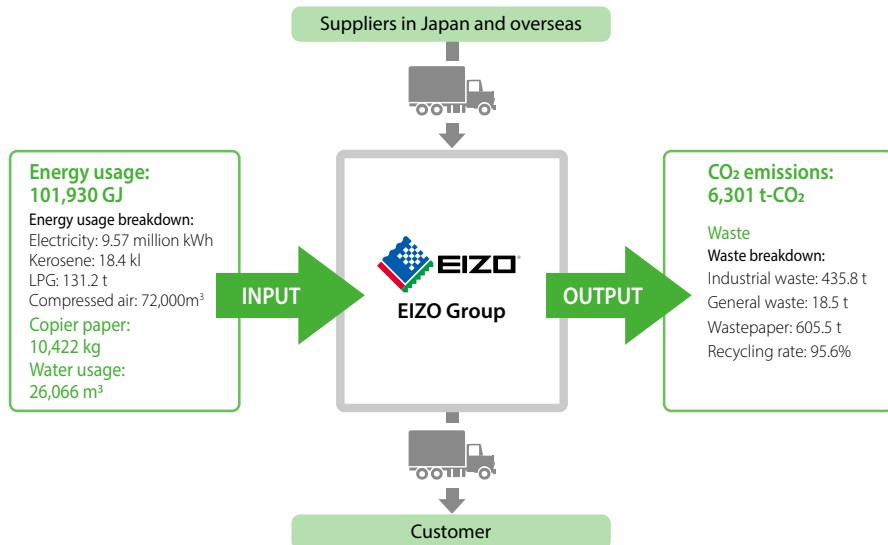
We also respond to environmental labeling standards such as TCO Certified Display 7 (international comprehensive standards for monitors), EPEAT (international environmental standard for PCs/monitors), ENERGY STAR 7.0 (energy efficiency standard established in the United States) and PC Green Label (Japanese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

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



Overview of the Environmental Impact of Our Business Operations

(Scope of calculations: six areas as listed below)



● Environmental Impact by Area

Area	EIZO Corporation headquarters area	EIZO MS Corporation		EIZO Display Technologies (Suzhou) Co., Ltd. (China)	EIZO GmbH (Germany)	EIZO Technologies GmbH (Germany)	Total	
		Hakui factory	Nanao factory					
Operations	Development and manufacturing (assembly) of monitors	Production of circuit boards	Assembly of monitors	Development and manufacturing (assembly) of monitors	Development and manufacturing (assembly) of monitors	Development and manufacturing (assembly) of monitors		
Energy usage (GJ)	58,576	28,218	8,745	1,741	1,530	3,120	101,930	
Energy Resources	Electricity (10,000 kWh)	522.9	283.0	87.7	17.5	14.6	31.3	957.0
	Kerosene (kl)	18.4	-	-	-	-	-	18.4
	LPG (t)	131.2	-	-	-	-	-	131.2
	Compressed air (10,000 m³)	-	-	-	-	7.2	-	7.2
Copier paper (kg)	4,951	914	252	267	4,038	-	10,422	
Water usage (m³)	20,717	2,255	2,400	694	-	-	26,066	
CO ₂ emissions (t-CO ₂)	3,655	1,740	539	134	84	149	6,301	
Waste	Industrial waste (t)	227.7	41.1	86.1	-	63.8	17.1	435.8
	General waste (t)	14.4	2.3	0.8	-	1.0	-	18.5
	Wastepaper (t)	301.2	69.8	184.3	-	30.0	20.2	605.5
	Recycling rate (%)	98.5	97.3	99.0	-	80.0	-	95.6

Environmental Risk Management

Facility Management

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

Regulatory Compliance

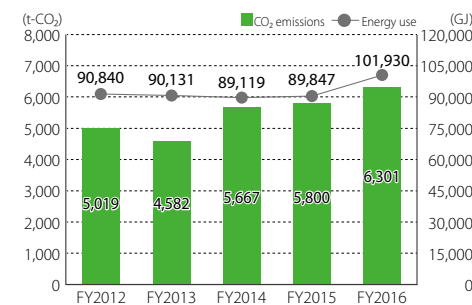
We comply with Japanese regulations governing corporate activities such as the Air Pollution Control Act, the Water Quality Pollution Control Act, and the Waste Disposal and Public Cleansing Act by collecting information on revisions and new regulations and by regularly monitoring and measuring the status of our response. Our emissions of air pollutants NO_x, SO_x, 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 2016, and no administrative guidance, admonitions, orders or reprimands were received. In addition, no complaints about environmental issues were received from our neighboring communities.

Energy Consumption and Greenhouse Gas Emissions

Since the new factory building in the EIZO Corporation headquarters area began operating in February 2016, energy use has increased along with a rise in CO₂ emissions. We are taking action to reduce energy consumption at the new building, such as by installing energy saving air conditioning systems and other equipment. Also, we are upgrading to LED lighting in the other buildings and applying heat-insulating film on windows to raise air conditioning efficiency.

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

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



*Calculations of CO₂ emissions associated with electricity use are based on the conversion factor of Hokuriku Electric Power Company for Japan and the calculation methods of each country.

Scope 3 Greenhouse Gas Emissions

We began trial calculations of Scope 3 emissions in fiscal 2016. We have yet to compile data for all categories and to unify the scope of data, but we intend to continue to improve the accuracy of our calculations.

Category	CO ₂ Emissions (FY2016) (t-CO ₂)	Composition (%)	Scope of Data
1 Purchased goods and services	123,099	60.5	Japan
2 Capital goods	5,702	2.8	Consolidated
3 Fuel and energy-related activities not included in Scope 1 or 2	185	0.1	Energy usage in the EIZO Corporation head office area
4 Upstream transportation and distribution	621	0.3	Shipment volume of products as cargo owner
5 Waste generated in operations	128	0.1	Waste generated in the EIZO Corporation headquarters area
6 Business travel	507	0.2	EIZO Corporation headquarters
7 Employee commuting	743	0.4	Japan
11 Use of sold products	72,621	35.7	Japan
12 End-of-life treatment of sold products	16	0.0	Japan
Total	203,622		

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 a snow melting system and for watering plants in the summer. Our manufacturing processes do not use any water.

Industrial Waste

Our total volume of industrial waste is on the rise. A major factor is the increased size of packing materials to accommodate larger liquid crystal display panels, procured externally.

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

Discharge of Industrial Waste and Recycling Rate



Appropriate Management of Chemical Substances

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

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

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.

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 Home Use) Collected in FY2016		
	CRT Monitors	LCD Monitors
Volume in weight (kg)	11,461	9,289
Quantity (units)	464	1,327
Recycled volume (kg)	9,243	8,113
Recycling ratio (%)	81	87

End-of-Life EIZO Monitors (for Business Use) Collected in FY2016		
	CRT Monitors	LCD Monitors
Volume in weight (kg)	642	1,827
Quantity (units)	26	261
Recycled volume (kg)	474	1,399
Recycling ratio (%)	74	77

Europe

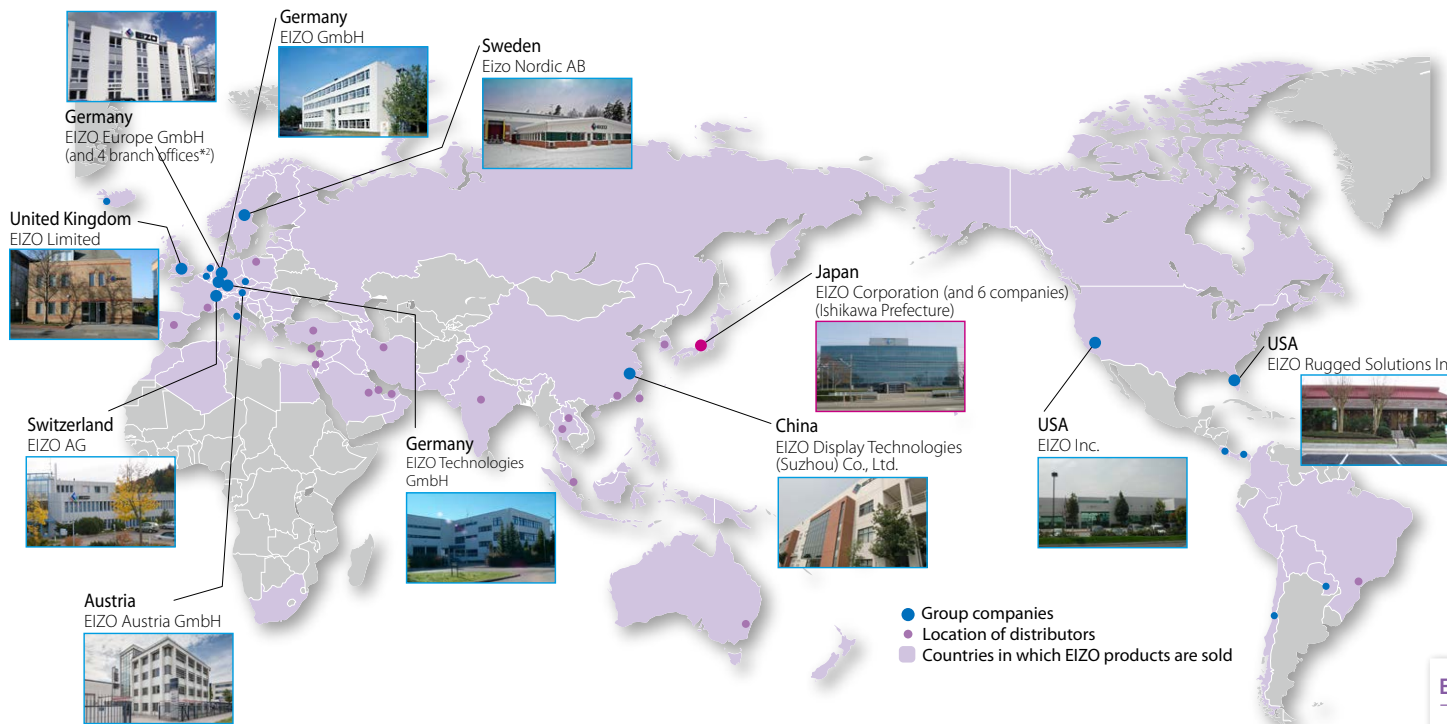
The European WEEE Directive went into effect in August 2005 toward reducing environmental impact through promotion of the 3R's of reduce, reuse and recycle for discarded electrical and electronic equipment. EIZO has complied with the directive by establishing a collection and recycling system for applicable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

United States

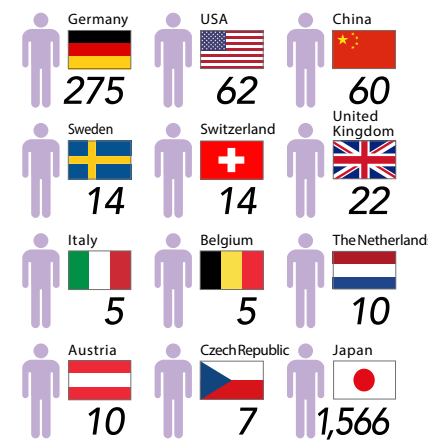
EPEAT Standards require the provision of collection services for used electric/electronic equipment based on "Plug-In to eCycling Guidelines for Materials Management" issued by the United States Environmental Protection Agency (EPA). EIZO has met this requirement by establishing a collection and recycling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

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.

Our products are well received around the world, with current sales in over 80 countries and territories*1 through our Group companies and 20 global distributors.

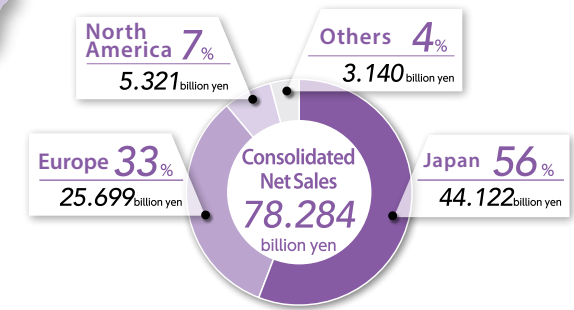


● Numbers of Employees by Country (as of March 31, 2017, includes temporary workers)



Total **2,050**

● Composition of Net Sales by Region (FY2016)



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

*1 As of June 2017

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

Sales Network – Group Companies and Distributors

EIZO products are sold in more than 80 countries and territories through our Group companies and 20 global distributors (as of June 2017).

Direct Sales System in Europe

Our business extends to healthcare, graphics and V&S (Vertical & Specific) markets. Customers in these markets demand direct, ongoing communication with the manufacturer as well as solid global support. To effectively respond to these specific market environments and diversified sales channels, we have sales subsidiaries in the United States, United Kingdom, Germany, Switzerland and Sweden. We are striving to achieve further business growth in Europe by reinforcing regional sales in North America and Europe.

Furthermore, to expand our sales activities into emerging markets, where our specialized markets are expected to grow, we have employed local sales staff in Saudi Arabia, the U.A.E. and India and are enhancing our approach to customers.

One Country/Territory, One Distributor System

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

EIZO United

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



Mindset as an International Corporation — Efforts Related to Conflict Minerals

We are deeply concerned that some important mineral resources used as raw materials for components of IT and electronic products and quarried in troubled regions of the Democratic Republic of the Congo and its nine neighboring countries are used to fund military groups that abuse human rights and destroy the environment.

Given this concern, the Dodd-Frank Act of the United States requires that efforts be made to ensure that designated conflict minerals, including tantalum, tin, gold and tungsten, are only purchased through legal means with no connection to potential misconduct. The EIZO Group endorses these requirements and has adopted its own policy of using only parts made of raw materials purchased from companies that are not involved in any misconduct and that conduct business lawfully. In addition, to fully comply with this policy, the EIZO Group has been reviewing its entire supply chain using the Conflict Minerals Template, a widely-adopted international standard format developed by the Conflict-Free Sourcing Initiative, of which the EIZO Group is a member.

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

Relationships of Trust Based on Mutual Prosperity

With respect to our suppliers, we are committed to forging relationships of trust based on mutual prosperity to build successful, long-term partnerships, and we strive to conduct transactions that are fair, equitable and transparent.

In overseas sales, authority is delegated in each country to Group companies and distributors who are knowledgeable about local culture and values. This has enabled us to actively engage in overseas sales based on a deep understanding of our products. We have sought to expand sales by building on the relationships of trust and powerful partnerships developed over time, cooperating with distributors in organizing exhibitions, and providing customer support.

Enhancing Employee Awareness

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

Handling of Information Obtained through Suppliers

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

Unequivocal Prohibition of Bribery

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

EIZO Supplier Code of Conduct

The company established the EIZO Supplier Code of Conduct to globally ensure sound business operations under the EIZO Group Principles of Conduct. We will pursue CSR through our business activities along with our suppliers by asking all business partners involved in procurement

to actively promote CSR activities, including compliance, respect for human rights, environmental preservation and safety and health.

Supplier Declaration

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

Basic Procurement Policy

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

Selection 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 share information on the market environment and our future direction. Many suppliers attend these briefings, which contribute to a greater understanding of EIZO and to gathering information for subsequent incorporation into business decisions.



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

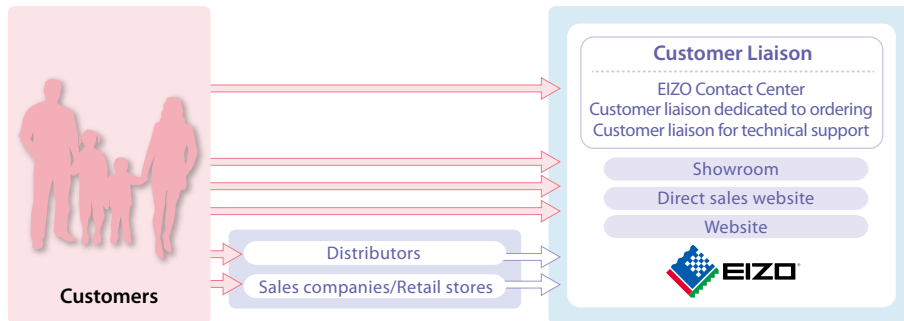
Relationship with Each Type of Stakeholder

EIZO's Stakeholders	EIZO's Responsibility	Objectives	Approaches
Customers P. 23	In addition to offering products that satisfy customers, we listen closely to their feedback and provide useful support.	<ul style="list-style-type: none"> • Creating and offering products with new value • Developing products from the customer's standpoint • Responding clearly to questions and inquiries • Thoroughly responding to customer requests and feedback 	<ul style="list-style-type: none"> • Developing better products • Setting up Contact centers as customer liaison points <ul style="list-style-type: none"> – Responding to questions and inquiries before and after purchase – Listening to customer opinions – Pre- and post-sales technical support • Sharing information with relevant departments and considering incorporation into products • Interacting with customers at showrooms and through direct dialogue • Providing and collecting information through participation in trade shows • Providing timely information via the corporate website
Suppliers P. 21	We view suppliers as essential and important partners in the continuation of our business, and forge powerful relationships by sharing management policies and technical strategies.	<ul style="list-style-type: none"> • Building relationships of trust • Fair business transactions • Explaining corporate policy and broadening understanding among suppliers 	<ul style="list-style-type: none"> • Sharing information and creating mutual understanding as partners • Establishing selection standards, dealing with suppliers on an equal opportunity basis • Holding material procurement briefings
Employees P. 29-31	We are a company focused on creative development that requires the imaginative ideas and powerful motivation of its employees. We therefore work to create a broadminded corporate climate and a workplace in which employees have a sense of security, and we support our employees in their self-development.	<ul style="list-style-type: none"> • Motivating workplace environment • Developing excellent personnel • Promoting work-life balance • Securing safety and health 	<ul style="list-style-type: none"> • Providing various educational programs • Supporting self-development activity • Creating workplaces that reflect employee opinions and sound labor-management relations through consultation conferences
Shareholders P. 24	We strive to gain the understanding and trust of our shareholders by providing fair and accurate information on management policies, business strategies and financial performance, and by maintaining transparency in our corporate management.	<ul style="list-style-type: none"> • Timely and appropriate disclosure of information • Enhanced corporate value 	<ul style="list-style-type: none"> • General shareholders meeting (holding informal gatherings) • Stable dividend payment • Investor relations
Local Community P. 24	We seek to build solid relationships with the local community to gain their understanding and cooperation in pursuing our business operations. We are committed to fulfilling our responsibilities as a corporate citizen.	<ul style="list-style-type: none"> • Preventing accidents and disasters at each business site • Protecting the regional environment • Cooperating with regional development and promoting culture 	<ul style="list-style-type: none"> • Receiving company visits • Sponsoring various events and organizations • Supporting environmental conservation activities • Corporation with Local Community and association • Participating in local voluntary activities

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

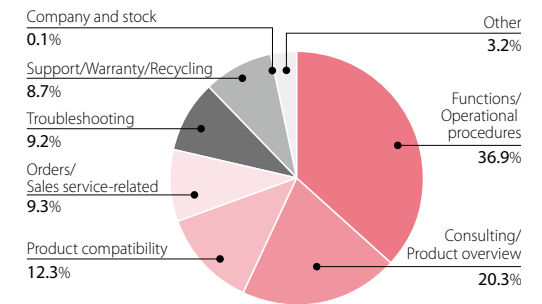
Each Group company has set up a customer liaison process (including access by phone or e-mail) to receive inquiries and questions related to EIZO products and technology. Customer inquiries and requests are promptly shared and appropriately addressed within the company, relevant departments and the Group.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

Group Company	Response
EIZO Corporation (Japan)	•Set up a dedicated liaison for responding by phone, e-mail and fax
EIZO Technologies GmbH (Germany)	•Set up a dedicated liaison for responding by phone and e-mail
EIZO Limited (United Kingdom)	•Provides customer support and technical support by e-mail
EIZO Inc. (United States)	•Provides a dedicated liaison for after-purchase inquiries over the phone •Offers an e-mail address for general inquiries

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 (Fiscal 2016)



Customer Satisfaction Survey

In fiscal 2016 we conducted a survey to measure the level of satisfaction among customers who come into contact with our sales and support staff. The results, based on 323 responses (response rate: 65%), were analyzed and are being used to improve our sales and support activities. We plan to maintain communication with our stakeholders through surveys and by 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 Ginza (Japan)

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

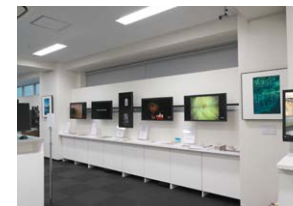
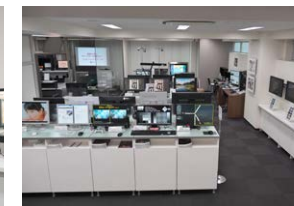


Photo exhibition



Showroom



Seminar room

Relationships with Shareholders

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

Basic Policy on Information Disclosure

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

General Shareholders Meeting

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

Company Presentations for Investors

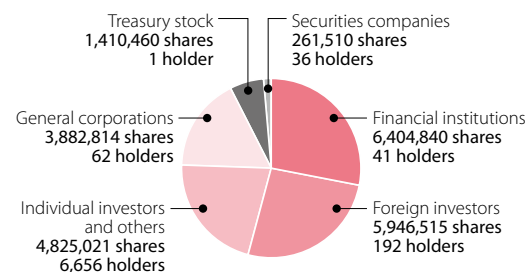
We invite institutional investors to our semi-annual earnings results briefings in Tokyo, where we report on our business direction, activities and performance. We also hold briefings for individual investors to promote a greater awareness of our company.

Status of Shares and Shareholder Composition

● Status of Shares (as of March 31, 2017)

Shares authorized	65,000,000
Shares issued	22,731,160
Shareholders	6,988

● Distribution of Shares by Shareholder Type (as of March 31, 2017)



Relationships with the Local Community

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

● Examples of Contributions to Local Communities

Company Name	Description of Activity	Photos of the Activities
EIZO Corporation (Japan)	<ul style="list-style-type: none"> Sponsorship of the public-private partnership program for dispatching local university students to EIZO GmbH in Germany for a six-week training course Participation in beach cleanups in Hakusan City Cooperation with the Ishikawa Keiei Tensho Juku (an educational project for young corporate managers and future entrepreneurs who will bear responsibility for the future of the regional economy) through operational advice and lectures Co-sponsorship and support for the Orchestra Ensemble Kanazawa of Ishikawa Prefecture Cooperation as an executive committee member and co-sponsor of the Ishikawa Kanazawa Spring Green Music Festival Co-sponsorship for Zweigen Kanazawa, a soccer team in Ishikawa Prefecture, and the ISHIKAWA MILLION STARS of the Baseball Challenge League Cooperation with Hakusan City's job experience program for junior high school students 	 Participation in a beach cleanup in Hakusan City   Zweigen Kanazawa
EIZO GmbH (Germany)	<ul style="list-style-type: none"> Donation to a charity run sponsored by an organization that supports local hospitals in promoting the early diagnosis and treatment of childhood cancer patients 	 Runners wearing T-shirts with the EIZO logo
EIZO Technologies GmbH (Germany)	<ul style="list-style-type: none"> Support for equipment used by a local youth soccer team Donation to activities that support treatments for childhood cancer Distribution of T-shirts to children participating in a community running event Donation to a community for safe bus transportation of school children 	
EIZO Rugged Solutions Inc. (USA)	<ul style="list-style-type: none"> Co-sponsorship of a children's science and math fair at a local middle school Blood donation at the company 	 Employees who donated blood along with blood donation center staff
EIZO Inc. (USA)	<ul style="list-style-type: none"> Donation to a Boys and Girls club in the community 	
EIZO AG (Switzerland)	<ul style="list-style-type: none"> Donation of monitors to an organization that supports children and adults with mental disorders Donation to an organization that supports the Special Olympics and sports activities by children with disabilities 	
EIZO Limited (United Kingdom)	<ul style="list-style-type: none"> Donation to and participation in a charity run sponsored by an organization supporting sick children and their parents Donation of used monitors to a charity supporting senior citizens in the community Co-sponsorship of a graduation exhibition held by students at the Central Saint Martin's Design University Supply of products and support in color management for photo studios in secondary education institutions in the local community Design competition jointly organized with a university in which EIZO products were provided as extra prizes 	 Participants in a charity run

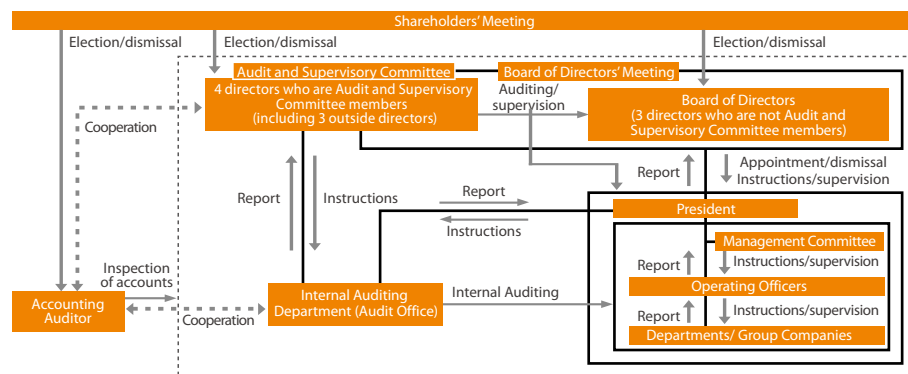
We seek to gain stakeholder trust by consistently generating corporate value as a Group. In doing this we believe that we must enhance our corporate governance and raise the compliance awareness of each employee.

Corporate Governance

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

On June 23, 2016, EIZO gained approval at the 49th general shareholders' meeting to transform itself from a Company with Board of Company Auditors to a Company with Audit and Supervisory Committee, effective that same day, with the goal of further enhancing our corporate governance and raising corporate value.

● Corporate Governance System



Board of Directors

The Board of Directors, composed of three directors who are not members of the Audit and Supervisory Committee and four directors who are members of the Audit and Supervisory Committee, bases its decisions on frank discussions while also striving to strengthen its supervision of management. The board meets on dates scheduled for each fiscal year and as needed. All important matters related to the company's decisions are discussed, and status reports on the execution of operations are presented on a regular basis. Three of the four directors who are members of the Audit and Supervisory Committee are outside directors (as of June 22, 2017). They maintain no special interests in the company and therefore act in a highly independent capacity. The outside directors participate in decision-making on important matters from an objective and impartial standpoint while auditing and supervising the execution

of operations by directors. We have selected all the outside directors mentioned above as independent directors as stipulated under the Tokyo Stock Exchange regulations.

Management Committee

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

Operating Officer System

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

Audit and Supervisory Committee

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

Internal Auditing System

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

Internal Control System

We 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. Under this policy, we have proceeded to develop related systems and to complete the groundwork for managing our internal control system. We have also established in an internal control system for financial transactions in accordance with the Financial Instruments and Exchange Act, and exercise thorough control over our financial operations.

Risk Management

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

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

Business Continuity Plan (BCP)

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

Compliance

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

Compliance Training

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

We established the EIZO Group Principles of Conduct – The Seven Promises to clarify our corporate philosophy and action guidelines in concrete terms and to serve as

a standard in decision-making, evaluation and in the actions undertaken through the course of our business activities and seek to instill a thorough awareness among all Group officers and employees in Japan and overseas.

Strengthening the Information Management System

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

Internal Whistle-Blowing System

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

Outside Directors Dialogue



Eiji Ueno
Outside Director and
Member of the Audit and
Supervisory Committee

Masaaki Suzuki
Outside Director and
Chairman of the Audit and
Supervisory Committee

Atsushi Inoue
Outside Director and
Member of the Audit and
Supervisory Committee

We asked Mr. Suzuki, Mr. Ueno and Mr. Inoue, outside directors who have served as Audit and Supervisory Committee Members since June 2016, to share their views on how governance has changed at EIZO since its transition a year ago to a Company with an Audit and Supervisory Committee.

❖ Enhancing Objectivity and Transparency with a New Corporate Structure

EIZO Corporation transitioned from a Company with a Board of Company Auditors to a Company with an Audit and Supervisory Committee in June 2016. What are your impressions of this change?



Suzuki: First, there has been a change in the role we are expected to fulfill. Previously, the main responsibility of the Board of Company Auditors was to determine the legality of the execution of operations by directors. In addition to that, we now oversee the appropriateness of corporate management. The activities of the Audit and Supervisory Committee include receiving reports from the Audit Office and do not differ significantly from those of the Board of Company Auditors in terms of items covered. However, since EIZO's Audit and Supervisory Committee comprises four directors, I feel our discussions have taken on greater depth than before, with respect to each item, including matters discussed by the Board of Directors and internal auditing reports. What are your impressions?

Inoue: When I was a company auditor, I mainly focused on checking results from an auditing perspective. After the transition, however, I began to take a long-term perspective in evaluating the management of the company, and my interest in its future plans has grown.

Ueno: Before I became a member of the Audit and Supervisory Committee, I was a full-time auditor, which made me very aware of the need to ensure internal control for effective corporate governance. I now pay closer attention than before to the depth and subject of audits conducted by the Audit Office. Also, I maintain a more rigorous eye on reports from the Accounting and Finance Department and the General Affairs Department from the standpoint of internal control.

Suzuki: With respect to the structure, the Board of Directors, prior to the transition composed of six directors including one outside director, is now seven directors, four of whom are Audit and Supervisory Committee members, including three outside directors. I think this has increased the speed of operational execution and raised the objectivity and transparency of management even further.

Ueno: In addition, while it's not mandated under Japan's Companies Act, EIZO has one full-time member in the Audit and Supervisory Committee. This individual gathers information inside the company on a daily basis and reports to us during the meetings of the Audit and Supervisory Committee that are held before Board of Directors meetings, and that has added more substance to the information we receive.

Inoue: I agree. The presence of a full-time Audit and Supervisory Committee Member has great significance for EIZO.

Suzuki: It's also important that this full-time Audit and Supervisory Committee Member has a voting right as a director on the board. In that sense, I think the structure itself is excellent. As a result of the transition, EIZO now has two directors involved in the execution of operations. And four other directors are members of the Audit and Supervisory Committee, three of whom are outside directors. This means that some of the important decisions on operational execution are delegated to the managing directors, which seems to be creating a good balance between rapid decision-making and supervision.

Ueno: I would like to move on to our next topic: the future shape of governance. A year has passed since EIZO became a Company with Audit and Supervisory Committee, and the company has revised the matters to be deliberated on by the Board of Directors. Additionally, it delegates all or part of the decision-making on the important execution of operations to the managing directors within the boundaries stipulated by law in an effort to reduce the number of Board of Directors meetings. The board will now meet once every two or three months instead of monthly. In light of this, what are your views on the future of governance at EIZO?

Inoue: There is a limit to what you can discuss within the rigid framework of a meeting, so I think the company should make good use of the system and let us view the records of operational execution as needed. For example, EIZO has an online bulletin board system with a variety of posts, which outside directors can access from outside the company. Since this excellent system is already in place, if the records of operational execution are posted online, we can flexibly provide feedback without being bound by a typical meeting framework.



❖ Ensuring Diversity in the Governance System

Inoue: I come from a technology background, so I'm interested in EIZO's technical approach to trends in technology and markets, and from time to time I offer my opinions. The market is constantly evolving, and I'm impressed by the way the company has been able to consistently come up with new approaches. What are your views on the roles we are expected to play, from the perspective of ensuring the diversity of directors?

Ueno: I was an auditor at a bank before I came to EIZO, where I have served as a full-time auditor for seven years. Having worked as an auditor for quite a while, I pursue my mission from the standpoint of ensuring effective internal control.

Suzuki: My experience includes managing a financial institution, a paper manufacturer and a real estate company. I gained knowledge about finance as a banker, experienced an M&A during my time at the paper manufacturer, and have accumulated practical experience in governance and compliance as well. I intend to continue offering my opinions to the Board of Directors based on this background.

❖ EIZO's Strength Lies in Highly Competent Top Management and Employees

Suzuki: As I mentioned in last year's CSR Report, I have a high regard for EIZO's top management. Targets for the fourth Mid-Term Business Plan have been met, and the first and second years of the fifth plan are generally on track. This can be attributed to the successful business model developed based on the president's broad perspective and foresight.

Inoue: He has also demonstrated flexibility and deftly shifted the company's market segments within about four years. Change is not easy for those who are too persistent with the details, but he has made the switch with outstanding agility and flexibility.

Suzuki: By addressing mid-term needs and envisioning the company ten years from now, he is looking even further into the future with his DESIGN 2025 message, and young executive candidates are currently developing a business model for the next ten years. I think this point should be highly commended.



Ueno: And it's not just the top management; the presence of highly competent executive officers and employees supports the president in getting his message out, while the growth in human resources provides opportunities for top management to set even higher goals. This virtuous cycle has been highly beneficial for EIZO.

❖ Developing Human Resources to Become a "Strong Company"

Inoue: The business performance of the past few years provides evidence that the company has been making solid growth. The key to further growth lies in the single issue of cultivating human resources.

Suzuki: Yes, the company needs globalized human resources. It must boost its drive to develop human resources in order to nurture a formidable workforce of globalized personnel and add more women to the workforce.

Ueno: We all believe that developing personnel is the decisive factor in the company's survival.

Suzuki: I would like EIZO not just to become an excellent company but also to rise further and become a "strong company." This means having an excellent financial constitution and abundant human resources who can think globally. It's also a company that is capable of consistently providing unique products while significantly contributing to the community so that its presence is itself a source of local pride. While EIZO already meets most of these requirements, it still has unfulfilled potential, and I believe it can become an even stronger company by achieving further growth.

Masaaki Suzuki

Outside Director and Chairman of the Audit and Supervisory Committee

Profile

Joined Nihon Kangyo Bank (current Mizuho Financial Group Inc.) in 1971. Served as Managing Executive Officer of the Dai-ichi Kangyo Bank and Mizuho Bank, Ltd. before taking on the positions of Executive Operating Officer of NIPPON TOCHI-TATEMONO Co., Ltd., Executive Managing Director of Hokuetsu Paper Co., Ltd., President and Representative Director of Hokuetsu Package Co. Ltd., and Advisor to NIPPON TOCHI-TATEMONO Co., Ltd. Joined the company as director in 2012 and has served as director and chairman of the Audit and Supervisory Committee since 2016.

Eiichi Ueno

Outside Director and Member of the Audit and Supervisory Committee

Profile

Joined Hokuriku Bank, Ltd. in 1976 and served as full-time auditor. Joined the company in 2009 as full-time company auditor. Appointed as director of the Audit and Supervisory Committee in 2016.

Atsushi Inoue

Outside Director and Member of the Audit and Supervisory Committee

Profile

Joined Murata Manufacturing Co., Ltd. in 1973 and served as executive vice president and head of the Device Business Unit. Joined the company in 2012 as auditor and concurrently appointed senior corporate advisor of Murata Manufacturing Co., Ltd. Appointed director of the Audit and Supervisory Committee in 2016.

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

Laying the Foundations for a Motivating Workplace

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

Employment

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

● EIZO Group as of March 31, 2017

	Japan	Overseas	Total
Number of employees (including temporary workers)	1,566	484	2,050
Male	836	322	1,158
Female	730	162	892
Engineering staff included in the above numbers	299	69	368
Average age	39.2	43.7	40.3
Average length of service	14.1	11.4	13.5

● EIZO Group in Japan as of March 31, 2017

Graduate recruits	34	Joined the company in April 2017
Mid-career recruits	31	Joined the company between April 2016 and March 2017
Average annual working hours	2,005	FY2016

Developing Trust-Based Labor-Management Relations

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

balance and employee benefit packages. We also maintain good labor-management relations at Group companies under the specific circumstances of each country or company.

As a result, the EIZO Group maintains a high retention rate, which contributes to medium- to long-term human resource development and business operations.

● Turnover Rate of Young Employees (within one year of joining the company): EIZO Group (in Japan)

March 2015	March 2016	March 2017
0.00%	4.08%	2.56%

Promoting the Careers of Persons with Disabilities

Persons with disabilities are engaged in careers at many of our worksites, and as of March 2017, 21 disabled persons are currently employed by the Group. While the percentage of persons with disabilities of the workforce at the Group companies in Japan does not meet the minimum legal requirement of 2.0%, as the total number of Group employees is on the increase, we have been making active recruitment efforts. These include participation in joint company information sessions for persons with disabilities and the acceptance of interns with the intention of hiring recent graduates. We will continue improving our workplace environment and creating work opportunities for disabled persons as we expand our business.

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

March 2015	March 2016	March 2017
1.92%	2.08%	1.87%

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.

Work Style Innovation

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

Creating Leisure Time

As one of our initiatives for Work Style Innovation, we will seek to reduce overtime to zero in the course of normal operations. In fiscal 2017, we are targeting a year-on-year reduction of 30%.

Although our average rate of taking paid leave for all employees has been higher than the national average in Japan for companies of a similar size, we have been improving this rate each year by introducing measures to encourage employees who have been taking fewer paid leaves to take more days off. We believe that the extra time created through these initiatives will be beneficial for employees to refresh their mind and body, engage in self-development and social contribution activities, broaden their perspectives and enhance their abilities through such activities.

● Average Working Hours (EIZO Group in Japan)

FY2014	FY2015	FY2016
1,954 hours	2,016 hours	2,005 hours

● Rate of Taking Paid Leave (EIZO Group in Japan)

FY2014	FY2015	FY2016
61%	66%	73%

Data for FY2014 and FY2015 have been retroactively revised due to changes in the scope from EIZO Corporation to the EIZO Group in Japan.

Opportunities for Recreation and Exchange

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



Employees playing futsal

Supporting Childcare and Nursing Care

Under the respective laws of each country, we support various programs including maternity leave, childcare leave and nursing care leave, shorter working hours, and leave to care for sick children. We

have developed a supportive working environment that includes measures such as reducing working hours up to two hours per day for childcare to flexibly meet employee needs. We plan to enhance our programs for supporting employees with childcare or nursing responsibilities by introducing benefits such as childbirth leave for prospective fathers.

● Number of Applicants (EIZO Group in Japan)

	FY2014	FY2015	FY2016
Childcare/Nursing Care Leave	57	56	54
Reduced Working Hours for Childcare or Nursing Care	46	57	63

Data for FY2014 and FY2015 have been retroactively revised due to changes in the scope from EIZO Corporation to the EIZO Group in Japan.

Family Friendly Day

At EIZO's head office, we welcome family members of employees to Family Friendly Day (Workplace Tour.) The aim is to encourage communication in the workplace and at home, nurture an open corporate culture and enrich children's understanding of work through observation and direct experience. Approximately 300 family members have participated over the past 11 years.

EIZO Limited in the United Kingdom is implementing similar initiatives including "Bring Your Child to the Office Day."



Bring Your Child to the Office Day



Family Friendly Day

Human Resource Development

Reinforcing Management Capabilities

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

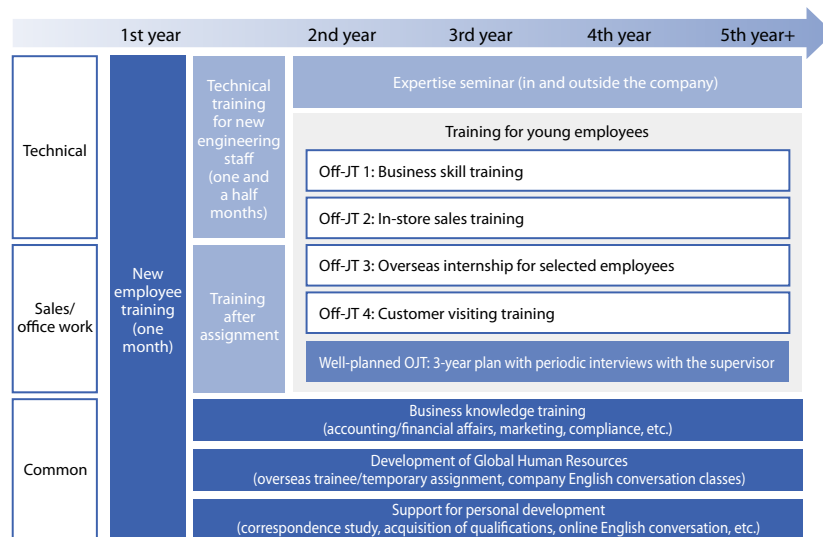
Supporting the Active Participation of Women

EIZO has formulated and released its the Action Plan for Promoting the Role of Women and is working to improve the working environment so that female employees can play leading roles in the company. The ratio of female managers in the EIZO Group in Japan is currently 2.6%, and to attain our target of 5% during fiscal 2019, we are encouraging participation in management training seminars conducted by outside institutions and providing training for selected mid-level employees. In future, we will provide various types of support, including an interview program to advance career development and the encouragement of networking among female employees.

Emphasis on Educating Younger Employees

First-year employees participate in programs on organizational structure and basic knowledge for corporate etiquette, and receive on-site factory training to learn about the foundations of our company. We also conduct a variety of programs specifically targeting first-year employees, including technical training for new engineering staff to ensure they acquire a broad foundation of knowledge on our basic technologies. We also provide a comprehensive education program combining on-the-job training (OJT) and Off-JT for young employees to enable them to develop the ability to get things done well with market insight and a global mindset. For OJT in each department, managers draw up three-year career plans in consultation with young employees, providing a basis for a systematic OJT program. Our Off-JT for upgrading the skills of young employees includes group-based training for acquiring business skills, selling in stores to identify market needs, and overseas internships that provide short-term assignments at overseas Group companies.

Education Programs for Young Employees



Fostering the next generation of leaders with job performance, market insight and a global mindset

Supporting Career Development

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

Development of Global Human Resources

To develop global human resources, we provide English and Chinese classes in Japan as well as Japanese classes at affiliates outside Japan, and we hold seminars on cross-cultural communication. We also run an exchange program for engineers between Group companies outside Japan, in which employees are dispatched for one or two years, and a trainee program for young core personnel (short-term assignment, about three months). The program aims to increase the number of employees who can work effectively in a different culture and manage technology with a global perspective, as well as to cultivate new technological expertise.

Voice from a Worksite

From August to October 2016, I participated in training at EIZO Inc., EIZO Europe GmbH and EIZO Limited, the Group's sales companies in North America and Europe. I accompanied the sales and technical staffs for these regions on visits to more than 90 resellers and customers in about 50 cities. The experience renewed my awareness of the strength of our current business model, which has been instrumental in building EIZO into a trusted brand in each region and country around the world. Also, I was able to understand the diversity of our stakeholders and the importance of that diversity through my onsite experience of communication and operations.

Looking ahead, I will draw upon what I have learned through the training to create and give shape to our new business model for the next decade. Moreover, I will strive to play a part in developing EIZO into a truly global company.



Kiyoyuki Tanaka
Global System Solutions
Department
Joined the company in 2004

Securing Safety and Health

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

Efforts in Safety Management

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

Efforts in Health Management

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

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

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

Medium-Term Plan (Fiscal 2016 to 2018)

Strive to maintain and improve a safe, healthy and vibrant work environment, in which every employee is comfortable, in order to enhance business operations.

Fiscal 2017 Targets/Key Actions and Fiscal 2016 Results

Management Area	FY2017 Targets/Key Actions	FY2016 Results		Evaluation
Safety Management	Achieve zero workplace accidents, reduce traffic accidents during working hours*	• Workplace accidents	0	△
		Frequency rate	0	
		Severity rate	0	
Safety Management	Key points • Fully enforce prevention of workplace accidents during infrequent operations • Fully enforce safety management of newly installed equipment and facilities (including chemical substances) • Implement risk assessment • Improve ability to anticipate hazards through KYT (hazard prediction training) activities and fully enforce 5S activities	• Traffic accidents during working hours*	8 (2 injured someone else, 5 injured self only, 1 injured by someone else)	△
		• Unacceptable risks	0	
Health Management	Implement mental health measures in the workplace	• Follow-up on health checkups	98.0%	△
	Key points • Ensure follow-up measures on health checkups • Implement measures against infectious diseases • Promote preventive measures for lifestyle-related diseases in accordance with specific health guidance • Promote mental health efforts through implementation of stress check tests	• Ratio of employees taking stress check tests	78.3%	

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

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

* Includes commuting traffic accidents.

GRI Guidelines (Version 4) Content Index

The EIZO Corporation Corporate Social Responsibility Report 2017 provides information on the Standard Disclosure items contained in the GRI Sustainability Reporting Guidelines (Version 4). The following table lists the core items of the Standard Disclosures, for which we have received third-party confirmation from Sustainability Accounting Co., Ltd. (Chiyoda-ku, Tokyo).

Indicator		Report page
Strategy and analysis		
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	3-4
Organizational profile		
G4-3	The name of the organization	2
G4-4	The primary brands, products, and services	8-10
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	2,18-20
G4-7	The nature of ownership and legal form	2
G4-8	The markets served	2,8-11
G4-9	The scale of the organization	2,19
G4-10	The breakdown of the employees	29
G4-11	The percentage of total employees covered by collective bargaining agreements	-
G4-12	The organization's supply chain	21
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	26
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	5
G4-16	Memberships of associations and national or international advocacy organizations	16
Identified material aspects and boundaries		
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	6
G4-19	All the material aspects identified in the process for defining report content	6
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	30
G4-23	Significant changes from previous reporting periods in the scope and aspect boundaries	Not applicable
Stakeholder engagement		
G4-24	A list of stakeholder groups engaged by the organization	22
G4-25	The basis for identification and selection of stakeholders with whom to engage	22
G4-26	The organization's approach to stakeholder engagement	22
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	22
Report profile		
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	33-34
G4-33	The organization's policy and current practice with regard to seeking external assurance for the report	34

Governance		
G4-34	The governance structure of the organization; any committees responsible for decision-making on economic, environmental and social impacts	25
Ethics and integrity		
G4-56	The organization's values, principles, standards and norms of behavior	6
Specific standard disclosures		
		Report page
Disclosures on management approach		
G4-DMA	Reasons why the Aspects are of material significance, impacts that affect judgment, approach to organizational management, and evaluation of management approach	8-32
Environmental		
Materials		
G4-EN1	Materials used by weight or volume	17
Energy		
G4-EN3	Energy consumption within the organization	17
G4-EN6	Reduction of energy consumption	15,17-18
G4-EN7	Reductions in energy requirements of products and services	15,18
Water		
G4-EN8	Total water withdrawal by source	17,18
Emissions		
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	17
G4-EN16	Indirect greenhouse gas (GHG) emissions (Scope 2)	17
G4-EN19	Reduction of greenhouse gas (GHG) emissions	15,17
Effluents and waste		
G4-EN23	Total weight of waste by type and disposal method	18
Products and services		
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	15-16
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	18
Compliance		
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Not applicable
Environmental grievance mechanisms		
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	Not applicable

Social		
Labor practices and decent work		
Employment		
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	29
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	30-31
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	29
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	29
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	21
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 incidents of corruption 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 incidents of corruption were reported.
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 corruption 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 corruption were reported.
G4-PR5	Results of surveys measuring customer satisfaction	23
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 corruption 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.	19,21-29
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.	19,21-29-31
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.	2. We will promote our manufacturing and business activities in consideration of reducing their environmental burdens.	14-18
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.	4. We will conduct open and fair trade. 6. We will strictly respect and comply with both the letter and the spirit of the law as a good corporate citizen.	21,25-26
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.		

Independent Third-Party Assurance Statement



Independent Assurance Statement

November 13, 2017

To President Yoshitaka Jitsumori,
EIZO Corporation

1. Purpose
We, Sustainability Accounting Co., Ltd., have been engaged by EIZO Corporation (“the Company”) to provide limited assurance on specific data disclosed on page 17 of its CSR Report 2017 which are 101,930 GJ for the total energy usage, 6,301 tons for the amount of CO2 emissions and 26,066 m³ for the water usage (collectively, “the Environmental Performance Indicators”). The purpose of this process is to express our conclusion on whether the environmental performance indicators are calculated in accordance with the Company’s standards. The Company’s management is responsible for calculating the environmental performance indicators. Our responsibility is to independently carry out a limited assurance engagement and to express our assurance conclusion.

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 the environmental performance indicators were calculated in accordance with the Company’s standards.

3. Conclusion
Based on the procedures performed, nothing has come to our attention that causes us to believe that the environmental performance indicators are not calculated, in all material respects, in accordance with the Company’s standards.

We have no conflict of interest relationships with the Company.


 Takashi Fukushima
 Representative Director
 Sustainability Accounting Co., Ltd.

