

Environmental Consideration for Our Products and Business Operations

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

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

Environmental Policy

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

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

Environmental Management System

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

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

Activities under the Environmental Management System

We continued to undertake many tasks for meeting our environmental targets for fiscal 2015 that would achieve results in product specifications. We also sought to accomplish these tasks and targets by sharing them with in-house organizations, including the design and development departments. We successfully reduced power consumption during suspension and use, exercised stricter control over chemical substances used in parts, and manufactured products that meet advanced environmental standards.



Environmental Management System Audits

Our ISO 14001 certification was maintained and updated in fiscal 2015 after a third-party institution conducted an external audit.

Environmental Targets/Performance Report

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

Environmental Theme	Focus	Environmental Objective	FY 2015 Environmental Targets	FY 2015 Actual Results	Self-evaluation	FY 2016 Targets
Efforts to prevent global warming	CO ₂ reduction	Reduced power consumption	Reduce electricity consumption to no more than 9.20 million kWh/year Expand effort to upgrade interior lighting to LED	Maintained electricity consumption to less than 8.344 million kWh/year	○	Reduce electricity consumption to no more than 10.125 million kWh/year Constrain and manage energy consumption in new company buildings and equipment Prepare for compliance with the energy saving law
		Reduced fuel consumption	Reduce consumption of fuel LPG: no more than 138 t; kerosene: no more than 20 kl	Controlled LPG consumption to less than 128.7 t/year, but kerosene consumption was 22.9 kl/year, exceeding the target	△	Reduce consumption of fuel LPG: 145 t max; kerosene: 20 kl max
		Environmentally sound product design	Achieve compliance with ENERGY STAR 7.0 Incorporate energy-saving features	Reduced electricity consumption of products developed in fiscal 2015 Decided on models for compliance with ENERGY STAR 7.0	○	Further expand products with lower electricity consumption Increase and upgrade products with EU energy labels
			Promote smaller, lightweight products; conserve resources consumed for packaging materials and circuit boards	Reduced body dimension and weight of models developed in fiscal 2015 by about 20% and 30%, respectively, compared to conventional models	○	Promote smaller, lightweight and resource-saving products
Creating a sustainable society	3Rs (reduce, reuse, recycle)	3R design	Respond to reuse of amusement monitor components (survey and review)	Designed products assuming long hours of operation through reuse	○	Continue to respond to reuse of amusement monitor components
		3R activities	Maintain industrial waste generation below 360 t and purchase of copier paper below 5,950 kg	Industrial waste generation: 338.2 t, purchase of copier paper: 5,538 kg	○	Maintain industrial waste generation below 360 t and purchase of copier paper below 5,950 kg
Environmental issues	Management of chemicals	Reduced consumption of chemicals	Reduce use of organic solvents and related waste (including those generated by the new optical bonding facility)	Began using alternate material to replace IPA for washing Continued collection and monitoring of usage data of fill materials for bonding	○	Proper control and reduction of chemical substances used in our facilities
Environmental compliance	Compliance with environmental laws and standards	Standards compliance	Continue to pursue green procurement	Managed chemical substance data based on EIZO Green Procurement Standards and responded to a large number of requests for environmental surveys from corporate customers	○	Continue green procurement
			Prepare to obtain ENERGY STAR 7.0	Completed preparation for response to the new standards Completed the selection of 10 current products to be renewed in accordance with the new standards	○	Obtain certification at early stage with a view to the new ENERGY STAR 7.0
			Obtain TCO Certified Displays 7	Obtained TCO Certified Displays 7 certification for newly developed FlexScan series	○	Obtain TCO Certified Displays 7 and expand scope of certified products

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

Status of Group Companies

The current status of Group companies is as follows.

- EIZO Display Technologies (Suzhou) Co., Ltd. (ISO 14001 certification: 2011)
Environmental targets applied to EIZO Corporation Headquarters area and EIZO MS Corporation (Hakui 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, 3Rs and management of chemicals.



Environmental Considerations in Our New Factory

Photovoltaic installation

Solar panels are installed on the rooftop of the new factory (about 180 kW) and on the ground to power the flood control system for the storm water reservoir (about 250 kW).

* The installation is designed to not interfere with required rainwater adjustments.

◆ Basic Product Development Sequence

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

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

◆ Green Procurement

▶ Our Philosophy on Green Procurement

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

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

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

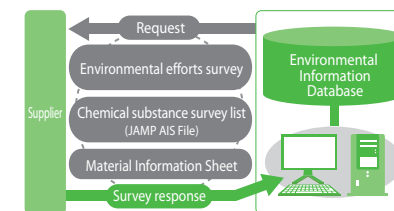
These efforts are helping to reduce the environmental impact of our business operations while at the same time expanding markets for environmentally friendly products.

▶ Management of Chemical Content Information

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

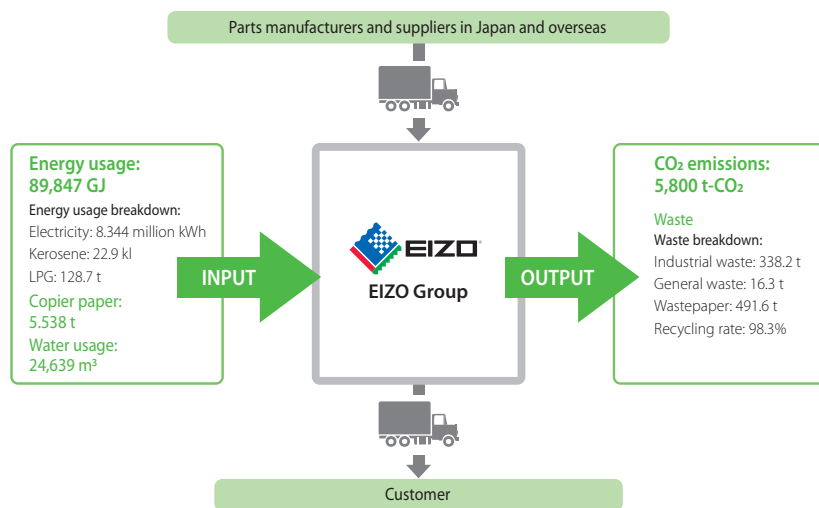
We also respond to environmental labeling standards such as TCO Certified Display 7 (international comprehensive standards for monitors), EPEAT (international environmental standard for PCs/monitors), ENERGY STAR 7.0 (energy efficiency standard established in the United States) and PC Green Label (Japanese 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: four areas as listed below)



Environmental Impact by Area

Area	EIZO Corporation Headquarters area	EIZO MS Corporation		EIZO Display Technologies (Suzhou) Co., Ltd. (China)	Total	
		Hakui factory	Nanao factory			
Operations	Development and manufacturing (assembly) of monitors	Production of circuit boards	Assembly of monitors	Development and manufacturing (assembly) of monitors		
Energy usage (GJ)	52,387	26,947	9,190	1,323	89,847	
Energy Resources	Electricity (10,000 kWh)	458.6	270.3	92.2	13.3	834.4
	Kerosene (kl)	22.9	-	-	-	22.9
	LPG (t)	128.7	-	-	-	128.7
Copier paper (t)	4,092	909	277	260	5,538	
Water usage (m³)	18,847	2,435	2,500	857	24,639	
CO ₂ emissions (t-CO ₂)	3,378	1,730	590	102	5,800	
Waste	Industrial waste (t)	201.4	33.8	103.0	-	338.2
	General waste (t)	13.2	2.2	0.9	-	16.3
	Wastepaper (t)	201.5	74.4	215.7	-	491.6
	Recycling rate (%)	97.9	95.9	99.8	-	98.3

Environmental Risk Management

Facility Management

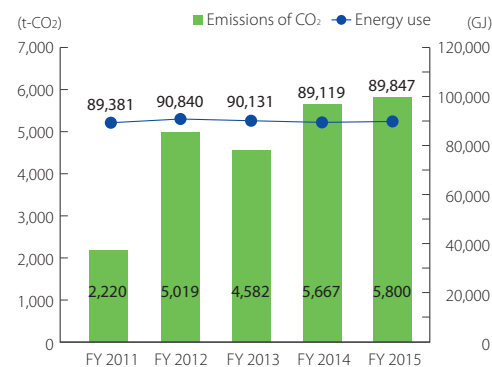
In principle, we ensure compliance with stringent voluntary management standards, including standards not bound by law.

Regulatory Compliance

We strive to comply with regulations governing corporate activities such as the Air Pollution Control Act, the Water Quality Pollution Control Act, and the Waste Disposal and Public Cleansing Act by collecting information on revisions and new regulations and by regularly monitoring and measuring the status of our response. Our emissions of air pollutants NO_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 2015, and no administrative guidance, admonitions, orders or reprimands were received. In addition, no complaints about environmental issues were received from our neighboring communities.

Prevention of Global Warming, and Energy Conservation

Emissions of Greenhouse Gases (Japan and China)



With regard to greenhouse gas emissions, we measure CO₂ emissions by converting figures for electricity, kerosene and LPG use into CO₂. We strive to reduce consumption of energy resources to reduce our CO₂ emissions. Although energy usage was almost the same as in the previous year, our greenhouse gas emissions rose during the current fiscal year, mainly due to an increase in the conversion factor for Hokuriku Electric Power Company.

• Calculations of CO₂ emissions associated with electricity use are based on the conversion factor of Hokuriku Electric Power Company and the conversion factor used in China.

▶ **Energy Use**

In February 2016, the completed construction of a new factory in the area of the EIZO Corporation’s headquarters increased electricity demand. On the other hand, as a result of our year-round efforts to save energy, focused on the operation of our air conditioning units, total energy use was essentially the same as in the previous year. However, we were unable to achieve our target for kerosene consumption because the volume of kerosene that we consumed was driven up resulting from a change in the use of a building where kerosene is used for air conditioning. As for equipment, we upgraded interior lighting to LED in some areas of EIZO MS Corporation. We will continue to pursue Group-wide energy savings while also maintaining comfortable working conditions.

■ **Targets and Actual Results**

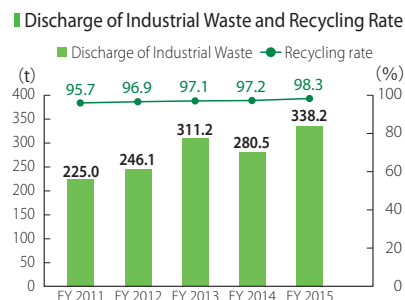
	FY 2015 targets	FY 2015 results	Targets achieved	FY 2016 targets
Electricity	9.20 million kWh	8.344 million kWh	○	10.125 million kWh
Kerosene	20 kl	22.9 kl	×	20 kl
LPG	138 t	128.7t	○	145t

▶ **Water Use**

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

▶ **Industrial Waste**

Our total volume of industrial waste increased 20.6% year-on-year to 338.2 t. A major factor for the rise was the increased size of packing materials to accommodate larger liquid crystal display panels, procured externally.



▶ **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.

	CRT monitors	LCD monitors
Volume in weight (kg)	11,782	8,281
Quantity (units)	477	1,183
Recycled volume (kg)	9,515	7,235
Recycling ratio (%)	81	87

◆ **Collection of Used EIZO Products from Corporate Users**

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

	CRT monitors	LCD monitors
Volume in weight (kg)	371	1,596
Quantity (units)	15	228
Recycled volume (kg)	273	1,218
Recycling ratio (%)	74	76

Europe

◆ **EIZO Monitors Discarded in Europe**

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

United States

◆ **EIZO Monitors Discarded in the 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.