

EIZO Contributes to Society and Local Communities as a Visual Technology Company with Advantages

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Our Business Activity in itself Constitutes EIZO's Social Responsibility

Our most important social responsibility is our business activity. We believe our social responsibility is to pursue business with integrity, which includes contributing to society by providing products, solutions and services, returning to society the benefits produced through our business, and ensuring compliance with laws and regulations as well as respect for human rights throughout our business operations. Through the results of materiality analysis of our CSR, we reconfirmed that the material issues we must address through our business are represented in the EIZO Group Principles of Conduct – Seven Promises, which reflects the concepts underlying the United Nation Global Compact, and we have therefore compiled this CSR Report to align with these principles.

Unique Business Model Combining Value Delivery and Community Contribution

Fiscal 2015 was the first year of the Fifth Mid-Term Business Plan (fiscal 2015–2017), during which the company intended to evolve beyond being a conventional monitor manufacturer into a “Visual Technology Company.” In the monitor market, where other companies are ceasing production in Japan, we are utilizing our production in Japan as a core and driving a solutions business centered on visual display systems with determination and confidence to survive in the market. The business model that we have built and strengthened for many years is focused on the highly efficient production of a wide variety of products while developing a large number of products that meet diverse technical needs. This is a unique model that has no equal in the monitor sector. To further strengthen this model, we acquired a system integration business

for the healthcare market from Imation Corporation Japan in October 2015 and the surgical/endoscopy monitor business from Panasonic Healthcare Co., Ltd. in July 2016.

In February 2016, we completed construction of a factory building at the head office, anticipating the growth of the Vertical & Specific (V&S) market over the next five years. We are dramatically reforming our production lines and thoroughly optimizing our process management through IoT to improve productivity by 30% to 40%. By reinforcing the development and production functions of high-end visual display systems in Ishikawa Prefecture, we can secure increased productivity that more than makes up for higher labor cost compared to that in China and Southeast Asia.

This business strategy is our largest regional contribution. The breakdown of our production volume by business location is 76% in Japan (Ishikawa Prefecture), 18% in Germany, 4% in China and 2% in the United States. In an industry in which overseas production is prevalent, we maintain employment, production and tax payment in Japan (Ishikawa) and continue to strive to be a company that is supported by local people, who feel pride in EIZO's achievement and in the company's presence in the prefecture.

A Global, Broadminded Merit System and Tradition of Maintaining a Sound Corporate Culture

EIZO ensures gender equality in hiring and treatment through its merit system tradition, which has been established through its overseas expansion from the earliest stage and adopted childcare leave and reduced working hours early so that everyone can aspire to become a manager. Nevertheless, there has been a tendency among female employees to limit their career potential. However, I expect their mindset will change soon as we have the first female manager in fiscal 2015, representing an actual career path example for female employees in the company.

CSR procurement has been a recent focus of attention. Naturally, the company procures only from suppliers who meet our CSR requirements since, from the beginning, we advanced into the European market, which maintains

the world's strictest environmental standards, and complied with the FDA in the United States along with other regulations in the medical sector.

I do not believe that many other companies have been as sound, open or broadminded as EIZO. We are proud that so many people are attracted to this corporate culture and its commitment to production in Japan, and have joined the company so far from the metropolitan centers.

Design Business Models for the Next 10 Years

Up to now, we have developed businesses by branching out into healthcare, creative work, industry and other particular applications from our mainline B&P (business & plus) in a relatively natural pattern of growth. However, now we sense an urgent need to set a completely new goal and build bridges to reach it. Consequently, at the beginning of 2016, I advocated the design of a business model for the next 10 years under the theme, "Design 2025," and future executives are currently leading the project.

We will continue to offer values that only EIZO can deliver to society. In addition, we welcome the comments and feedback of our stakeholders in response to this report.

