



7th Mid-Term Business Plan

Fiscal Years 2021 - 2023

May 25th, 2021

TSE Code:6737

EIZO Corporation

1. 7th Mid-Term Business Plan
2. Business Strategy by Markets
3. Return to Shareholders

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7th Mid-Term Business Plan

Amplify Imaging Value

Goal

Enhance the value of “Imaging” through Products & Systems, and expand our business field

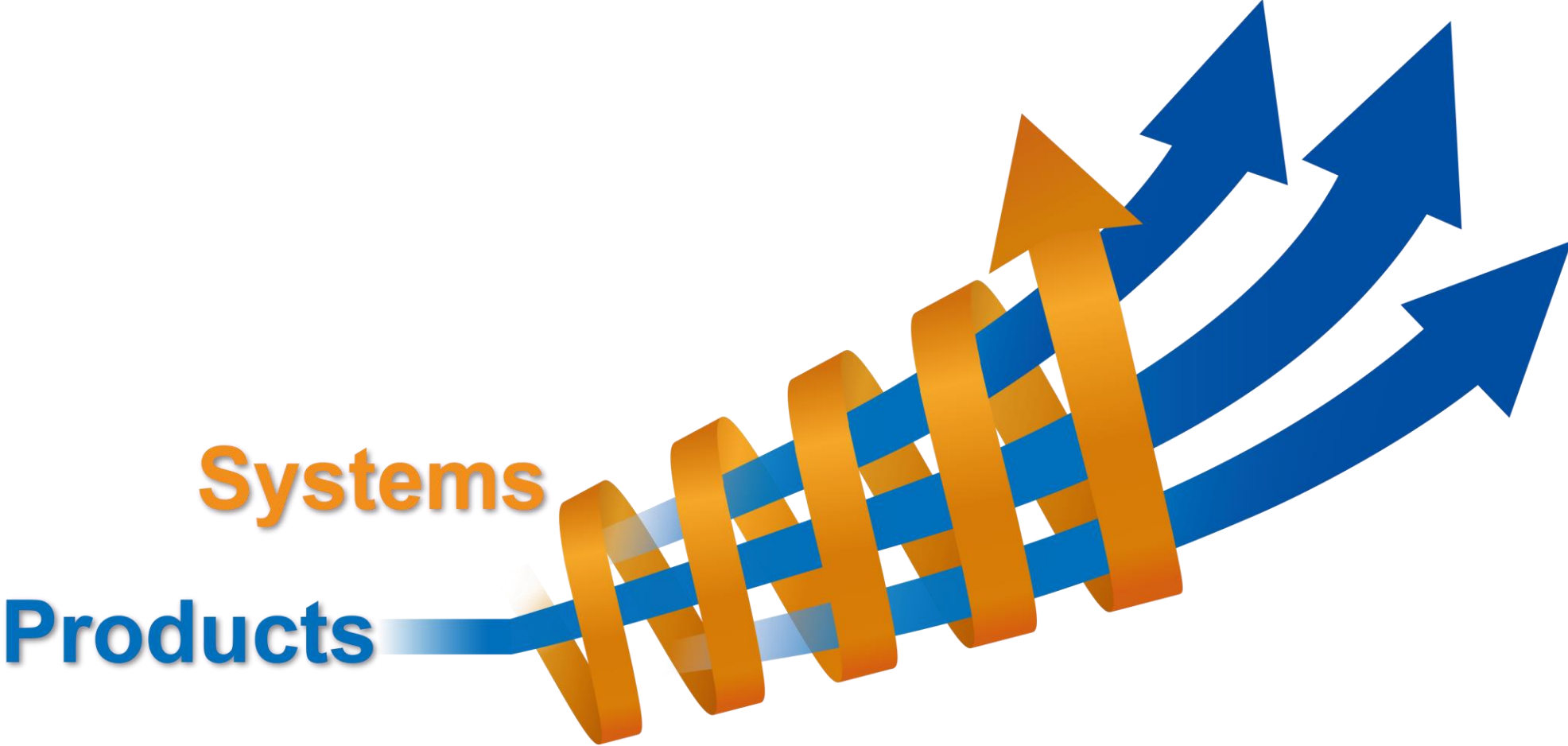


20F

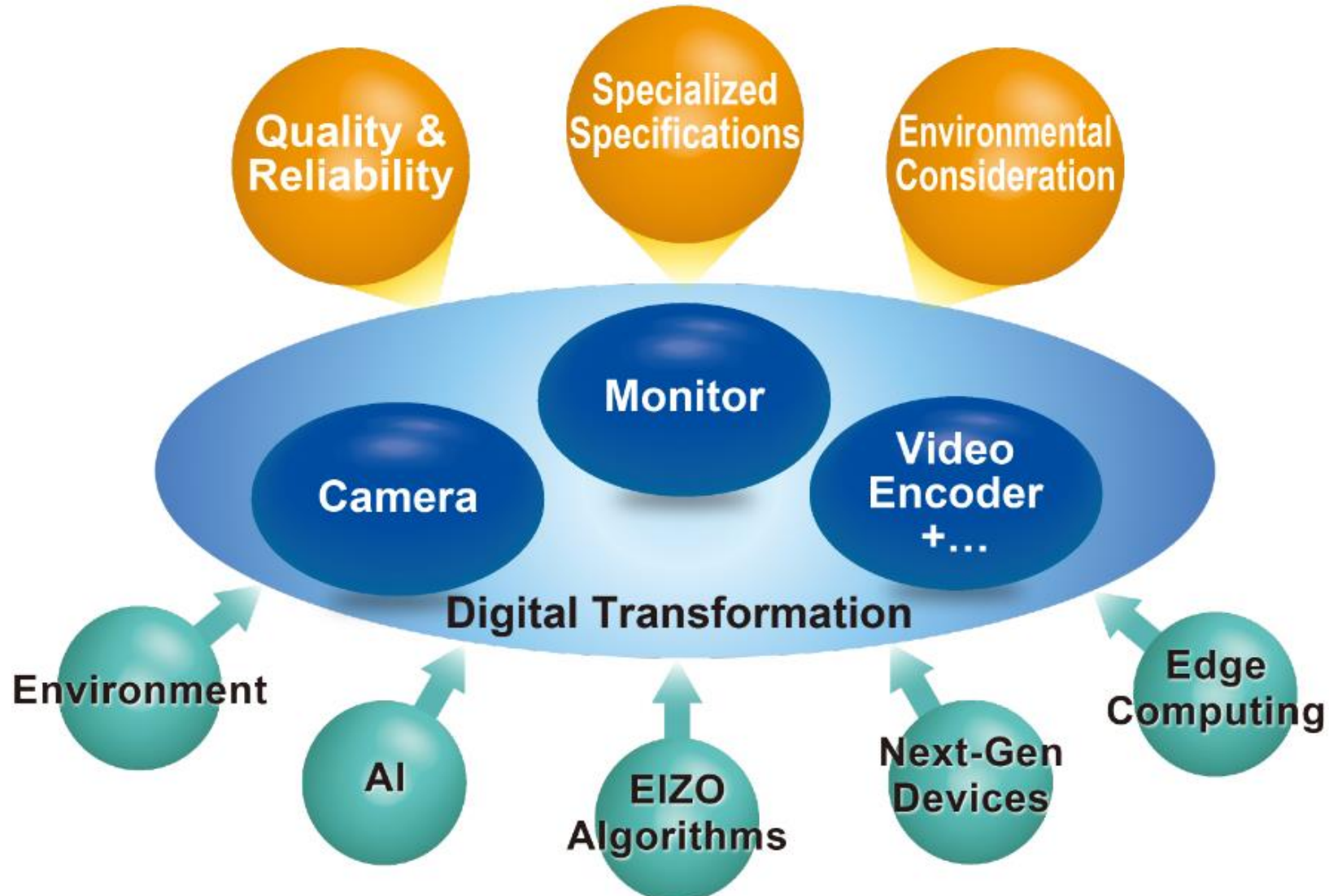


23F

Strengthen Products through Systems, and enhance Systems through strengthened Products



Strengthen and Expand Products



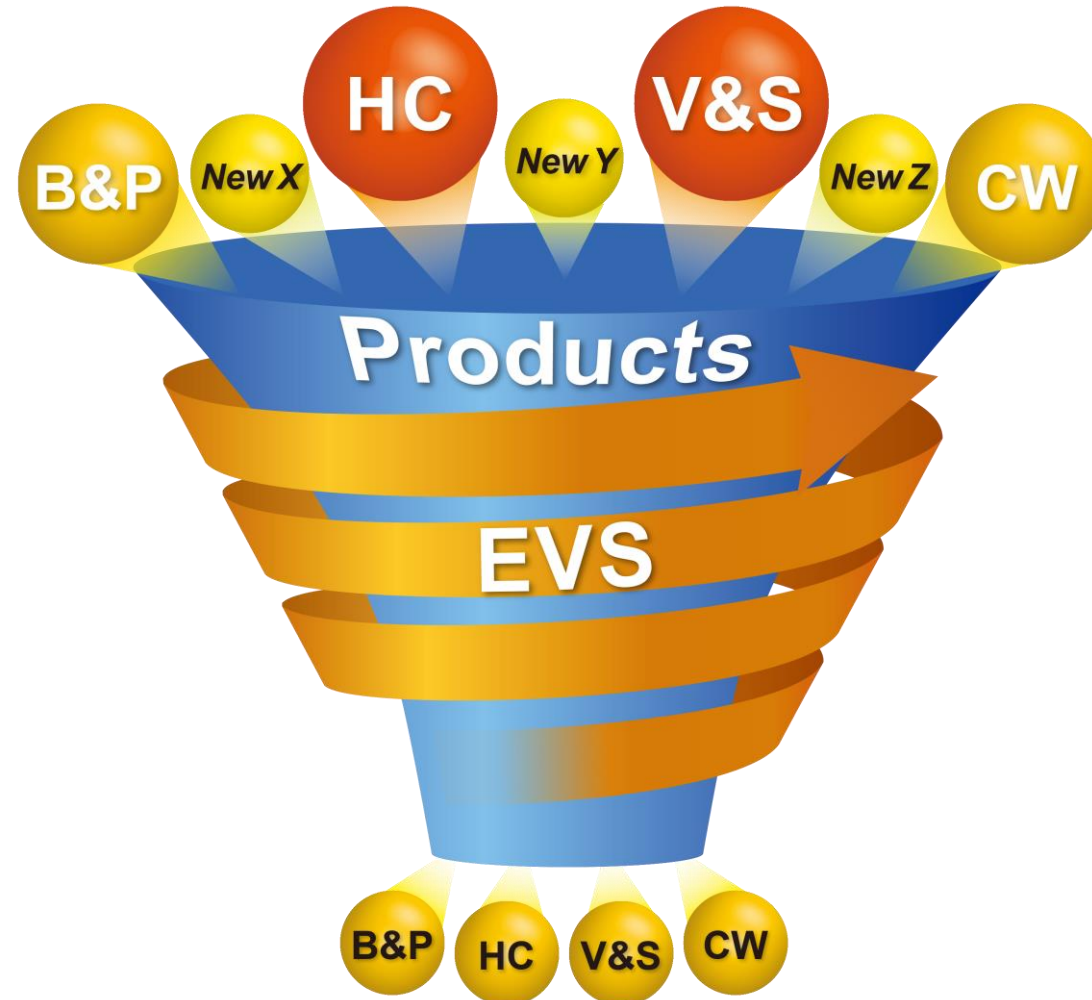
Our Systems Business = EIZO Visual Systems

EVS

“Imaging Chain” consisting of capture, recording,
distribution, and display

Accelerate development and expansion of
Carina System’s system business

Evolve EIZO Business Model To the NEXT Stage



Mid-Term Plan: Targets

	20F Actual	23F Plan
Net Sales (JPY Billion)	<p>Amusement (AMU) 14.4 Other 4.1 Business & Plus (B&P) 16.8 Vertical & Specific (V&S) 8.6 Creative Work (CW) 5.4 Healthcare (HC) 26.9 76.5</p>	<p>AMU 8.5 Other 3.0 B&P 18.0 V&S 15.5 CW 6.5 HC 36.5 88.0</p>
Operating Income / Margin	JPY 7.9 Bil. / 10.4%	JPY 13.2 Bil. / 15.0%

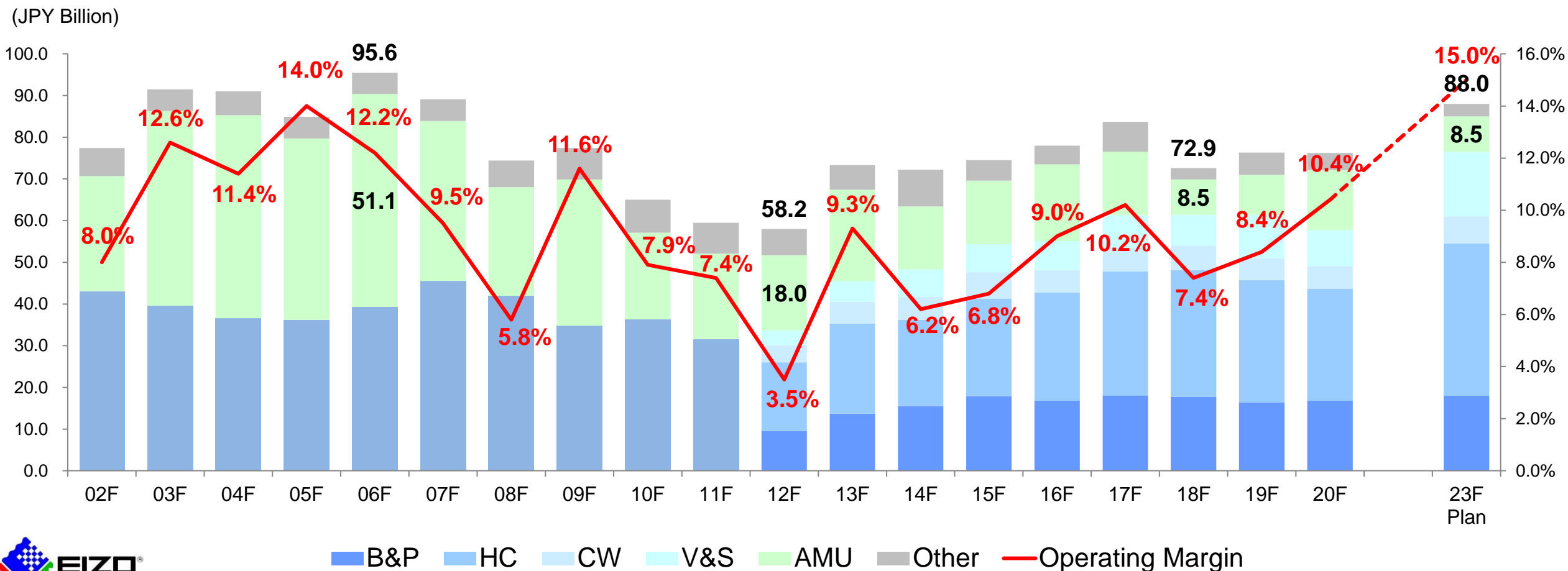
Evolving Business Model

Amusement monitor sales peak

As the amusement market shrinks, reinforce EIZO's business model as a Visual Technology Company

Successful business expansion in HC/CW/V&S markets

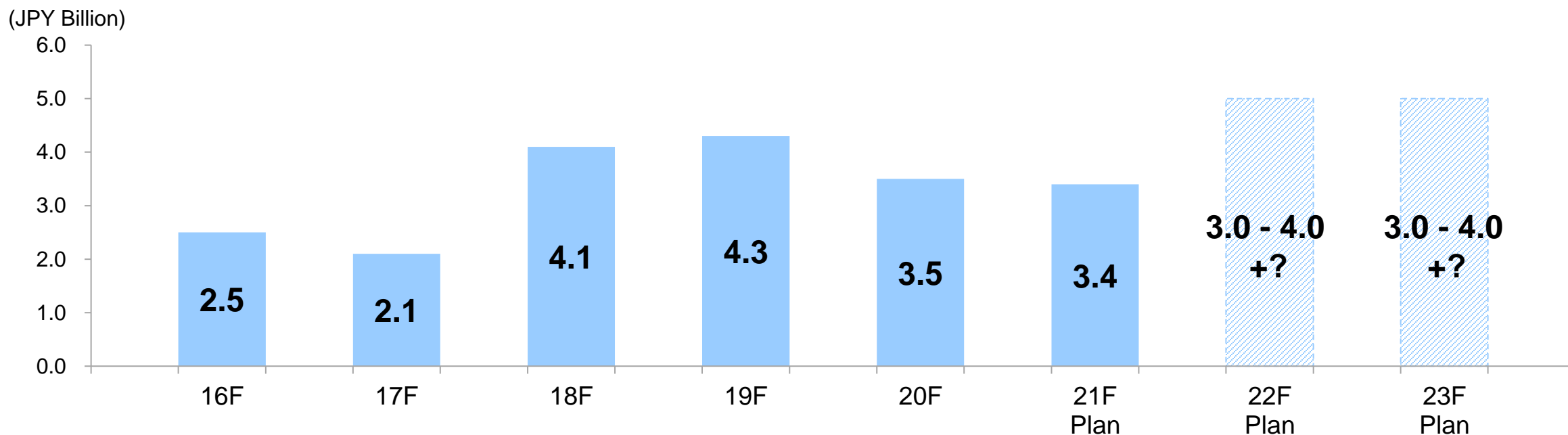
Enhance profitability and reach record-high OPM



CAPEX

Continue to invest aggressively for future growth

- Advance Digital Transformation through IT infrastructure innovation for manufacturing, R&D, sales, etc.
- Drive increased productivity throughout the whole process from R&D to production
- Streamline logistics by new warehouse construction



R&D

Continue to invest in key areas for business growth
(7% to 8% of sales and more as necessary)

- Reinforce designs that consider the environment
- Enhance hardware and software developments with core technologies developed in-house, including EIZO's own algorithms, AI, edge computing, Hi-Fi video codecs, and next-generation devices
- Invest in substantial growth of EVS including enhanced application development
- Strengthen cyber security related technology

Financial Capital Allocation Policy

- Draw on our stable financial base, which is one of our major strengths, to secure the necessary funds for business operation and growth investment

Growth Investment

Aggressively invest in growth area, particularly Healthcare and V&S

Deepen existing business area and expand business regions

- CAPEX: Continue investing in growth area
- R&D: Development of new products and elemental technologies. Enhancing technologies and skills. Invest in substantial growth of EVS
- M&A: Implement M&A necessary for business expansion

Business Funding

- Inventory funding: In EIZO's highly competitive business domain, stable long-term supply constitutes competitive advantage. Maintain strategic inventory to ensure a supply capacity to meet demand, particularly from the Healthcare and V&S markets. Implement an integrated sales strategy based on a direct sales system in which over 90% of overseas sales are covered by EIZO Group companies. Maintain local inventory to flexibly supply products to customers. This will contribute to expanding overseas business.

Shareholder Return

- Total return ratio of 40–50% is target range

Digital Transformation

Reinforce Business & Create Value

Drive business expansion
and expand business fields

Strengthen Products

Strengthen “Imaging Chain” consisting of products
i.e. Monitor, Camera, Video Encoder, etc.

Drive EVS

Streamline imaging, where volumes of information related
to images are increasing, and improve user experience with
added convenience to create value

Increase efficiency and productivity
through IT infrastructure innovation

Manufacturing

Respond to customer demands by achieving flexible
customizability

R&D

Transform R&D processes
Support 100% in-house development and production

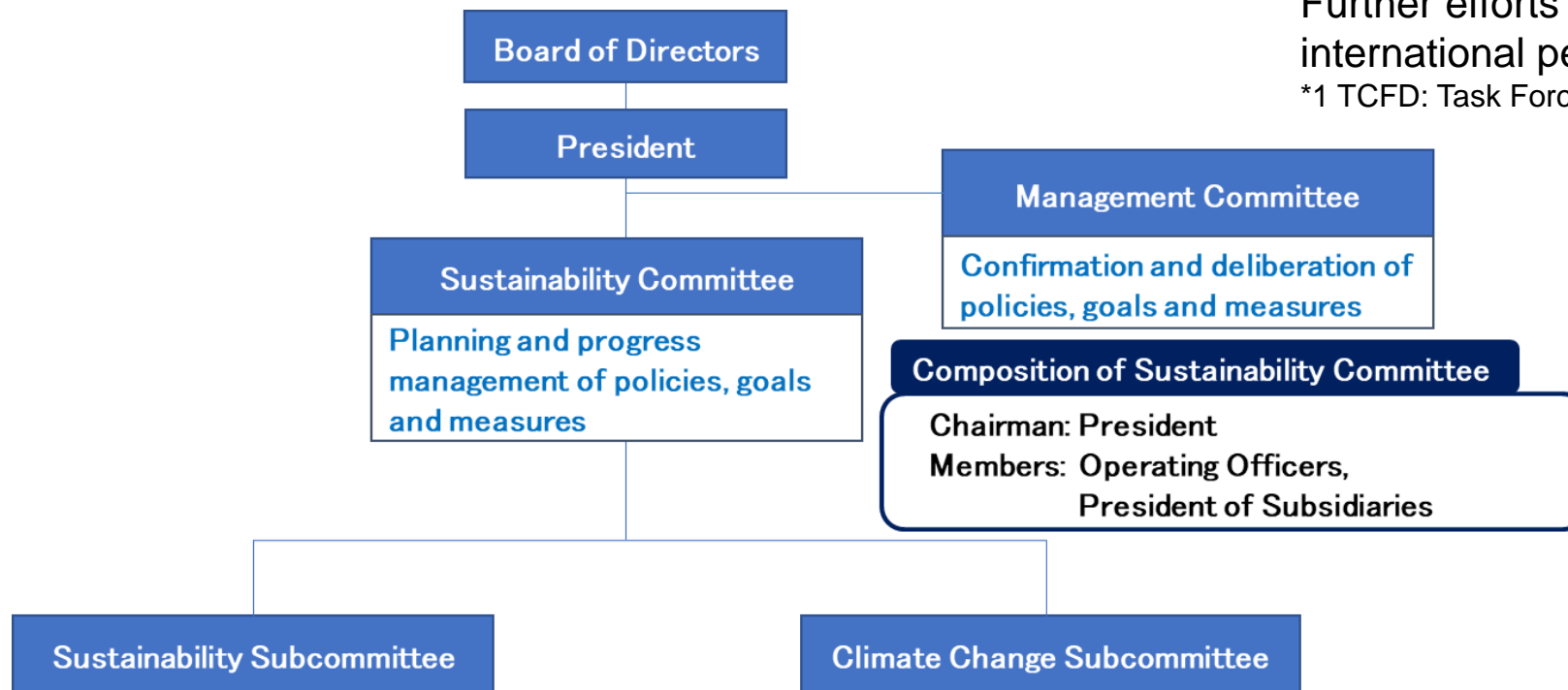
Customer Relations

Centralized management of customer information to
strengthen relationships with customers

Sustainability

□ Establish new structure to promote sustainability

Sustainability promotion structure
(Establish in June 2021)



Endorsed the recommendations of the TCFD *1 in May 2021.
Further efforts to tackle climate change from an international perspective through information disclosure.

*1 TCFD: Task Force on Climate-Related Financial Disclosures



Sustainability: Key Goals

- Accelerate environmental impact reduction
 - Products: Industry-leading environmentally responsible development
 - Operations: Reduce CO2 emissions by 70% by FY2030 (compared to FY2017)
Achieve Zero-CO2 by FY2040
- Promote sustainability throughout the supply chain
- Create a working environment that enables everyone to work with well-being

Industry-Leading Product Environmental Performance

- Contribute society through the development of environmentally friendly products

	Present Activities	Future Action
Energy Saving	Compliance with energy laws and regulations ENERGY STAR, EU Eco Design Directive	Achieve lower energy consumption than regulated by ENERGY STAR
Global Warming	Assessment of Greenhouse Gas (GHG) Emissions in product lifecycle	Reduce GHG from products
Chemical Management	Compliance with chemical regulations RoHS, REACH, SCIP	Use of safer chemicals (White List System)
Material	Use of recycled plastic	Increase use of recycled plastic Lower product weight Move towards plastic-free packaging material
Mineral Sourcing	Conducting a survey on conflict minerals Joining Responsible Minerals Initiative(RMI)	Carry out responsible mineral sourcing Procure from sources compliant with initiatives

Sustainability: Supply Chain

- Join the United Nations Global Compact (from 2012)
 - Implement 10 basic principles of the UN Global Compact concerning corporate social responsibility in the areas of human rights, labor, the environment, and anti-corruption
 - Fulfill our corporate social responsibilities in a global society and increase our corporate value

- Join Responsible Business Alliance (RBA) (from 2020)
 - Align operations to the provisions of the RBA Code of Conduct
 - Throughout our supply chain, operate ethically, ensure safety in the work environment, uphold human rights, and maintain environmental responsibility



Responsible Business Alliance

Affiliate Member

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B&P

- Consistently provide high-performance, safe, and reliable products
 - Attain safety and security needed for display systems
 - Achieve industry's highest level of environmental performance
 - Support customer with PLM *1 ,TCO *2

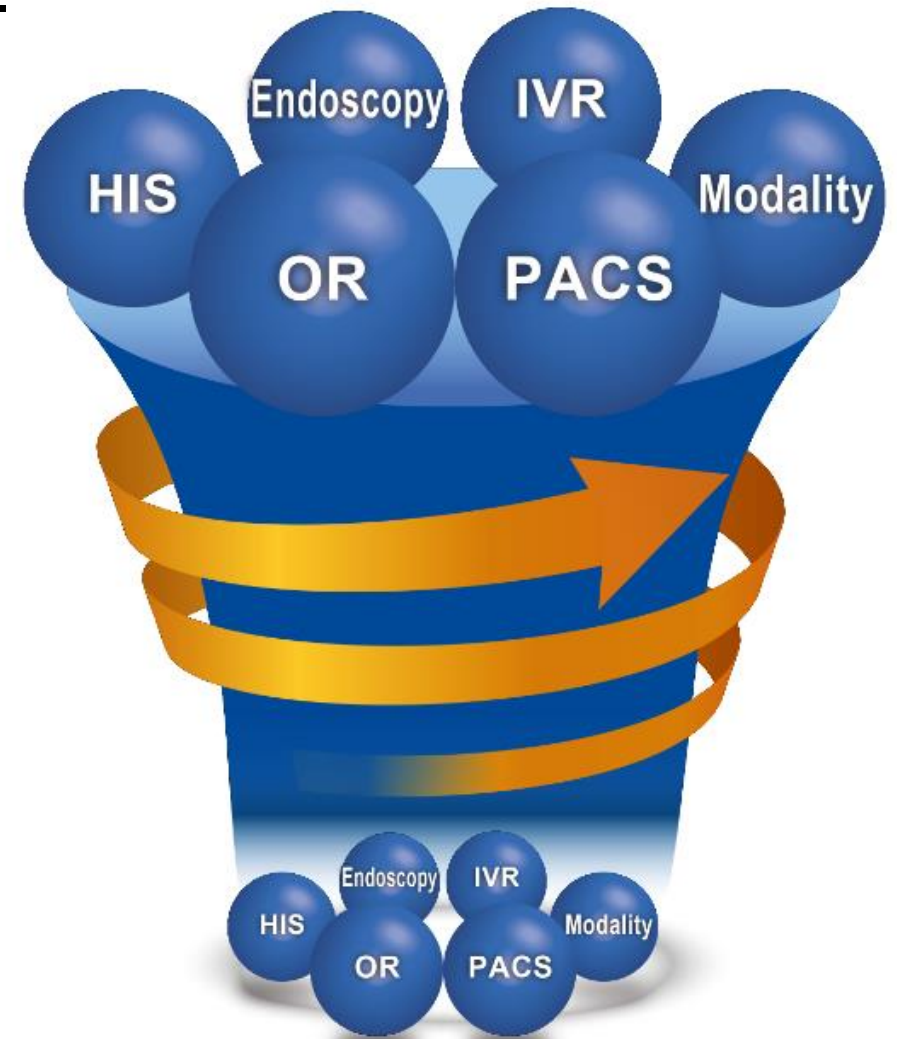
*1 PLM: Product Lifecycle Management

*2 TCO: Total Cost of Ownership



Healthcare

- Expand EVS from operating rooms to intra- and inter-hospital
- Further expand the whole healthcare business through the synergy with EVS in PACS, HIS, Modality, Endoscopy, IVR, etc.



Creative Work

- Realize differentiation through original technology
 - Offer products that meet the industry's increasing demand for display performance and color management as DX permeates the market
 - Cross-sell products to cover the entire workflow
 - Expand the target market to OTT (over-the-top) and video game production



V&S: Security & Surveillance

- Drive EVS with image optimization technology and ultra-high-sensitivity cameras
- Enhance connectivity in large-scale installations through integration with VMS, which controls the entire video monitoring system
- Strengthen cyber security (HTTPS, IEEE802.1X, etc.)



V&S: Air Traffic Control (ATC)

- ❑ Expanded the facility in Germany dedicated to ATC products to increase production capacity for meeting growth in demand (operations began July 2020)
- ❑ Provide a system that enables video recording and centralized management on a server
- ❑ Drive business expansion in China



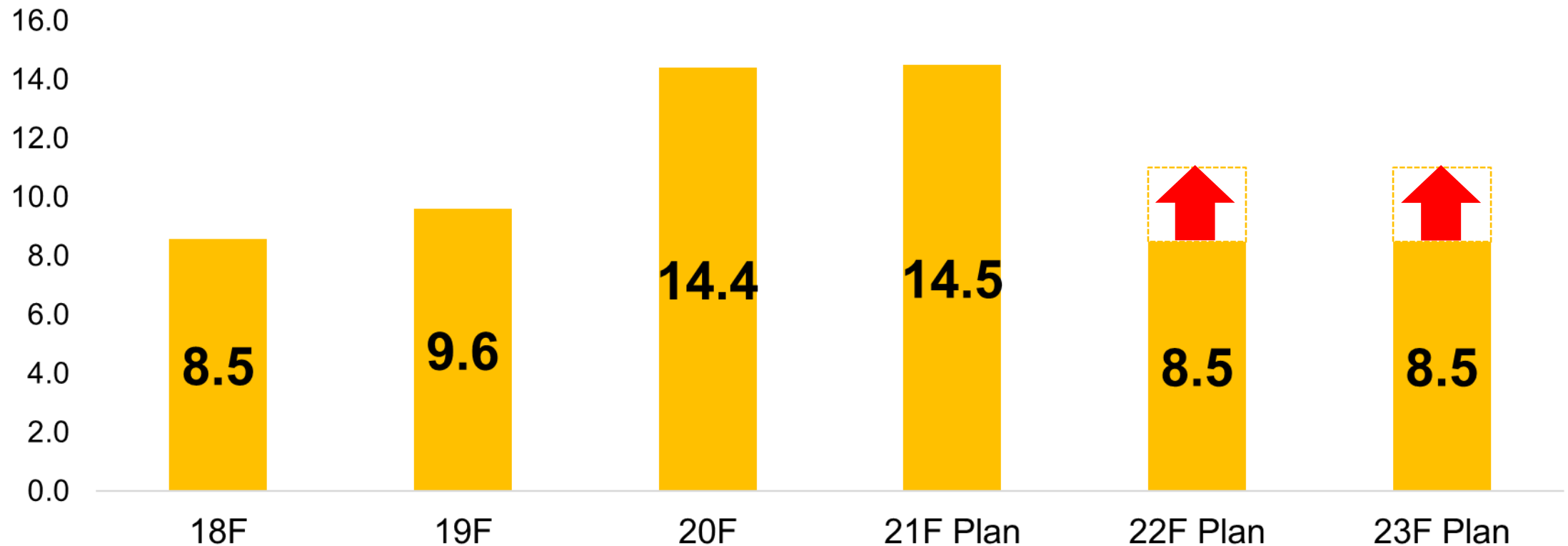
Amusement

- Contribute to the development of the industry together with our partners by leveraging the EIZO Group's comprehensive strengths
 - Advance the business by utilizing our unique strengths in comprehensive capabilities which contain hardware & software technologies, procurement, and production
 - Maintain and expand business volume by increasing market share in a shrinking market

Amusement

- Sales are projected to decrease after 22F, when replacement demand for new regulated machines will have reached its peak in 21F
- Aim to achieve sales over our initial goal by strong alliance with partners

(JPY Billion)

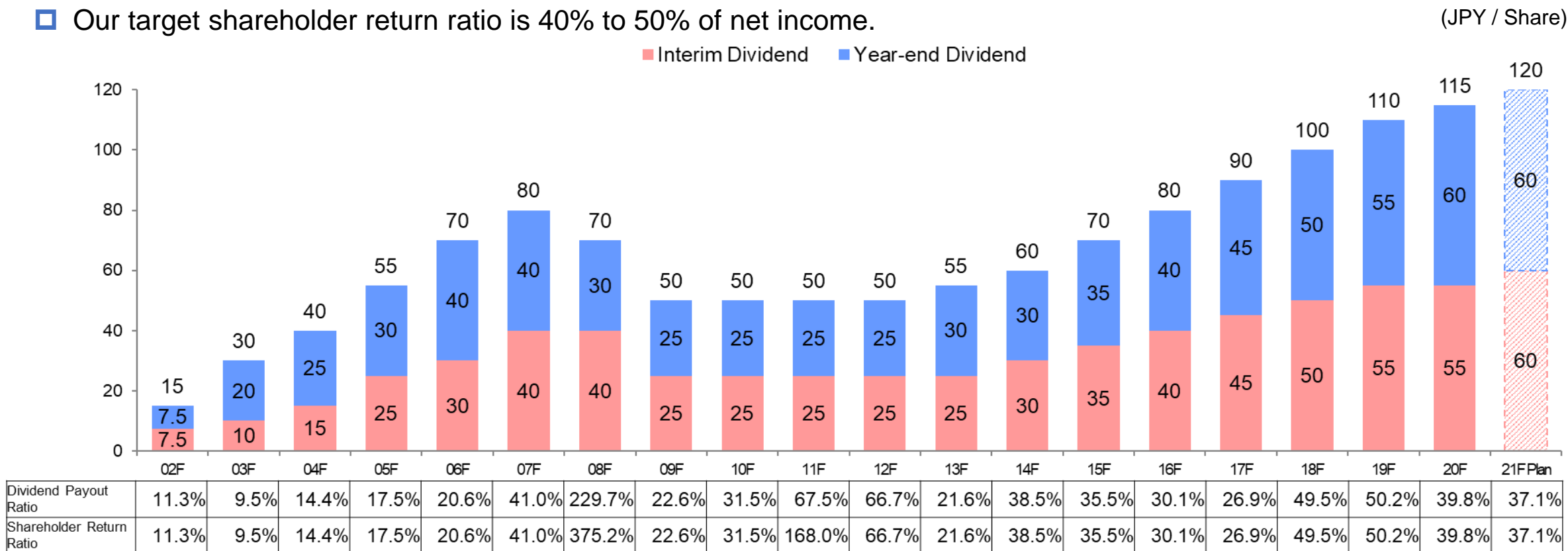


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Profit Distribution to Shareholders

Basic policy on profit distribution to shareholders

- Returning profit to shareholders is a key management concern at EIZO Corporation, and we follow a basic policy of stable dividend payment in line with corporate growth. We return profit to shareholders on the basis of an overall consideration of securing retained profit for capital investments and R&D expenditures required for business expansion, financial status and future performance.
- Our target shareholder return ratio is 40% to 50% of net income.





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