

# CORPORATE SOCIAL RESPONSIBILITY REPORT 2013

**EIZO** Corporation

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**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, 2012 to March 31, 2013 (FY 2012)
- Issue date: September 2013
- Issue date of previous report: October 2012
- Issue date of next report: September 2014
- CSR Promotion System: CSR activities come under the responsibility of the General Affairs Division, are supervised by the Managing officer responsible for CSR and implemented by all Group companies. They are also subject to a management review by the CSR Committee, comprising the heads of each department, and reported to the Board of Directors.
- Contact information: EIZO Corporation General Affairs Department  
Tel: +81-76-274-2406

## Corporate Information/ Our Products

### Corporate Information

<b>Company Name</b>	EIZO Corporation
<b>Business Activities</b>	Development, design, manufacture and sales of imaging systems including computer monitors, amusement applications and peripheral products
<b>Established</b>	March 6, 1968
<b>President</b>	Yoshitaka Jitsumori
<b>Address of Headquarters</b>	153 Shimokashiwano, Hakusan, Ishikawa 924-8566, Japan
<b>Group Sales</b>	¥58,270 million (FY 2012)
<b>Group Employees</b>	1,637 excluding temporary workers (consolidated, as of March 31, 2013)
<b>Subsidiaries</b>	15 (including 5 domestic subsidiaries and 10 overseas subsidiaries, as of September 1, 2013)
<b>Development, Production, Sales</b>	<ul style="list-style-type: none"> <li>● EIZO MS Corporation Japan: Manufacturing of computer monitors and amusement monitors</li> <li>● EIZO GmbH Germany: Development, manufacturing, and sales of medical monitors</li> <li>● EIZO Technologies GmbH Germany: Development, manufacturing, and sales of industrial monitors, air traffic control monitors and controller boards for monitors</li> <li>● Tech Source, Inc. USA: Development, manufacturing, and sales of graphics boards for air traffic control</li> <li>● EIZO Display Technologies (Suzhou) Co., Ltd. China: Development, manufacturing, and sales of computer monitors, etc.</li> <li>● Irem Software Engineering Inc. Japan: Development, manufacturing, and sales of amusement software</li> </ul>
<b>Sales</b>	<ul style="list-style-type: none"> <li>● EIZO Inc. USA: Sales of computer monitors, etc.</li> <li>● EIZO Nordic AB Sweden: Sales of computer monitors, etc.</li> <li>● EIZO Europe GmbH Germany (and branch offices in Belgium, Czech Republic, Italy and the Netherlands): Sales of computer monitors, etc.</li> <li>● EIZO AG Switzerland: Sales of computer monitors, etc.</li> <li>● EIZO Limited United Kingdom: Sales of computer monitors, etc.</li> <li>● EIZO Austria GmbH Austria: Sales of computer monitors, etc.</li> </ul>
<b>Others</b>	<ul style="list-style-type: none"> <li>● EIZO Support Network Corporation Japan: Providing field service, security and maintenance for computer monitors, etc.</li> <li>● EIZO Engineering Corporation Japan: Development and designing of computer monitors, and temporary staff services</li> <li>● EIZO Agency Corporation Japan: Insurance service</li> </ul>

### Our Products

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

##### For General Markets

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



Standard monitors

##### For Medical Markets

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



Medical image display monitors

##### For Graphic Markets

Color management LCD monitors that support the high-quality color reproduction and high-definition calibration required by professionals, such as designers, photographers and computer graphics artists, in their creative work.



Color management LCD monitors

##### For Industrial Markets

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



LCD monitors for industrial use

##### For Air Traffic Control

Comprehensive solutions that include main monitors for tracking aircraft flight status, auxiliary monitors for displaying air traffic control information, training monitors and specialized high-definition graphics boards for displaying air traffic control data.

High-definition graphics boards  
Main monitors for air traffic control

##### For Home Entertainment

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



Entertainment monitors

#### Amusement Monitors

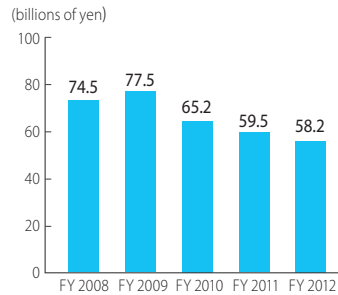
We design and manufacture LCD monitors installed in pachinko equipment. These models combine the Group's hardware technology, gained through the design and manufacture of computer monitors, with amusement software development technology to offer realistic expression, stories with a strong gaming feel,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

© SANYOBUSSAN CO., LTD.  
LCD monitors for pachinko equipment

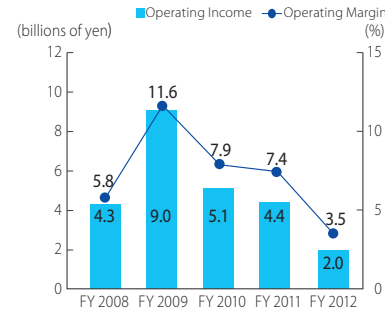
# Financial and Non-Financial Information

## Financial Information

### Net Sales

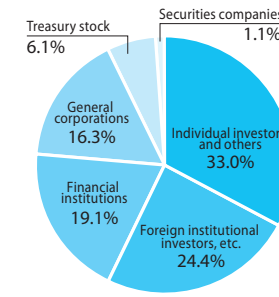


### Operating Income/Operating Margin



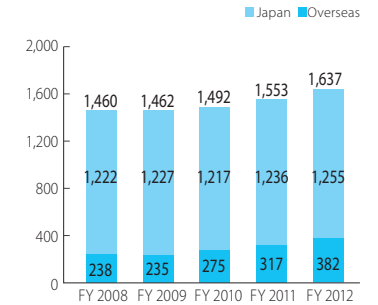
## Non-Financial Information

### Shareholder Composition



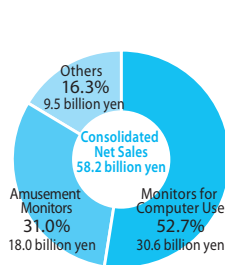
FY 2012

### Group Employees

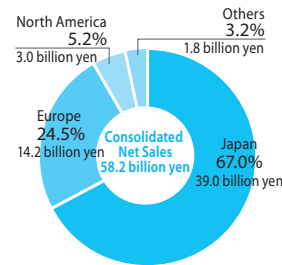


\* Regular employees

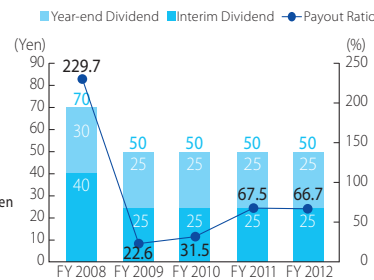
### Sales and Percentage Breakdown by Product Category (FY 2012)



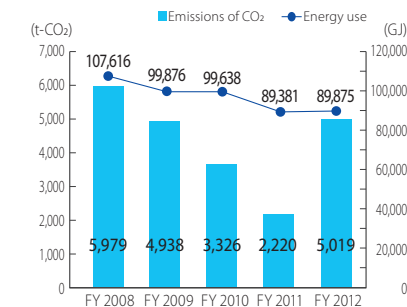
### Composition of Net Sales by Region (FY 2012)



### Five-year Change in Dividends



### Emissions of Greenhouse Gases (Japan & China)



\* Calculations of CO<sub>2</sub> emissions associated with electricity use are based on the conversion factor of Hokuriku Electric Power Company and the conversion factor used in China.

With regard to greenhouse gas emissions, we measure CO<sub>2</sub> emissions by converting figures for electricity, kerosene and LPG use into CO<sub>2</sub>.

In fiscal 2012, CO<sub>2</sub> emissions doubled from the previous year due to a significant increase in the CO<sub>2</sub> conversion factor for electricity, resulting from an increase in the ratio of thermal power in Japan.

## President's Message

# Changing the Paradigm to Realize Continuous Growth

## EIZO monitors at every stage of society's evolution

From the everyday settings of office, to the specialized markets of medical and graphics markets, air traffic control and industrial applications which require special functions and ever-higher performance, – EIZO's social responsibility is to consistently provide products that address specific needs and offer solutions to current challenges. To this end, the aim of our CSR activities is to pursue business with integrity by upholding our corporate philosophy of creating products with new value.

These days, heightened security concerns are reshaping industrial markets, as evidenced by the many surveillance cameras in cities. This has generated demand for advanced technologies, prompting an evolution in cameras as well as higher-performance monitors that can clearly reproduce the images captured by cameras. EIZO supports the increasing sophistication of security technologies by providing monitors that improve the clarity of dark, unclear images.

Wherever society is undergoing change and progress, EIZO's advanced technologies and monitors are present.

## Changing the Paradigm with a View of Ten Years into the Future

The EIZO Group initiates paradigm shifts as an enterprise that delivers high value on a global scale to address evolving social needs with an eye on the next ten years. This is exemplified by our transition from selling products through local distributors to direct sales by Group companies in Europe in 2012 in order to maintain close, ongoing communication with customers and provide improved support.

In April 2013, we also changed our corporate name from EIZO Nanao Corporation to EIZO Corporation, in part to demonstrate our willingness to embrace bold changes throughout the company, including a new corporate identity.

Moreover, we intend to deliver solutions along with our hardware. Customers will want to continue choosing EIZO products because our monitors offer solutions in terms of ease of use, comfort and security, as they are more than just hardware.

## Further Enhancing Our Comprehensive Worldwide Capabilities

Our adoption of a direct sales system in Europe last year significantly boosted the number of overseas Group companies and branch offices. Consistently delivering EIZO quality to customers around the world requires special effort to enable employees with different customs, cultures and values to understand and respect each other and move together as one to achieve further growth.

Every year, we convene the EIZO United meeting for Group companies and distributors operating in various locations around the world. The 2012 meeting was held in September in Hakusan, Ishikawa Prefecture, Japan, the location of our headquarters. Concurrently, our R&D division presented exhibitions of the latest technology, for all Group companies and overseas distributors. The meeting has enabled the entire Group to share information about EIZO's cutting-edge technological capabilities.

## Practicing CSR with a Global Perspective

The ten principles of the United Nations Global Compact declare a commitment to respect human rights, eliminate unfair labor practices, care for the environment and prevent corruption. While EIZO's Seven Promises are fully compatible with these principles, we decided to participate in the United Nations Global Compact in September 2012 in light of the Group's accelerated pace of globalization. Our involvement would also enable us to renew our awareness of and commitment to the EIZO corporate stance at all our locations worldwide.

This CSR Report represents a means for reporting on our efforts and as a tool for addressing public expectations for information disclosure. We look forward to comments and feedback from our stakeholders who read this report.

September 2013  
Yoshitaka Jitsumori  
President, EIZO Corporation

## Corporate Philosophy/ Principles of Conduct – Seven Promises

### Corporate Philosophy

The EIZO Group pushes  
the limits of technology  
to create products of new value,  
inspires its customers through visual display systems  
and entertainment software,  
and strives for sound prosperity while coexisting  
in harmony with the environment and society.

### EIZO Group Principles of Conduct – Seven Promises

We promote our business with integrity and bravery by establishing  
“Principles of Conduct – Seven Promises –” as follows.

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

### EIZO's Approach to CSR

Our business activity in itself constitutes our most important social responsibility. We are aware that our social responsibility lies in engaging in business with integrity, which includes contributing to society with products, solutions and services, returning all the benefits produced through our business to society, and complying with laws and regulations while respecting human rights. In addition, with the view that participating in and supporting regional activities constitute part of our social responsibility, we enthusiastically engage in such activities.

In this context and as the basic policy underlying our CSR, we uphold the EIZO Group Principles of Conduct, which serve as both a guideline for the EIZO Group and our promise to stakeholders.

### Participation in the United Nations Global Compact



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

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

## The Competitive Advantages of EIZO

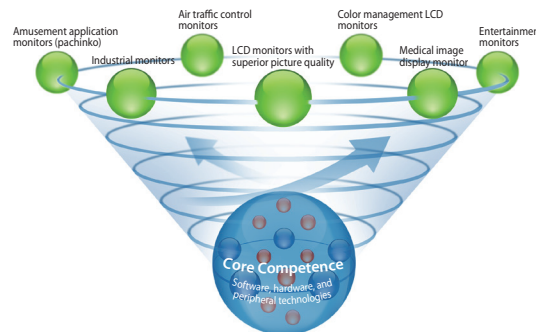
Since its founding, the EIZO Group has consistently focused its technology and passion on creating visual display products. We continue to concentrate our energy and efforts on developing products that are a step ahead of the times by using advanced devices and pursuing cutting-edge technologies. Our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

The outcomes of these accumulated efforts are EIZO's competitive advantages: our business model, excellence in development and quality, and our global network.

### ◆ Business Model

We have built on our core competence\* of software, hardware and peripheral technologies through our work on general-purpose LCD monitors with superior picture quality in order to expand into the area of monitors for vertical markets by developing new products with the additional performance and functions required in various fields. Leveraging the technology, procurement and production synergies among our business units has enabled us to create advanced products with proprietary features to further develop and expand our business. This unique business model has been the major driver of our growth.

#### ■ Business Development Based on Synergies among Business Units



Technology	Procurement	Production
Sharing technologies between business units and developing advanced products with proprietary features	Guaranteed device procurement capability	Production line for flexibly responding to orders

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

### ◆ Excellence in Development and Quality

#### ● Development

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

#### ● Quality

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

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

- Development of environmentally sound products

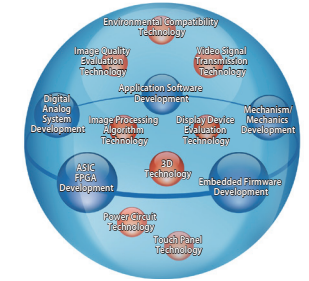
We have a proven track record of incorporating the principle of environmental preservation into product development, and since the early years of our company, we have been highly regarded in Europe, where environment-related standards are particularly stringent. As public concern for the environment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

- Rigorous attention to quality control

The key to the success of our products is the stringent inspections we conduct on the image quality of our monitors at different stages, from development to production. Some inspection criteria are confirmed by human eye in addition to machine to ensure that the image quality of every product is reviewed at the highest level of accuracy from the perspective of the user.



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



### ◆ Global Network

We leverage our extensive capabilities by generating synergies in development, production and sales among our 15 Group companies worldwide.

For details on our global network, please refer to page 18.

Creating New Value

We will supply high-quality products and services loved by customers through creating and offering new value by unique technologies and ideas.

Our products are used in offices and homes around the world, and each field requires different specifications and functions. Beyond listening and responding to customer requests in each field, we relentlessly pursue proprietary technologies and ideas to create and offer new sets of values that extend our promise to consistently deliver products that customers appreciate.

**EIZO Solutions**

We support customers in various industries by improving their imaging environments and meeting their specific needs with value.

◆ **For Greater Diagnostic Accuracy**

Monitors are playing an increasingly important role in the medical profession, where advances in digitization have allowed for the display of a broad array of data, from medical records to images including X-ray results, on monitors. EIZO assists a number of medical institutions with achieving highly accurate medical treatments and enhances operational efficiency through monitor solutions that ensure high-precision displays and the outstanding reliability required for diagnosis, along with quality control applications that consistently maintain the correct display of information.

We also train medical professionals to use the monitors more effectively and efficiently through seminars that cover topics such as monitor mechanisms, the importance of monitor images in diagnosis, and maintenance tips.



◆ **For Comfortable, Creative Environments**

Design, photography and video editing demand extremely accurate color reproduction, and a monitor's display functionality can decisively impact operational efficiency. EIZO provides monitors that are highly regarded by creative professionals for their excellent color reproduction. We also offer monitors that are compatible with high-resolution hardware calibration\* for constantly maintaining accurate coloring to broadly support the work of professionals.



\* Hardware calibration: Calibration method for setting the monitor display environment to enable users to directly adjust the color display by adjusting internal parameters

◆ **For Ensuring Safety in the Sky**

For the ATC market, we provide a total solution that includes the main monitors for tracking aircraft flight status, sub-monitors for displaying relevant information, training monitors, graphics boards capable of displaying images at special resolutions, and flight status recording systems.



◆ **Finely Tuned Response to Specialized Needs**

Monitors built into factory equipment and specialized systems must be fine-tuned to meet specific requirements. EIZO provides monitors with the functionality and performance required by specialized markets and can quickly and flexibly respond to customization needs through its track record of outstanding quality and reliability, small-lot production utilizing our flexible production system, and the capacity to provide stable, long-term supply based on our procurement capabilities.



◆ **Easy on People, Easy on the Environment**

Ever mindful of monitor users, EIZO seeks to incorporate functions and mechanisms that cause less strain on the eyes and body into its products. Creating monitors that are easy on the environment has continued to be a priority in our approach to manufacturing. On the following pages, we explain our evolving approach to creating products that are easy on the eyes, body and environment.



Creating New Value

## EcoView

### Easy on the Eyes, Body and Environment, with No User Effort

EcoView is a design concept for EIZO products that embodies our relentless pursuit to ensure user comfort and our consideration for the global environment. This concept is fully reflected in the FlexScan EV series of monitors that are easy on eyes, body and environment. Here are just a few of this series' advantages.

#### ◆ Easy on the Eyes

##### ■ Preventing Eye Strain



**Auto EcoView – Automatic Brightness Adjustment Function**  
 Detects changes in ambient brightness that occur throughout the day and automatically adjusts the screen to the ideal brightness. This can prevent eye fatigue by reducing glare-induced stress and eye muscle tension caused by viewing dim displays.

##### ■ Reducing Flicker



**EyeCare – Brightness Adjustment Mode**  
 Reduces screen flicker when LED backlight brightness is set low. This can lessen unconscious eye strain by reducing flicker that is unperceivable to the human eye.

#### ◆ Easy on the Body

##### ■ Maintaining the Most Comfortable Posture



**FlexStand 2 / TriStand 2**  
 Offers a wide range of mobility, including height adjustment, tilt and swivel. Non-step adjustment to the monitor can be made to provide users with monitor positions that are optimal for working comfortably and without causing fatigue.

##### ■ Slim, Space-saving Design



**Narrow Bezels**  
 Monitors with an unobtrusive design that are convenient for use in various locations and for a range of purposes. The thinner bezel allows for user comfort by not interfering with eye movement between screens in a multi-monitor configuration.

#### ◆ Easy on the Environment

##### ■ Always Saving Energy



##### EcoView Optimizer 2 / Auto EcoView

Performs real-time analysis of content on the screen and controls brightness while maintaining an impression of the image. Together with the Auto EcoView automatic brightness-adjustment function, EcoView Optimizer 2 maintains optimal backlight power consumption at all times.

##### ■ Automatically Switching Off



##### EcoView Sense

An onboard presence sensor prompts the monitor to switch to power save mode when you are absent and then powers up when you return, thereby preventing electricity waste while the monitor is not in use.

A complete list of EcoView features is available at:  
[http://www.eizo.com/global/products/flexscan/ecoview\\_microsite/about\\_ecoview/index.html](http://www.eizo.com/global/products/flexscan/ecoview_microsite/about_ecoview/index.html)

#### ■ Awards ■ Good Design Award 2012

##### DuraVision FDH3601

EIZO received the 2012 Good Design Award for its 36.4-inch color LCD monitor DuraVision FDH3601, a large-screen high-resolution LCD monitor featuring 4K x 2K (4096 x 2160) resolution.

Accolades from the judges included:

“Product design is evaluated on ‘beauty of utility,’ or how it enriches the user’s life in regard to functionality and appearance. While few words are needed to describe the performance of the 36.4-inch EIZO DuraVision – an ultra-high resolution, high-definition monitor for professional use – the product is highly commendable from the perspective of appearance and for the way its outstanding performance is communicated through the attractive shape of its exterior. This is the result of an uncompromising stance on manufacturing from every aspect, including the practical shapes of the legs and mobile parts, the space-saving elimination of decorative elements, rigorous attention to detail, and a highly accurate finish. This is a tool that professionals can rely on every day; it exemplifies the ‘beauty of utility’ and quickly captures the hearts of users.”



DuraVision FDH3601

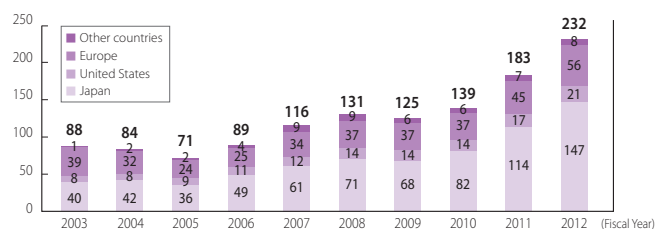
## Protecting Intellectual Property that Enhances Value

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

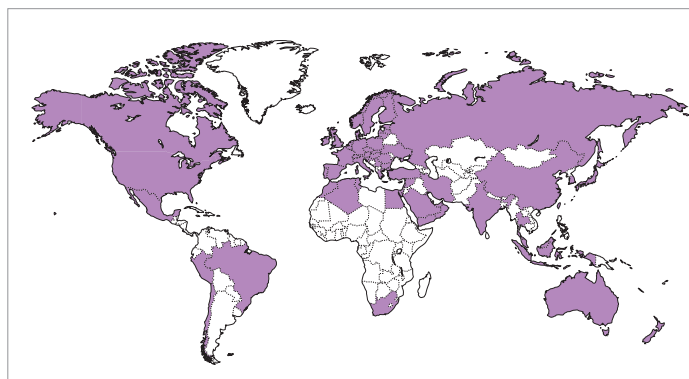
Our recent focus has been on attaining patents and design rights in countries and regions where we expect product sales to grow such as China, India and Russia, in addition to Japan, Europe and the United States, our current main markets. Overall, our goal is to construct a global network of intellectual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

We also believe that trademarks, including the names of our company and products, are key to protecting and enhancing EIZO brand value. We therefore strive to obtain and maintain trademark rights in all the countries where we sell products.

Number of Patents Obtained by the EIZO Group



Countries with Trademark Protection



### ◆ Centralized Management of Intellectual Property for the Entire Group

We have centralized the management of all intellectual property (including patents, design rights, and trademarks) owned by the Group and encourages the creation of intellectual property group-wide. We have also established a system to facilitate the use of intellectual property and the sharing of related information among Group companies.

### ◆ Creating Intellectual Property and Obtaining Rights

We have introduced a survey and application procedure for patents and designs to our product development process with the aim of preventing missed opportunities for identifying new core and peripheral technologies created during the process.

It is our goal that each patent or design application technology is effectively utilized as a powerful patent or design right which is useful in our business. To achieve the goal, we strategically select target countries for the applications and develop a network of patents and design rights centered on application technologies.

In addition, we regularly assess the value of patents and design rights in order to appropriately manage our intellectual property.

### ◆ Encouraging the Creation of Intellectual Property

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

### ◆ Respect for Intellectual Property Rights

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

### Japanese Patents and Design Rights Used in Medical Monitors

Every EIZO product includes numerous patent-protected technologies. Moreover, the design of each product is protected under design rights. For example, the following patented technologies and designs are found in the RadiForce RX440 medical monitor.

#### ◆ Patents

##### Superior picture quality

Technology for accurately displaying an inputted image by minimizing deviations in picture quality caused by variations in LCD panel performance and ambient operating conditions

- Constraining uneven brightness and color (Pat. Nos. 490899 & 4542988)
- Achieving optimal gradation in response to brightness (Pat. No. 3974630)
- Correcting gradation in response to variations in ambient conditions (Pat. No. 5080681)
- Controlling backlight to achieve accurate screen brightness (Pat. No. 3193315)
- Preventing diagonal stripes (Pat. No. 3094014)

##### Automatic landscape/portrait positioning of display image

Technology for automatic positioning of the displayed image in landscape or portrait mode that does not require specialized software (Pat. No. 3818951)

##### Simplified image processing

Technology for downsizing circuitry and achieving high-speed processing by simplifying the process for zooming in or out of an image (Pat. No. 3323166)

##### Prediction of backlight longevity

Technology for predicting backlight longevity based on accumulated time of use the maximum brightness at a point of prediction (Pat. No. 4372733)

- Detecting backlight (Pat. No. 3171808)

#### ◆ Designs

##### Design for the OSD menu

(Design Registration No. 1381789)



##### Optimal display for each image

Technology for automatically identifying and optimally displaying inputted images

- Automatic identification and optimal display of monochrome/color images (Pat. No. 4977255)
- Optimal display of selected application (Pat. No. 3897786)
- Automatic identification and optimal display of anti-aliased fonts (fonts without edges) (Pat. No. 4937417)

##### Maintaining superior picture quality

Technology for maintaining high display quality at the time of shipment by regularly measuring and correcting displayed images

- Achieving highly accurate gamma characteristics during white display (Pat. No. 3751621)
- Acquiring image conditions in non-measurement areas (Pat. Nos. 4393433 & 5279096)
- Automatic calibration (Pat. No. 4809453)
- Reciprocal sensor movement mechanism (Pat. Nos. 4846051 & 4951711)

##### Power Saving

Technology for accurately detecting the user's presence or absence in front of the monitor and switching to power saving mode when a certain period of time is lapsed after the absence is confirmed (Pat. Nos. 4782209 & 4975071)

##### Design for the display section

(Design Registration No. 1397855)

##### Design for the stand section

(Design Registration No. 1417333)

## EIZO's Quality Assurance System

Under our Quality Management Policy, we seek to ensure reliable long-term use of EIZO brand products by establishing an integrated quality control system that encompasses development and manufacturing to after-sales service and making continuous improvement throughout the system.

### ◆ Quality Standard

The quality of our products constitutes the foundation of the EIZO brand. We comply with the quality standards and regulations of each country where we sell our products as well as with the certified standards for each product. We have also established our own reliability standards that reflect diverse events including cases from both in and outside the company. These standards are applied to all EIZO brand products (LCD monitors).

In addition, we have sought to unify and standardize selection criteria for components used in our products to maintain and standardize product quality by applying these criteria to all Group companies.

### ◆ Gathering and Reflecting Customer Feedback

We provide after-sales service through Group companies in nearly every country where we sell our products, which has enabled us to develop an accurate understanding of customer requests and expectations.

We compile and shares customer feedback with Group companies in an effort to consistently offer high-quality, attractive products and services.

### ◆ Quality Management System

All Group companies involved in development and production have obtained certification under the international quality management standard ISO 9001, and ISO 13485 for medical equipment. We have incorporated these standards into the Group's quality management system in an ongoing, voluntary effort to maintain and improve the system.

### Quality Management Policy

The EIZO Group is committed to continually fulfilling customers' expectations by proposing and offering high quality products, services, and solutions. We therefore:

- 1 Aim to develop high quality products by pursuing the world's highest level of technology.
- 2 Carry out our responsibility for environmental preservation by actively reducing the effects on the environment in every business activity from product development to manufacturing to sales and service.
- 3 Set the quality target which are carried out and reviewed by all the employees in every business activity.
- 4 Establish a quality management system, review it periodically, and continually improve it to sustain its validity and suitability.
- 5 Respond to the trust of both medical professionals and patients by providing medical equipment with assured quality, effectiveness and safety.
- 6 Comply with legal and social requirements.

Environmental Consideration for Our Products and Business Operations

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

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

### Environmental Policy

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

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

### Environmental Management System

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

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

#### ◆ Activities under the Environmental Management System

As in fiscal 2011, we incorporated many tasks for meeting our environmental targets for fiscal 2012 that would achieve results in product specifications. We also sought to accomplish these tasks and targets by sharing them with in-house organizations, including the design and development departments. We successfully reduced power consumption during suspension and use, exercised stricter control over chemical substances used in parts, and manufactured products that meet advanced environmental standards.



#### ◆ Environmental Management System Audits

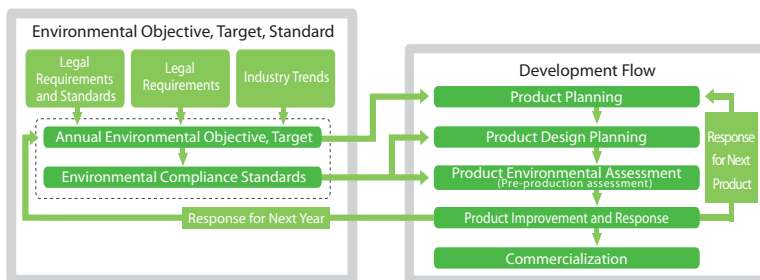
Our ISO 14001 certification was maintained and updated in fiscal 2012 after a third-party institution conducted an external audit.

### Basic Product Development Sequence

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

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

#### Basic Product Development Sequence



#### Product Assessment Example (partial list)

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

### Green Procurement

#### ◆ Our Philosophy on Green Procurement

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

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

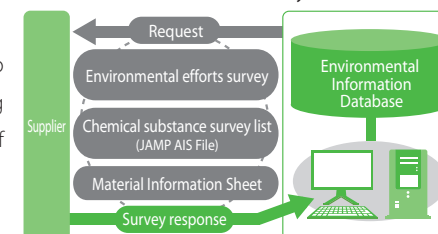
Our suppliers' efforts to reduce environmental impact and preserve the environment are just as important to us as their quality, prices, delivery schedule, services and technological excellence. In selecting products, parts and materials, including packaging, we place higher priority on those that are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

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

#### ◆ Management of Chemical Content Information

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

#### Flow of Chemical Content Survey



## Compliance with Environmental Labeling Standards and Legal Requirements

In our effort to proactively develop environmentally sound products, we observe the legal requirements of Japan and other countries and comply with major environmental labeling standards in each market for our flagship products. Furthermore, as we ensure that our own products are in full compliance, we also play our role in guiding the entire industry by actively engaging in the development of standards, such as the internationally recognized TCO Display 6.0 and ENERGY STAR 6.0.

We will continue to closely monitor trends in environmental labeling to reduce the environmental impact of product development.

### ◆ TCO

Efforts to make our products more environmentally friendly have proceeded largely in response to the evolution of environmental standards in Europe, starting with ensuring compliance with the TCO'95 standard introduced in Sweden. This standard has evolved into TCO Displays 6.0 following subsequent upgrades. EIZO has consistently participated in the formulation of TCO standards, scrutinizing the content of the standards to ensure progress in their effective application and immediately obtaining certification as each new version comes into effect. In the years ahead we will continue to recognize the importance of meeting this standard in the development of new products and maintain our policy of obtaining certification.



### ◆ ENERGY STAR

The ENERGY STAR Program was launched by the U.S. Environmental Protection Agency in 1993 to help reduce the power consumption of computers and related devices. The International ENERGY STAR Program was adopted in Japan in 1995 on the basis of an agreement with the U.S. government. We have participated in this program from the very beginning, and since becoming the first registered monitor manufacturer, we have had virtually all subsequent products registered under the program. ENERGY STAR Ver. 6.0 went into effect in June 2013. While the new standard is even more stringent, our products have

been in compliance since it went into effect. We will continue to actively seek compliance with these standards for the models we develop in the future.



### ◆ EPEAT

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



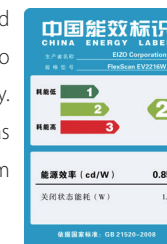
### ◆ European Directives (RoHS/WEEE/REACH)

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



### ◆ China Energy Label

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



## Collection and Recycling of Used Products

The EIZO Group has been collecting and recycling used products in compliance with environmental laws and regulations in each of the countries where it operates.

### Japan

#### ◆ Collection of Used EIZO Products from Homes

In compliance with the Waste Disposal Act and the Law for Promotion of Effective Utilization of Resources, EIZO established its Product Collection and Recycling System for free collection of monitors for home use.

End-of-Life EIZO Monitors (for Home Use) Collected in FY 2012		
	CRT monitors	LED monitors
Volume in weight (kg)	22,699	9,149
Quantity (units)	919	1,307
Recycled volume (kg)	14,606	8,024
Recycling ratio (%)	64.4	87.7

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

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

End-of-Life EIZO Monitors (for Business Use) Collected in FY 2012		
	CRT monitors	LED monitors
Volume in weight (kg)	741	1,407
Quantity (units)	30	201
Recycled volume (kg)	495	1,105
Recycling ratio (%)	66.8	78.6

#### ◆ Collection of Used TVs

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

End-of-Life TV Sets Collected and Recycled in FY 2012	
Quantity collected from designated collection sites (units)	168
Quantity of products discarded for recycling (units)	161
Weight of products discarded for recycling (kg)	3,092
Weight of recycled products (kg)	2,527
Recycling rate (%)	81

### Europe

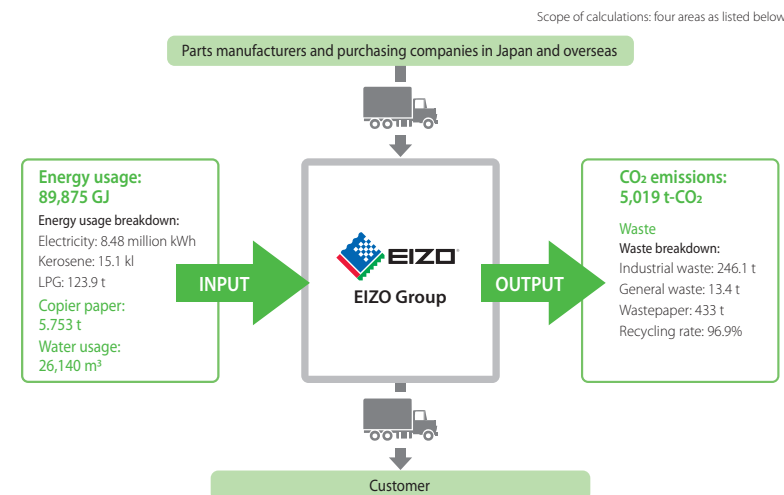
#### ◆ EIZO Monitors Discarded in Europe

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.

Recycling Discarded EIZO Monitors in Europe (EIZO Technologies GmbH) in FY2012	
Paper and cartons (kg)	2,102
Packing material (kg)	1,588
Electronic scrap and metal (kg)	225
Solder residue (kg)	251

## Overview of the Environmental Impact of Our Business Operations



### Environmental Impact by Area

Area	EIZO MS Corporation		EIZO Corporation Headquarters area	EIZO Display Technologies (Suzhou) Co., Ltd. (China)	Total	
	Nanao Plant	Hakui Plant				
Operations	Assembly of monitors	Production of circuit boards	Development and manufacturing (assembly) of monitors	Development and manufacturing (assembly) of monitors		
Circuit boards	9,662	29,084	49,716	1,413	89,875	
Energy Resources	Electricity (10,000 kWh)	97	292	445	14	848
	Kerosene (kl)	-	-	15.1	-	15.1
	LPG (t)	-	-	123.9	-	123.9
Copier Paper (t)	0.134	0.893	4.463	0.263	5,753	
Water Usage (m³)	2,608	2,486	20,594	452	26,140	
CO <sub>2</sub> Emissions (t-CO <sub>2</sub> )	529	1,593	2,785	112	5,019	
Waste	Industrial Waste (t)	85.4	33.7	127.0	-	246.1
	General Waste (t)	1.0	2.8	9.6	-	13.4
	Wastepaper (t)	152	58	223	-	433
	Recycling rate (%)	98.4	95.9	96.2	-	96.9



## Environmental Risk Management

### ◆ Facility Management

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

### ◆ Regulatory Compliance

We strive to comply with regulations governing corporate activities such as the Air Pollution Control Act, the Water Quality Pollution Control Act, and the Waste Disposal and Public Cleansing Act by collecting information on revisions and new regulations and by regularly monitoring and measuring the status of our response. Our emissions of air pollutants NOx and SOx 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 2012, and no administrative guidance, admonitions, orders or reprimands have been received. In addition, no complaints about environmental issues were received from our neighboring communities.

## Prevention of Global Warming, and Energy Conservation

### ◆ Emissions of Greenhouse Gases (Japan and China)

Please refer to page 3 for data.

### ◆ Energy Use

In fiscal 2012, we sought to save energy by optimizing the operation of our existing air conditioning units. As a result, we were able to limit total energy use to below 1,500 kl in crude oil equivalent, which is the target for energy efficiency under the Energy Savings Law. We also replaced some of the lighting at the Hakui Plant of EIZO MS Corporation with LED lighting. We will continue to pursue group-wide energy saving activities while also maintaining comfortable working conditions.

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

	Electricity	Kerosene	LPG
FY 2013 Targets	8.325 million kWh	16kl	140t
FY 2012 Targets	9.26 million kWh	16kl	140t
FY 2012 Actual Results	8.48 million kWh	15.1kl	12.39t
Level of Attainment	○	○	○

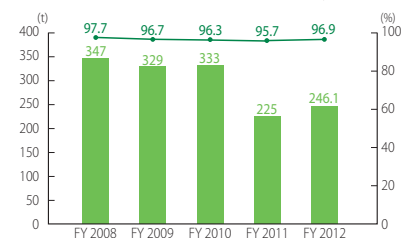
### ◆ Water Use

We use only groundwater in EIZO Corporation's Headquarters area (Group 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 9% year-on-year to 246.1 t. While the volume increased compared with fiscal 2011, during which production adjustments were made in the wake of the Great East Japan Earthquake, it decreased in comparison with the years preceding fiscal 2011. The recycling rate of 96.9% exceeded our goal of 96%.

■ 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 chemical 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.

## 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 2012 Environmental Target	FY 2012 Actual Results	Self-evaluation	FY 2013 Targets
Efforts to prevent global warming	CO <sub>2</sub> reduction	Reduced power consumption	Reduce electricity consumption by 9.26 million kWh/year	Maintained electricity consumption under 8.48 million kWh/year	○	Reduce electricity consumption to no more than 8.325 million kWh/year • Expand effort to upgrade interior lighting to LED • Shorten aging time of lighting
		Reduced fuel consumption	Reduce consumption of fuel LPG: up to 140 t; kerosene: up to 16 kl	Reduced LPG consumption to 123.9 t/year and kerosene consumption to 15.1 kl/year by optimizing air conditioning	○	Reduce consumption of fuel LPG: no more than 140 t; kerosene: no more than 19 kl
		Environmentally sound product design	Reduce product electricity consumption	EV series developed in fiscal 2012 achieved power consumption of 0.5 W in sleep mode and 0.5 W in off mode EV series developed in fiscal 2012 achieved targets for lightweight, compact and slimmer products	○	Reduce product electricity consumption • Increase number of products that meet the targets for reduced electricity consumption when connected to DVW/Display port – 0.5 W for sleep mode and 0.5 W for off mode • Promote lightweight, compact and slimmer products; conserve resources used for container boxes
Creating a sustainable society	3R (reduce, reuse, recycle)	3R design	Promote product recycling	Reused LCD units of some amusement monitors collected from the market	○	Promote product recycling • Promote reuse of parts for amusement monitors
		3R activities	Reduce industrial waste Maintain industrial waste generation below 325 t and purchase of copier paper below 6024 t	Reduced industrial waste generation to 246.1 t, purchase of copier paper to 5.753 t	○	Maintain industrial waste generation below 255 t and purchase of copier paper below 5.9 t
Environmental issues	Management of chemicals	Reduced consumption of chemicals	Manage and restrict emissions and transport of toxic substances	Reviewed and implemented a management system for chemical substances used at facilities Replaced a coolant spray with an environmentally sound product	○	Manage and restrict emissions and transport of toxic substances • Thoroughly adhere to appropriate management of chemical substances used at facilities
Environmental communication	Maintaining communication	Education and training	Conducted employee training	Conducted thorough environmental training for new employees	○	(Maintain efforts as a focus issue)
		Disclosure of environmental information	Corporate activities Disclosure of product information	Promoted wearing of lighter or warmer clothes under the “cool biz” and “warm biz” campaigns Maintained the Challenge 25 website  Disclosed product environmental information through the corporate website and catalogs	○  ○	(Maintain efforts as a focus issue)  (Maintain efforts as a focus issue)
Environmental compliance	Compliance with environmental laws and standards	Standards compliance	Respond to revised RoHS	Revised the EIZO Green Procurement Standards to reflect required content Revised the CE Declaration of Conformity and prepared supplementary information	○	Continue to respond to revised RoHS and additional SVHC substances under REACH Increase number of products that comply with ENERGY STAR 6.0 Increase number of products that comply with China Energy Label Increase number of products that comply with TCO Certified Displays 6.0
			Respond to ENERGY STAR 6.0	Achieved compliance for 5 EV Series products developed in fiscal 2012	○	
			Respond to TCO Certified Displays 6.0	Achieved compliance for 5 EV Series products developed in fiscal 2012	○	

○ : 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 and EIZO MS Corporation were also applied to EIZO Display Technologies (Suzhou) Co., Ltd. from fiscal 2012 to establish an environmental management system that encompasses all three companies.

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

Both companies operate in accordance with local environmental conditions and regulations, including those for CO<sub>2</sub> emissions reduction, 3R's and management of chemicals.

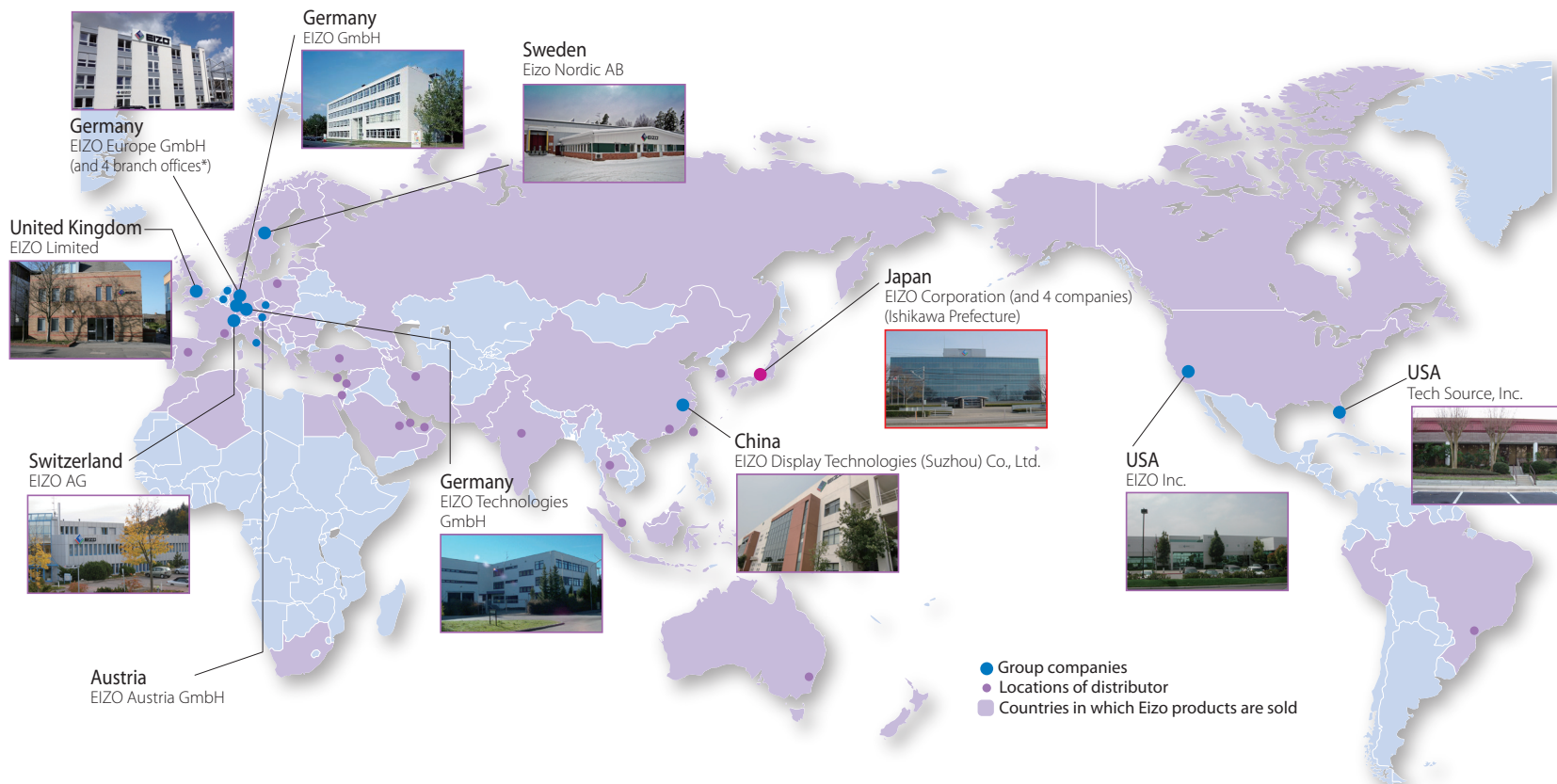
Operating as an International Corporation

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

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

### EIZO Group Global Network

The EIZO Group comprises 15 companies in Japan, Europe, the United States and China. While leveraging the individual strengths of each Group company, we generate synergies in development, production and sales across the Group and utilize our comprehensive, worldwide capabilities to meet the needs of the market while enhancing our product lineup and expanding our market share.



Our products are well received around the world, with current sales in 70 countries and territories through our Group companies and 18 global distributors. (As of September 2013)

\* EIZO Europe GmbH is composed of the head office in Germany and five branch offices in Belgium, Czech Republic, Italy and the Netherlands.

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

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

#### ◆ Production in China

China represents a priority market that is expected to continue growing. We are particularly focusing on expanding into the Chinese medical market. To this end, we did not establish our Chinese plant to reduce personnel costs, but instead to pursue our basic approach of “local production for local consumption,” in which products sold in the Chinese market are produced by our Group company in China. We seek to establish a competitive advantage for our products in the Chinese market by understanding local needs and reflecting them in product planning and development while also strengthening our local parts procurement.

### Sales Network – One Country/Territory, One Distributor System, and Our Direct Sales System

#### ◆ 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 subsidiary or distributor 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 who fully understand the culture and values of their respective regions and share information more smoothly. It also allows us to offer products through sales methods that are appropriate for each country or territory.

#### ◆ Direct Sales System in Europe

We have expanded its business into vertical markets encompassing medical, graphics, industrial and air traffic control monitors. These markets require direct, ongoing communication with customers as well as solid global support. To more effectively respond to these specific market environments and diversified sales channels, we established sales subsidiaries in the United Kingdom and Germany in August 2011 and replaced local distributors with a direct sales system in Europe in 2012. We are pursuing further business growth by reinforcing regional sales centered on the two sales subsidiaries.

#### ◆ Collaboration among Group Companies

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

#### EIZO United

Group companies and distributors gather once a year at the EIZO Corporation headquarters to participate in technology exhibits and general and individual meetings to deepen their understanding of EIZO products. Exchanging information on their respective activities broadens their collective base of knowledge and forges closer ties between Group companies.



## Open and Fair Trade

## We will conduct open and fair trade.

**Our suppliers are essential partners for ensuring the long-term viability of our business.**

**We therefore ensure transactions are conducted in a fair and equitable manner and strive to forge relationships of trust based on mutual prosperity.**

◆ **Relationships of Trust Based on Mutual Prosperity**

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

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

◆ **Enhancing Employee Awareness**

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

◆ **Handling of Information Obtained through Suppliers**

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

◆ **Unequivocal Prohibition of Bribery**

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

business practices, and we explicitly ensure they understand our corporate stance.

◆ **Basic Procurement Policy**

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

**Selection Standard for Suppliers**

- ① Sound management
- ② Technological excellence that will contribute to the quality of our products
- ③ Appropriate quality, prices, and delivery schedules for products and materials to be supplied to us
- ④ Stable supply capacity and ability to respond flexibly to fluctuations in demand
- ⑤ Compliance with relevant laws, consideration for the environment, and active involvement in environmental preservation

◆ **Developing Mutual Understanding with Suppliers**

As a manufacturing company that strives to create excellent products that satisfy customers around the world through our primary business operations, we place high priority on controlling quality, delivery schedules and the cost of parts and materials procured from suppliers as well as confirming that supplier operations are environmentally sound. We provide opportunities for regular exchanges of information to address these issues and ensure we and our suppliers share a common understanding of each others' management policies and technical strategies.



**Materials Procurement Briefing**

We conduct regular briefings with our suppliers to explain our basic procurement policy and request their cooperation. We also discuss the market environment and our future efforts. Many suppliers attend these briefings, which contribute to a greater understanding of EIZO and to gathering information for subsequent incorporation into business decisions.

Strong Bonds of Trust with Stakeholders

We will seek to build and maintain strong bonds of trust with our stakeholders (business partners, employees, shareholders, and the local community).

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

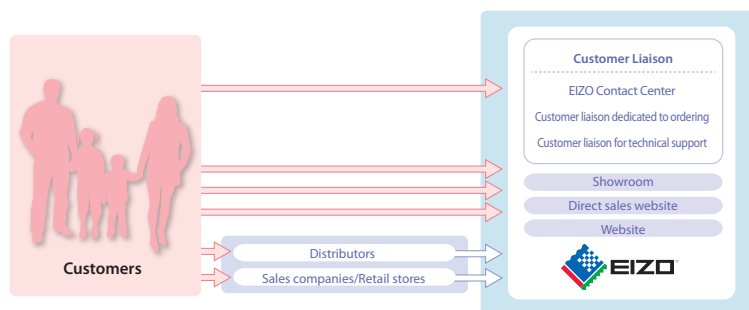
Relationship with Each Type of Stakeholder

EIZO's Stakeholders		EIZO's Responsibility	Communication Channels
Customers P. 22	In addition to offering products that satisfy customers, we listen closely to their feedback and provide useful support.	<ul style="list-style-type: none"> <li>● Creating and offering products with new value.</li> <li>● Developing products from the customer's standpoint.</li> <li>● Responding clearly to questions and inquiries.</li> <li>● Thoroughly responding to customer requests and feedback.</li> </ul>	<ul style="list-style-type: none"> <li>● Developing better products</li> <li>● Setting up Contact centers as customer liaison points                             <ul style="list-style-type: none"> <li>– Responding to questions and inquiries before and after purchase</li> <li>– Listening to customer opinions</li> <li>– Technical support</li> </ul> </li> <li>● Sharing information with relevant departments and considering incorporation into products</li> <li>● Interacting with customers at showrooms and through direct dialog</li> <li>● Providing and collecting information through participation in various trade shows</li> <li>● Providing timely information via the corporate website</li> </ul>
Suppliers P. 20	We view suppliers as essential and important partners in the continuation of our business, and forges powerful relationships by sharing management policies and technical strategies.	<ul style="list-style-type: none"> <li>● Building relationships of trust</li> <li>● Fair business transactions</li> <li>● Explaining corporate policy and broadening understanding among suppliers</li> </ul>	<ul style="list-style-type: none"> <li>● Sharing information and creating mutual understanding as partners</li> <li>● Establishing selection standards, dealing with suppliers on an equal opportunity basis</li> <li>● Holding material procurement briefings</li> </ul>
Employees P. 26	We are a company focused on creative development that requires the imaginative ideas and powerful motivation of its employees. We therefore work to create a broadminded corporate climate and a workplace in which employees have a sense of security, and we support our employees in their self-development.	<ul style="list-style-type: none"> <li>● Motivating workplace environment</li> <li>● Developing excellent personnel</li> <li>● Promoting work-life balance</li> <li>● Securing safety and health</li> </ul>	<ul style="list-style-type: none"> <li>● Providing various educational programs</li> <li>● Supporting self-development activity</li> <li>● Creating workplaces that reflect employee opinions and sound labor-management relations through consultation conferences</li> </ul>
Shareholders P. 23	We strive to gain the understanding and trust of our shareholders by providing fair and accurate information on management policies, business strategies and financial performance, and by maintaining transparency in our corporate management.	<ul style="list-style-type: none"> <li>● Timely and appropriate disclosure of information</li> <li>● Enhanced corporate value</li> </ul>	<ul style="list-style-type: none"> <li>● General shareholders meeting (holding informal gatherings)</li> <li>● Stable dividend payment</li> </ul>
Local Community P. 23	We seek to build solid relationships with the local community to gain their understanding and cooperation in pursuing our business operations. We are committed to fulfilling our responsibilities as a corporate citizen.	<ul style="list-style-type: none"> <li>● Preventing accidents and disasters at each business site</li> <li>● Protecting the regional environment</li> <li>● Cooperating with regional development and promoting culture</li> </ul>	<ul style="list-style-type: none"> <li>● Receiving company visits</li> <li>● Sponsoring various events and organizations</li> <li>● Supporting environmental conservation activities</li> <li>● Corporation with Local Community and association</li> <li>● Participating in local voluntary activities</li> </ul>

## Relationships with Customers

We provide product information on our Website, at our showrooms and through sales and promotional activities. We strive to directly communicate with customers through various channels in order to fully answer questions and respond to customer requests and feedback.

### Feedback System for All Types of Customer Input



### Customer Liaison

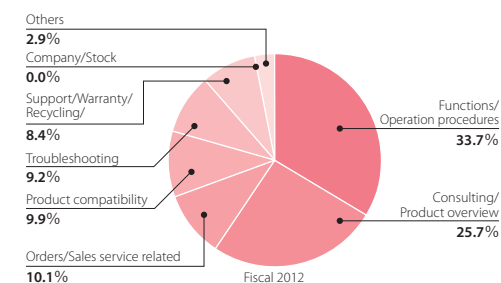
Each Group company has set up a customer liaison process (including access by phone or e-mail) to receive inquiries and questions related to EIZO products and technology. Customer inquiries and requests are promptly shared and appropriately addressed within the company, relevant departments and the Group.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

EIZO Corporation (Japan)	<ul style="list-style-type: none"> <li>Set up the EIZO Contact Center as a dedicated liaison for responding by phone and e-mail</li> </ul>
EIZO Technologies GmbH (Germany)	<ul style="list-style-type: none"> <li>Responds to inquiries through a dedicated liaison and website</li> </ul>
EIZO Limited (United Kingdom)	<ul style="list-style-type: none"> <li>Provides customer support and technical support by e-mail</li> </ul>
EIZO Inc. (United States)	<ul style="list-style-type: none"> <li>Provides a dedicated liaison for after-purchase inquiries over the phone</li> <li>Offers an e-mail address for general inquiries</li> </ul>

### EIZO Contact Center (Japan)

The EIZO Contact Center has been set up as a convenient means for customers in Japan to communicate with the company. The center provides answers to inquiries related to product specifications and operating procedures as well as questions related to purchasing products through telephone, e-mail and fax.

### Calls to the Contact Center



### Showroom

Visitors can test the performance of our products while trying out their functions at our showroom, which also serves as a space for communicating with customers.

### EIZO Galleria (Japan)

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



### Relationships with Shareholders

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

#### ◆ Basic Policy on Information Disclosure

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

#### ◆ General Shareholders Meeting

We try to schedule our annual general shareholders meeting for a date that is convenient for shareholders by avoiding days on which other such meetings are being held. We also send out invitations as far in advance as possible to provide enough time for shareholders to examine the proposed resolutions and the state of our operations.

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

#### ◆ Company Presentations for Investors

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

#### ◆ Shareholder Benefits

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

### Relationships with the Local Community

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

#### ◆ Relationships with Local Communities

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

#### Examples of Community Contribution Activities

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

#### ◆ For Regional Development

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

#### Examples of Participation in Regional Activities

EIZO Corporation (Japan)	<ul style="list-style-type: none"> <li>● Ishikawa Keiei Tensho Juku: cooperation through operational advice and lectures on an educational project for young corporate managers and future entrepreneurs who will bear responsibility for the future of the regional economy</li> <li>● Co-sponsorship and support for the Orchestra Ensemble Kanazawa in Ishikawa Prefecture</li> <li>● Co-sponsorship and support for La Folle Journée Kanazawa Music Festival as a member of the executive committee</li> </ul>
EIZO Technologies GmbH (Germany)	<ul style="list-style-type: none"> <li>● Membership and participation in activities undertaken by United Way Worldwide, a corporate organization that discusses local issues and solutions</li> <li>● Ongoing participation in local events such as marathons</li> </ul>
EIZO Inc. (United States)	<ul style="list-style-type: none"> <li>● Local development of the arts: support for projects aimed at increasing the artist population by creating opportunities for dance performances and photo exhibitions; projects aimed at developing the world of photography by providing educational settings</li> </ul>



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

We will strictly respect and comply with both the letter and the spirit of the law as a good corporate citizen.

We believe each individual employee must raise their awareness of compliance and the company must conduct sound corporate governance to provide our stakeholders with trust through the ongoing creation of corporate value.

## Compliance

### ◆ Our Philosophy on Compliance

We recognize compliance as one of the most important concerns of management for fulfilling our social responsibility at the highest levels, and this includes ethical responsibility. Our action guidelines on compliance stipulate that we never become involved in illegal or unethical acts, and that we provide sufficient compliance training for all officers and employees. We have established an organizational structure for guaranteeing compliance and have been developing measures and systems to ensure effectiveness, and steadily promoting these measures based on an annual plan from a long-term perspective.

### ◆ Compliance Training

For officers and other employees, regulatory and other related information are always available on the corporate intranet, and we regularly provide training material to encourage them to update and enhance their knowledge toward establishing full awareness of the role and importance of compliance and cultivating an ethical mindset.

We established the EIZO Group Principles of Conducts – The Seven Promises to clarify our corporate philosophy and action guidelines in concrete terms and to serve as a standard in decision-making, evaluation and in the actions undertaken through the course of our business activities. We also seek to instill a thorough awareness of compliance among all Group employees in Japan and overseas while further enhancing our compliance system based on the prior establishment of the Compliance Committee and by further strengthening our management structure.

### ◆ Strengthening the Information Management System

We ensure proper handling of confidential information in accordance with our established guidelines. We have also appointed an information management representative with overall responsibility for establishing a company-wide information management system.

### ◆ Internal Notification Program

To further strengthen our compliance system, we set up a liaison point to provide answers to questions

and advice on problems, concerning legal issues or the content of the principles of conduct, that may arise in the course of our operations. In addition, we strive to ensure early detection of illegal activity and to prevent misconduct by operating a whistle-blowing system that requires officers and employees to report to the liaison point immediately upon learning of activities in violation of laws or ethics, regardless of their own involvement. We ensure that the privacy of the whistle blower is protected and that the individual will not be placed at any disadvantage for reporting the violation.

## Risk Management

We have established and operate a risk management system to integrate and centralize the management of risks that could affect our business activities. Risk management is supervised by the Management Conference and the Risk Management Committee, and risks identified by each department are examined by the committee. Any risk that could have a significant impact on our business is designated as a "serious risk" by the Management Committee, comprising full-time officers and managing officers. Appropriate countermeasures are discussed and implemented.

As our business activities became even more global in nature, we expanded the scope of risk identification and evaluation to Group companies in and outside Japan in fiscal 2012. We intend to further advance these activities in fiscal 2013.

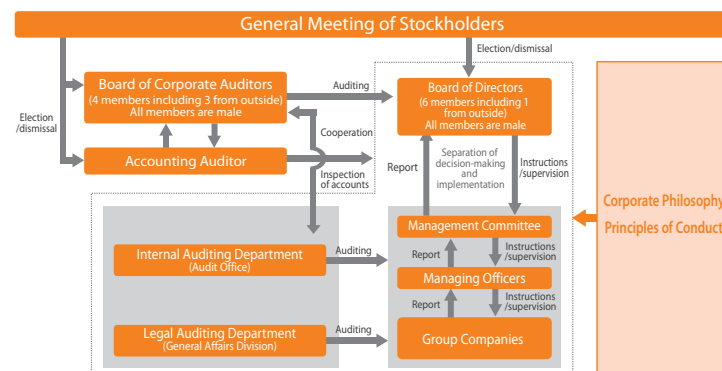
### ◆ Business Continuity Plan (BCP)

To be prepared in the event of a major disaster, EIZO formulated a BCP for responding to natural disasters and a BCP for handling the outbreak of the new influenza virus, and these plans have been disseminated throughout the company. Particularly with regard to our BCP for disaster response, we have established procedures for restoring critical operations and resuming the supply of our products within one month, in addition to confirming employee safety and facilitating necessary rescue operations in the immediate aftermath of a major disaster.

## Corporate Governance

We strive to be a company that consistently produces satisfactory results with the support of our stakeholders. To this end, we view the ongoing improvement of corporate governance as a vital management concern.

### Corporate Governance System



### ◆ Overview of Management Organization

#### ● Board of Directors

The Board of Directors meets monthly and as required to support timely decision-making for today's business environment. All important matters related to the board's decisions are discussed and progress reports on business tasks are presented on a regular basis. Among the six board directors, we have appointed a single outside director (as of June 21, 2013) to provide supervision and advice from a third-party perspective and thereby increase the transparency of management decisions. We also appointed one outside director and two outside corporate auditors as independent directors as stipulated under Tokyo Stock Exchange regulations.

#### ● Management Committee

The Management Committee is composed of directors (excluding the outside director), a full-time auditor and managing officers, and is convened as required to accelerate strategic decision making, respond to important issues, and deliberate or report on the status of operations.

#### ● Managing Officer System

We have introduced a managing officer system to separate the supervision of management and the execution of operations, while accelerating the pace of operational execution.

#### ● Board of Corporate Auditors

We have adopted a system of corporate auditors. The board of corporate auditors consists of four members (one full-time and three part-time, as of June 21, 2013) and includes three outside corporate auditors. Corporate auditors attend key meetings of the Board of Directors.

The full-time corporate auditor reviews and discusses with directors important documents, such as draft proposals and contracts. He also collaborates with the Audit Office, the company's internal auditing department, on the review of internal regulation functions.

#### ● Internal Auditing System

The Audit Office reports directly to the president and functions as the company's internal auditing department. It carries out internal audits in accordance with the Basic Regulations on Internal Audits, which specifies audit policies, and with the Basic Annual Audit Plan approved by the president. All findings of these internal audits are reported to the president.

### ◆ Compensation System

With respect to bonuses paid to officers, we have endeavored to further clarify directors' management responsibilities for corporate performance. Also, we have introduced a performance-based compensation system that explicitly limits bonuses to within 3% of net income for each fiscal year (up to a maximum of ¥200 million) in an effort to ensure transparency of the calculation method.

### ◆ Internal Control System

We established our basic policy underlying a system that ensures directors execute their tasks in compliance with the law and the articles of incorporation, along with a system for ensuring the appropriateness of other operations. Based on the policy, we have proceeded to develop related systems and to complete the groundwork for establishing an internal control system. We have also established 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.

Broadminded Corporate Culture

We will respect human rights and value a broadminded corporate culture.

EIZO is a company focused on creative development that requires the imaginative ideas and powerful motivation of all its employees.

We therefore take various measures to create a broadminded corporate culture by developing an environment that encourages free exchange of opinions and a workplace in which employees have a sense of security. Many of our top managers at overseas Group companies are local personnel, and we pay due consideration to the diversity of each country's cultures and customs to create the most suitable working environments.

Laying the Foundations for a Motivating Workplace

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

◆ Employment

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

EIZO Group Including Overseas Affiliates (as of March 31, 2013)

Number of Employees (regular employees)	1,637	Engineering staff	562
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EIZO Corporation (as of March 31, 2013)

Number of Employees (including term employees)	756	Male	392
		Female	364
		Engineering staff	232
		Foreign nationals	21
Graduate recruits Joined company in April 2013	21		
Mid-career recruits Joined company from April 2012 through March 2013	1		
Average age As of March 31, 2013	37.6		
Average length of service As of March 31, 2013	14.3 years		
Average annual working hours FY 2012	1,963 hours		

◆ Developing Trust-Based Labor-Management Relations

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

◆ Promoting the Careers of Persons with Disabilities

Persons with disabilities are engaged in careers at many of our worksites, and as of March 2013, 17 disabled people are currently employed by the Group. This represents 2.09% of the workforce at EIZO Corporation, exceeding the minimum legal requirement of 1.8%. We intend to continue improving our workplace environment and expanding work opportunities for the disabled.

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

March 2011	March 2012	March 2013
2.24	2.09	2.09

◆ Paying Due Respect to Human Rights

To curtail behavior that undermines individuality at the workplace and throughout our operations, such as forced labor and child labor, discriminatory remarks or actions, and sexual or power harassment, we have clearly stated our position on the matter in our principles of conduct and conduct educational activities to keep all employees, including those at Group companies, informed of this position.

### Promoting Work-Life Balance

To respond to diversifying work styles and ensure employees are able to work with a sense of satisfaction, accomplishment and happiness, we believe it is important for employees to have extra time to refresh their minds and bodies.

#### ◆ Opportunities for Recreation and Exchange

We support employees in their varied sports and cultural activities within the company by supplementing costs and permitting use of company facilities to encourage participation. We also offer opportunities for recreation and exchange through numerous affiliated accommodation facilities and sports gyms.



#### ◆ Supporting Childcare and Nursing Care

Under the respective laws of each country, we support various programs including maternity leave, childcare leave and nursing care leave, shorter working hours, and leave to care for sick children. We have developed a supportive working environment that includes measures such as reducing working hours up to two hours per day for childcare to flexibly meet employee needs. We plan to enhance our programs for supporting employees with childcare or nursing responsibilities by introducing benefits such as childbirth leave for prospective fathers.

■ Number of Applicants (EIZO Corporation)

	FY 2010	FY 2011	FY 2012
Childcare/Nursing Care Leave	29	29	29
Reduced Working Hours For Childcare or Nursing Care	24	31	27

#### ◆ Shorter Actual Working Hours

As part of our efforts to decrease the number of working hours, we undertake work improvement activities on a unit-by-unit basis and observe a weekly no-overtime day. We also vigorously encourage employees to take compensation days off for working on holidays and take sufficient paid leave. As a result of these efforts, we were able to reduce average working hours in fiscal 2011. However, these hours began to increase in fiscal 2012. We are

therefore promoting measures in fiscal 2013 to further streamline our operational processes and achieve greater efficiency toward significantly reducing average actual working hours.

■ Average Working Hours (EIZO Corporation)

FY 2010	FY 2011	FY 2012
1,937 hours	1,908 hours	1,963 hours

### Human Resource Development Efforts

#### ◆ Reinforcing Management Capabilities

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

#### ◆ Emphasis on Educating Younger Employees

First-year employees participate in programs on organizational structure and basic knowledge for adulthood and independence, and receive on-site factory training to learn about the foundations of our company. We also conduct a variety of programs specifically targeting young employees, including technical training for new engineering staff to ensure they acquire a broad foundation of knowledge on our basic technologies. Periodic group-based training and on-the-job training (OJT) is emphasized in each department, and managers draw up three-year career plans in consultation with young employees, providing a basis for a systematic OJT program.

#### ◆ Supporting Career Development

We encourage employee career development by providing a complete and diverse range of self-development programs, including language classes, seminars on business skills (logical thinking, presentation skills) and by subsidizing the cost of distance learning or obtaining certifications.

Our overseas affiliates also provide similar support; for example, EIZO GmbH in Germany uses its network with the local chamber of commerce to organize seminars that enhance professional skills and encourages employees to attend them.

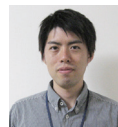
◆ **Development of Global Human Resources**

To develop global human resources, we provide English and Chinese classes in Japan, as well as Japanese classes at affiliates outside Japan, and hold seminars on cross-cultural communication.

We also run an exchange program for engineers between affiliates outside Japan, in which employees are dispatched for between 6 and 12 months. The program aims to increase the number of employees who can work effectively in a different culture and manage technology with a global perspective, as well as to cultivate new technological expertise.

Voice from a Worksite

I was temporarily transferred to Tech Source, Inc. in Florida for 10 months from January to October 2012. There I worked on developing the Condor series of graphics boards, which are assembled into monitors for the aerospace market. I was involved in the entire process, from formulating product specifications to design and evaluation. The experience of working in an unfamiliar cultural setting, and because I had not been used to this scale of operations, I was exposed to different approaches and a faster pace. This experience has become an invaluable asset for me. My interaction with the engineers and my daily life in the United States also gave me an excellent opportunity to objectively reflect on Japanese culture. I hope to build on this experience and take the initiative in product development, which has become a global undertaking for the company.



**Akira Sakai**  
Joined EIZO in 2006  
Technology Strategy  
Development Office

**Securing Safety and Health**

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

◆ **Efforts in Safety Management**

We strive to prevent workplace accidents by conducting risk assessments for each workplace in addition to KYT (hazard prediction training), “hiyari-hatto” (close call) and 5S activities. We will continue these efforts by identifying and reducing risks through risk

assessments and safety screening of newly installed machinery and equipment, and by raising awareness on safety through workplace patrols and employee training.

◆ **Efforts in Health Management**

Our efforts in this area include regular health checkups and preventive checkups for lifestyle-related diseases, dedicated contact points for responding to employee anxieties and concerns, mental health checkups and face-to-face consultations with industrial physicians, and follow-up guidance based on the results of health checkups. We will seek to safeguard employee physical and mental well-being by raising individual awareness of health management and achieving a goal of 100% follow-up.

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

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

■ **Medium-Term Plan (Fiscal 2013 to 2015)**

Raise safety awareness by improving employees’ sense to identify potential dangers and encourage self-management of physical and mental health in order to enhance operations.

■ **Fiscal 2013 Targets/Key Action Points and Fiscal 2012 Performance**

Management Area	FY 2013 Targets/Key Action Points	FY 2012 Performance	Evaluation
Safety Management	Maintain zero-occurrence of workplace accidents, reduce traffic accidents during working hours	<ul style="list-style-type: none"> <li>Workplace accidents 0</li> <li>Frequency rate 0</li> <li>Severity rate 0</li> </ul>	almost
	Key point: Ongoing risk assessment	<ul style="list-style-type: none"> <li>Traffic accidents during working hours 1 (offense)</li> <li>Unacceptable risks 0</li> </ul>	
Health Management	100% follow-up on checkup results		almost
	Key point: Promotion of personal responsibility for health management based on checkup results	Follow-up 92.2%	

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

\* Workplace accidents severity rate: Number of work-days lost caused by industrial accidents per million working hours. Used to express accident severity.

## Appendix

## Environmental Timeline

	Product Standards	Corporate Action
1988	Started utilizing bromine-free flame retardants in plastic parts.	
1992	Started survey of toxic substances in parts (20 substances).	
1993	Began working toward TCO'92 certification. Began working to acquire ENERGY STAR registration (major product models).	Obtained ISO 9002 certification for quality management system.
1995		Obtained ISO 9002 for EIZO NANA O MS CORPORATION <sup>*1</sup> .
1996	Started utilizing halogen-free flame retardants in plastic parts. Began working toward TCO'95 certification.	
1997	Started environmental compliance assessment. Expanded survey of toxic substances in parts (to 34 substances). Started registering products under International ENERGY STAR Program.	Adoption of Environmental Policy. Obtained ISO 9001 certification for quality management system.
1998	Began working toward TCO'99 certification.	Obtained ISO 14001 for environmental management system.
1999	Began working toward Eco Circle certification. Eliminated cadmium from parts. Expanded survey of toxic substances in parts (to 920 substances).	
2000		Switched from water-cooled to air-cooled air conditioners.
2001	Began Eco Mark registration. PC Green Label registration.	Issued first Environmental Report. Began collecting and recycling business-use products. Adopted Corporate Philosophy.
2002	Established the company's environmental labeling (established EIZO Eco Products 2002).	
2003	Began working toward TCO'03 certification. Established EIZO Eco Products 2004.	Received Governor of Ishikawa's Green Enterprise award. Received Health Minister's Award for Excellence in health and safety initiatives. Began collecting and recycling home-use products.
2004	Launched efforts to comply with the RoHS Directive.	Started collecting and recycling business-use products in response to requests and over an expanded region. Implemented energy conservation measures in conjunction with equipment upgrades (climate control, lighting) at Headquarters. Implemented traffic safety guidance in local communities.
2005	Began product shipments in compliance with the RoHS Directive.	Issued first Social and Environmental Report. Obtained ISO 14001 certification for environmental management system, including at sales offices. Obtained ISO 13485 for quality management system for medical equipment.
2006	Adopted EIZO Eco Products 2006 standards. Launched J-Moss compliance efforts. Started compliance with WEEE Directive (displayed recycling logo and completed providing data on hazardous substances to recycling contractors).	EIZO Support Network Corporation was added to the scope of operations included in our ISO 13435 certification. EIZO Galleria locations were added to the scope of operations included in our ISO 14001 certification.
2007	Launched efforts to comply with REACH regulations.	Substantial increase in energy consumption as R&D building is completed and brought into use. Obtained ISO 9001 and ISO 13485 for EIZO GmbH.
2008	Adopted EIZO Eco Products 2009 standards. Began working toward EPEAT certification.	
2009	Began working toward TCO Display 5.0 certification. Began working toward ENERGY STAR (version 5.0) certification. Launched efforts to comply with the Home Appliance Recycling Law (Act for Recycling of Specified Kinds of Home Appliances).	Issued first CSR Report. Added EIZO Nanao MS Corporation <sup>*1</sup> to scope of operations included in ISO 14001 certification. Obtained ISO 14001 for EIZO GmbH.
2010	Began complying with Chinese energy efficiency labeling standards. Upgraded chemical substance survey system based on new industry format.	Obtained ISO 9001 and ISO 13485 for EIZO NANA O TECHNOLOGIES, INC. <sup>*2</sup>
2011		Obtained ISO 9001, ISO 13485 and ISO 14001 certification for EIZO Display Technologies (Suzhou) Co., Ltd.
2012	Began working toward TCO Certified Displays 6.0 certification.	Obtained ISO 14001 for EIZO Technologies GmbH. Installed LED lighting in some areas of the Hakui Plant at EIZO MS Corporation.

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

## Appendix

## GRI Index

Sustainability Accounting Co., Ltd. (Chiyoda-ku, Tokyo), as a third party, checked the report.

■ GRI Guidelines Index (version 3.1)

Item	Indicator	Report Page
<b>1. Strategy and Analysis</b>		
1.1	Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and its strategy.	4
1.2	Description of key impacts, risks, and opportunities.	4
<b>2. Organizational Profile</b>		
2.1	Name of the organization.	2
2.2	Primary brands, products, and/or services.	2
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	2
2.4	Location of organization's headquarters.	2
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	18
2.6	Nature of ownership and legal form.	2, 23
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	2
2.8	Scale of the reporting organization.	3
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Not applicable
2.10	Awards received in the reporting period.	8
<b>3. Report Parameters</b>		
<b>REPORT PROFILE</b>		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	1
3.2	Date of most recent previous report (if any).	1
3.3	Reporting cycle (annual, biennial, etc.).	1
3.4	Contact point for questions regarding the report or its contents.	1
<b>REPORT SCOPE AND BOUNDARY</b>		
3.5	Process for defining report content.	1
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	1
3.7	State any specific limitations on the scope or boundary of the report.	1
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Not applicable
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	Notes are next to the charts.
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	Not applicable
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Not applicable
<b>GRI CONTENT INDEX</b>		
3.12	Table identifying the location of the Standard Disclosures in the report.	30
<b>ASSURANCE</b>		
3.13	Policy and current practice with regard to seeking external assurance for the report.	A third-party review is on page 32.
<b>4. Governance, Commitments, and Engagement</b>		
<b>GOVERNANCE</b>		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	25
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	25
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	25
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	25
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives, and the organization's performance.	25
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	25
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	25
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	5
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	5
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	25
<b>COMMITMENTS TO EXTERNAL INITIATIVES</b>		
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	5, 14
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	5
4.13	Memberships in associations and/or national/international advocacy organizations in which the organizations. - Provides substantive funding beyond routine membership dues; or - Participates in projects or committees - Views membership as strategic	14
<b>STAKEHOLDER ENGAGEMENT</b>		
4.14	List of stakeholder groups engaged by the organization.	21
4.15	Basis for identification and selection of stakeholders with whom to engage.	21
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	21
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	20, 21, 22, 23 26-28

Item	Indicator	Report page
<b>5 Management Approach and Performance Indicators</b>		
<b>Economic</b>		
Disclosure on Management Approach		6
<b>MARKET PRESENCE</b>		
EC6 Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.		20
<b>INDIRECT ECONOMIC IMPACTS</b>		
EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.		23
<b>Environmental</b>		
Disclosure on Management Approach		12
<b>ENERGY</b>		
EN3 Direct energy consumption by primary energy source.		15
EN4 Indirect energy consumption by primary source.		15
EN5 Energy saved due to conservation and efficiency improvements.		16
EN6 Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.		13, 14
EN7 Initiatives to reduce indirect energy consumption and reductions achieved.		16
<b>WATER</b>		
EN8 Total water with withdrawal by source.		15
<b>Emissions, Effluents, and Waste</b>		
EN16 Total direct and indirect greenhouse gas emissions by weight.		15
EN2 Total weight of waste by type and disposal method.		15
<b>Products and Services</b>		
EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.		13, 14
<b>COMPLIANCE</b>		
EN28 Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.		16
<b>Product Responsibility</b>		
Disclosure on Management Approach		11
<b>PRODUCTS AND SERVICES LABELING</b>		
PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.		We have not identified any incident of non-compliance with any regulation voluntary codes.
<b>Labor Practices and Decent Work</b>		
Disclosure on Management Approach		26
<b>EMPLOYMENT</b>		
LA1 Total workforce by employment type, employment contract, and region.		26
LA2 Total number and rate of employee turnover by age group, gender, and region.		26
LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.		27
<b>OCCUPATIONAL HEALTH AND SAFETY</b>		
LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region.		28
LA8 Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.		28
<b>TRAINING AND EDUCATION</b>		
LA11 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.		27, 28
<b>Human Rights</b>		
Disclosure on Management Approach		5, 26
<b>NON-DISCRIMINATION</b>		
HR4 Total number of incidents of discrimination and actions taken.		We have not identified any incident of non-compliance with any discrimination.
<b>Society</b>		
Disclosure on Management Approach		24
<b>CORRUPTION</b>		
SO4 Actions taken in response to incidents of corruption.		We have not identified any incident of non-compliance with any corruption.
<b>ANTI-COMPETITIVE BEHAVIOR</b>		
SO7 Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.		Not applicable
<b>COMPLIANCE</b>		
SO8 Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.		Not applicable

## Appendix

## 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.	18, 19 20 26 – 28
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.	18, 19 20 26 – 28
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labour.		
Principle 5	Businesses should uphold the effective abolition of child labour.		
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.		
Principle 7	Businesses should support a precautionary approach to environmental challenges.	2. We will promote our manufacturing and business activities in consideration of reducing their environmental burdens.	12 – 17
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility.		
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	4. We will conduct open and fair trade. 6. We will strictly respect and comply with both the letter and the spirit of the law as a good corporate citizen.	20 24, 25



## Third-Party Review

To President Yoshitaka Jitsumori,  
EIZO Corporation



**Takashi Fukushima**  
President, Sustainability Accounting Co., Ltd.

EIZO views its corporate social responsibility as synonymous with its business activity, an approach to CSR that is clearly reflected in the company's corporate philosophy and principles of conduct. Instead of advertising its CSR efforts and sustainable management practices, EIZO's ideal engagement with CSR lies in ensuring that EIZO monitors will always be available to serve a rapidly evolving society. EIZO presents a persuasive case in which its highly accurate and reliable monitors continue to incorporate technological advances to extend their global reach into the areas of medicine, crime prevention, financial transactions and diverse exploration projects. At the same time, the company has remained alert to the need to maintain the accountability of its management, as evidenced by the decision to participate in the United Nations Global Compact as a global enterprise. I hope the company will further enhance its ability to contribute value to society with the vigor of its paradigm shift and integrity as twin pillars.

I would suggest a few areas of CSR management in which the company could add to its achievements. The first concerns disclosure of the PDCA cycle for the company's overall CSR initiatives. EIZO provides a list of targets and results in the environment section of this report, and this could be done for other sections as well. Since EIZO is a company engaged in business on a global scale, adding its Chinese production site to the scope of its environmental management system in fiscal 2012 was respectable; however, the company should not limit disclosure of its environmental impact within the parameters of ISO 14001.

CSR procurement is another area where improvements could be made. Today CSR requires corporate groups to exercise responsibility over the entire range of their influence, extending beyond their own boundaries as corporate entities and encompassing the entire supply chain. Executing procurement with due consideration for human rights, diversity and the environment is one course of corporate action for addressing social issues. In addition, I would like to see EIZO move ahead from the green procurement it has practiced over the years and expand into CSR procurement.

Stakeholder engagement is a vital aspect of CSR. I realize that EIZO takes into account the expressed interests of various stakeholders as it develops its business on a daily basis, but it could also create more opportunities for obtaining feedback on the overall perception of its CSR efforts. I suggest that the company begins doing this by convening a dialogue involving EIZO employees in Japan and overseas, who represent an important stakeholder constituency.

