

Translation

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Consolidated Financial Results for the Six Months Ended September 30, 2022 (Under Japanese GAAP)

October 28, 2022

Company name: EIZO Corporation
 Stock exchange listing: Tokyo
 Stock code: 6737 URL <https://www.eizo.co.jp/>
 Representative: President Yoshitaka Jitsumori
 Director, Operating Officer, and Senior
 Inquiries: Manager, Accounting & Finance, & Investor Relations Masaki Ebisu TEL 076-275-4121
 Scheduled date to file Quarterly Securities Report: November 10, 2022
 Scheduled date to commence dividend payments: November 30, 2022
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2022	36,566	(16.4)	2,212	(66.5)	2,508	(64.3)	3,127	(39.3)
Six months ended September 30, 2021	43,743	38.0	6,610	349.0	7,034	252.0	5,152	283.0

(Note) Comprehensive income For the six months ended September 30, 2022: ¥381 million [(95.9) %]
 For the six months ended September 30, 2021: ¥9,348 million [32.2 %]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	148.16	–
Six months ended September 30, 2021	241.66	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2022	150,839	115,633	76.7	5,566.12
As of March 31, 2022	155,459	118,582	76.3	5,562.01

(Reference) Equity As of September 30, 2022: ¥115,633 million
 As of March 31, 2022: ¥118,582 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2022	–	60.00	–	60.00	120.00
Year ending March 31, 2023	–	60.00	–	–	–
Year ending March 31, 2023 (Forecast)	–	–	–	65.00	125.00

(Note) Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	82,000	(5.5)	5,400	(52.2)	6,200	(48.8)	5,700	(26.9)	273.20

(Note) Revisions to the forecasts of consolidated financial results most recently announced: Yes

*Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2022	21,981,160 shares	As of March 31, 2022	22,731,160 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	1,206,706 shares	As of March 31, 2022	1,411,088 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	21,105,489 shares	Six months ended September 30, 2021	21,320,178 shares
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*Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

*Proper use of earnings forecasts, and other special matters

(Notice concerning forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. As such, they do not constitute the Company's guarantee that such results would be achieved. Actual business and other results may differ substantially due to various factors.

(Explanatory material for financial results)

Explanatory material for financial results is disclosed through TDnet as well as posted on the Company's website on October 28, 2022.

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	13,887	11,305
Notes and accounts receivable - trade, and contract assets	23,035	15,813
Electronically recorded monetary claims - operating	1,778	1,401
Securities	8,799	7,300
Merchandise and finished goods	10,038	14,844
Work in process	1,730	2,324
Raw materials and supplies	19,980	26,805
Other	1,362	2,159
Allowance for doubtful accounts	(102)	(101)
Total current assets	80,510	81,852
Non-current assets		
Property, plant and equipment	20,173	21,084
Intangible assets	841	777
Investments and other assets		
Investment securities	52,824	46,025
Other	1,108	1,099
Total investments and other assets	53,933	47,124
Total non-current assets	74,948	68,987
Total assets	155,459	150,839
Liabilities		
Current liabilities		
Accounts payable - trade	7,522	9,080
Short-term borrowings	2,050	2,134
Income taxes payable	2,398	923
Provision for bonuses	1,696	1,356
Provision for product warranties	2,177	2,173
Other	4,880	5,073
Total current liabilities	20,726	20,740
Non-current liabilities		
Long-term borrowings	1,025	996
Provision for retirement benefits for directors (and other officers)	71	71
Provision for recycling	634	605
Retirement benefit liability	3,014	2,950
Other	11,404	9,842
Total non-current liabilities	16,150	14,465
Total liabilities	36,876	35,206

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Net assets		
Shareholders' equity		
Share capital	4,425	4,425
Capital surplus	4,313	4,317
Retained earnings	82,039	82,404
Treasury shares	(2,664)	(3,237)
Total shareholders' equity	88,114	87,910
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	28,801	24,531
Foreign currency translation adjustment	1,440	3,022
Remeasurements of defined benefit plans	226	168
Total accumulated other comprehensive income	30,467	27,722
Total net assets	118,582	115,633
Total liabilities and net assets	155,459	150,839

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	43,743	36,566
Cost of sales	27,414	24,649
Gross profit	16,329	11,916
Selling, general and administrative expenses	9,719	9,704
Operating profit	6,610	2,212
Non-operating income		
Interest income	4	6
Dividend income	487	548
Other	40	91
Total non-operating income	532	646
Non-operating expenses		
Interest expenses	11	11
Foreign exchange losses	94	324
Other	2	14
Total non-operating expenses	108	350
Ordinary profit	7,034	2,508
Extraordinary income		
Gain on sale of investment securities	296	1,943
Total extraordinary income	296	1,943
Extraordinary losses		
Loss on sale of investment securities	–	5
Total extraordinary losses	–	5
Profit before income taxes	7,331	4,446
Income taxes - current	2,457	1,230
Income taxes - deferred	(278)	88
Total income taxes	2,178	1,318
Profit	5,152	3,127
Profit attributable to owners of parent	5,152	3,127

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	5,152	3,127
Other comprehensive income		
Valuation difference on available-for-sale securities	4,110	(4,269)
Foreign currency translation adjustment	104	1,582
Remeasurements of defined benefit plans, net of tax	(18)	(57)
Total other comprehensive income	4,196	(2,745)
Comprehensive income	9,348	381
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,348	381
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	7,331	4,446
Depreciation	1,108	1,079
Amortization of goodwill	189	—
Increase (decrease) in provisions	(59)	(425)
Increase (decrease) in retirement benefit liability	(24)	(152)
Interest expenses	11	11
Loss (gain) on sale of investment securities	(296)	(1,938)
Decrease (increase) in trade receivables	(837)	8,019
Decrease (increase) in inventories	1,243	(11,297)
Increase (decrease) in trade payables	2,352	1,269
Other, net	(1,075)	(1,769)
Subtotal	9,942	(756)
Interest and dividends received	491	556
Interest paid	(10)	(13)
Income taxes paid	(1,738)	(2,506)
Net cash provided by (used in) operating activities	8,684	(2,720)
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(955)	(826)
Purchase of short-term and long-term investment securities	(300)	(1)
Proceeds from sale and redemption of short-term and long-term investment securities	426	2,604
Other, net	(8)	3
Net cash provided by (used in) investing activities	(838)	1,780
Cash flows from financing activities		
Repayments of long-term borrowings	(65)	(69)
Repayments of lease liabilities	(112)	(105)
Purchase of treasury shares	(0)	(2,061)
Dividends paid	(1,278)	(1,279)
Net cash provided by (used in) financing activities	(1,457)	(3,516)
Effect of exchange rate change on cash and cash equivalents	42	374
Net increase (decrease) in cash and cash equivalents	6,432	(4,082)
Cash and cash equivalents at beginning of period	18,882	22,387
Cash and cash equivalents at end of period	25,315	18,305