



# Consolidated Financial Highlights

## 22F

## First Quarter

July 29th, 2022

Code:6737, TSE Prime Market

**EIZO Corporation**

# Disclaimer Regarding Forward-looking Statements

Any statements in this document, other than those of historical fact, are forward-looking statements about the future performance of EIZO and its group companies, which are based on management's assumptions and beliefs in light of information currently available, and involve apparent or potential risks and uncertainties including forex impact, and risks related to supply and demand. Actual results may differ materially from these forecasts.

Note: "22Q1" appearing in this presentation means "First Quarter Fiscal year 2022".

"22F" appearing in this presentation means "Fiscal year 2022", that is Fiscal year ended March 31, 2023.

## Details of the Market Group

Market Group	Market / Use
Business & Plus (B&P)	Financial institutions , Public authorities , Educational facilities , CAD , Commercial facilities , Business and home use
Healthcare (HC)	Diagnosis / Medical examination , Medical treatment / Operation , Healthcare-IT
Creative Work (CW)	Media & Entertainment , 3D computer graphics , Photo editing , Illustration , Design , Publication / Printing
Vertical & Specific (V&S)	For various mission critical environments, infrastructure and industrial equipment Air traffic control (ATC) , Maritime , Security & Surveillance (S&S) , MIL-STD compliance & Other industrial fields (including touch panel applications)
Amusement (AMU)	LCD-mounted pachinko and slot machines
Other (OTH)	Maintenance services and commissioned development of software

## 1. 22Q1 Consolidated Financial Results

## 2. 22F Plan / Topics

## 3. Reference Materials

# 22Q1 Consolidated Financial Highlights

Growing Sales in B&P, HC & V&S

Decrease in Sales & Income Due to an Expected Decrease in AMU

## □ Net Sales: JPY17.8B (QoQ 77.1%)

### ■ AMU: JPY1.5B (QoQ 14.0%)

Decreased due to the completion of the intensive demand for replacement.

### ■ B&P/HC/CW/V&S: JPY15.4B (QoQ 111.6%)

A gradual recovery from supply which had fallen short of strong demand enabled by 100% in-house development and production, which resulted in sales growth. In addition, the FOREX impact contributed to increasing sales.

## □ Operating Income: JPY0.8B (QoQ 21.7%)

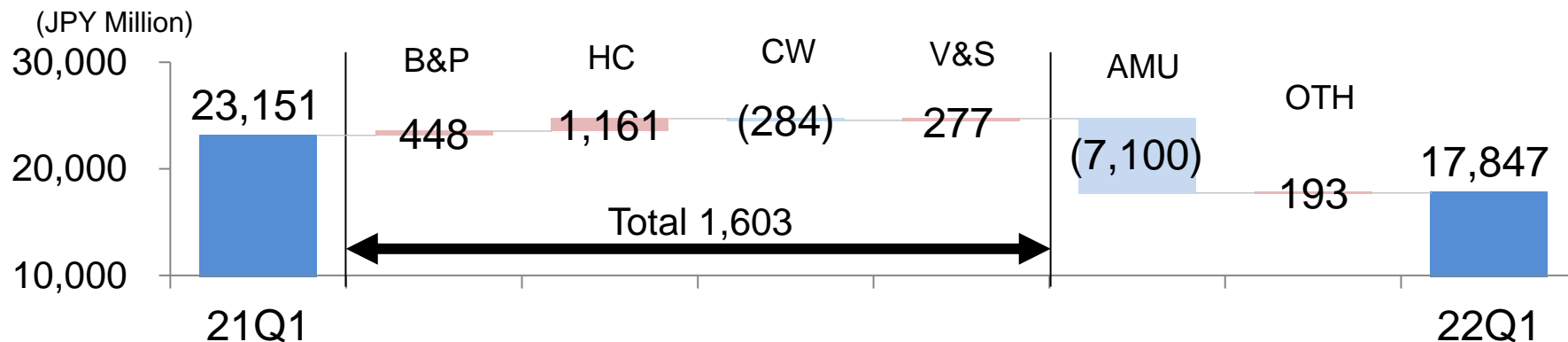
- Gross Profit decreased as a result of decreasing sales and increase in Costs of Goods by a strengthened USD, despite higher sales price in response to rising material costs.

# Consolidated Income Statement

(JPY Million)

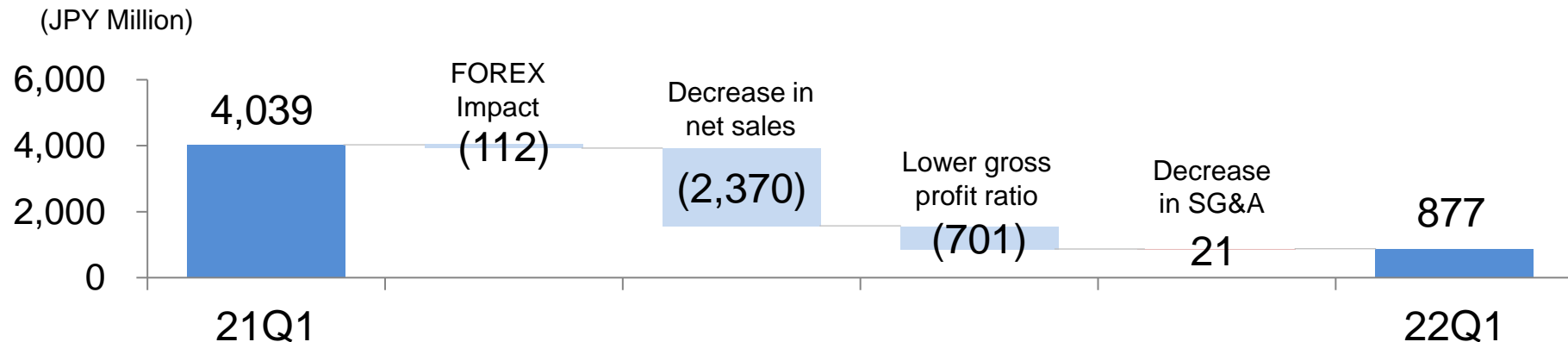
	21Q1	22Q1	QoQ
Net Sales	23,151	17,847	77.1%
Gross Profit	8,890	5,706	64.2%
Gross Profit / Net Sales	38.4%	32.0%	(6.4pt)
Selling, General and Administrative Expenses	4,850	4,828	99.6%
Operating Income	4,039	877	21.7%
Operating Income / Net Sales	17.4%	4.9%	(12.5pt)
Ordinary Income	4,579	1,258	27.5%
Net Income Attributable to EIZO Corporation's Stockholders	3,166	1,383	43.7%
Exchange Rate(Quarterly Ave.):USD	JPY109.52	JPY129.73	JPY20.21
Exchange Rate(Quarterly Ave.):EUR	JPY131.94	JPY138.26	JPY6.32

# Main Factors for Changes in Net Sales



- B&P: Sales increased due to a gradual recovery in our ability to supply satisfying the strong demand, despite an inventory shortage in some models.
- HC: Sales increased steadily both in Japan and overseas.
- CW: Sales decreased as full-scale delivery of new models had to be postponed to 22Q2.
- V&S: Sales increased for S&S overseas and, ATC and maritime in Japan.
- AMU: Sales decreased due to the completion of the intensive demand for replacement.
- OTH: Sales of commissioned development of software increased.

# Main Factors for Changes in Operating Income

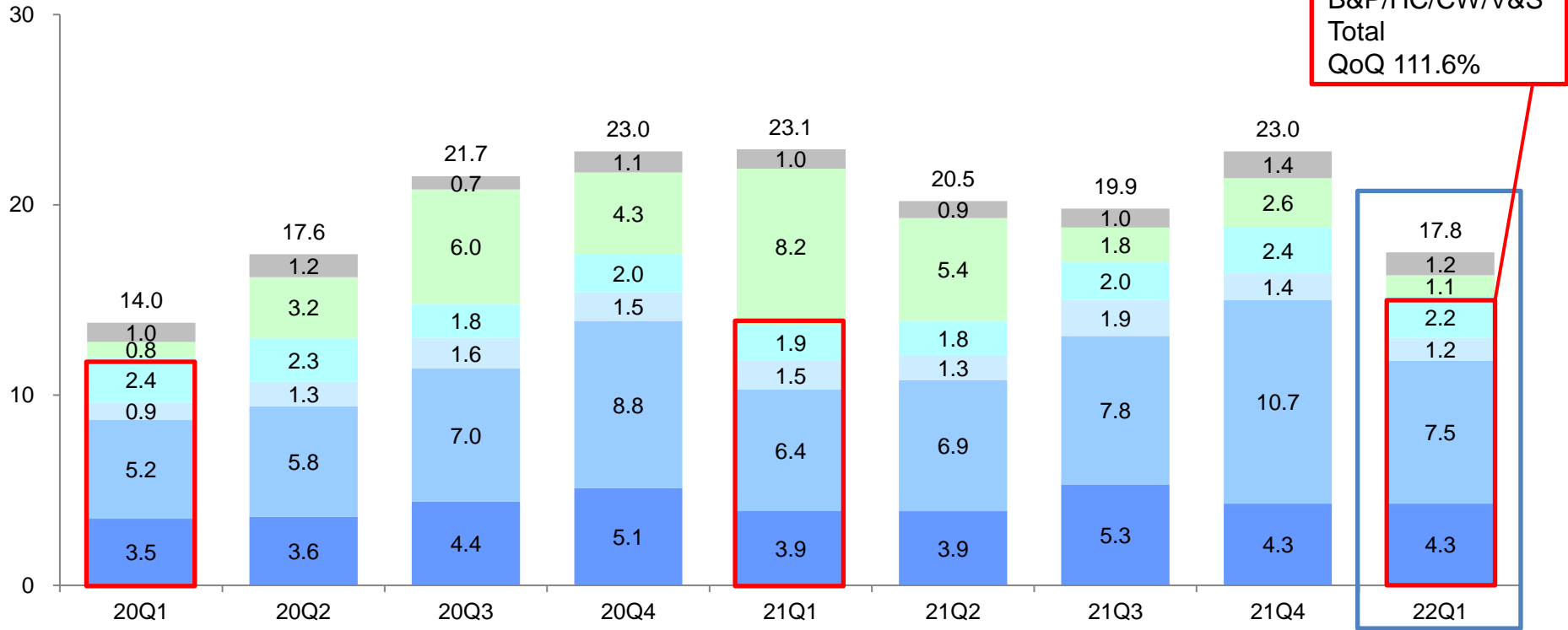


- ❑ The FOREX impact negatively affected the results, as a strong USD caused a rise in raw material costs, which negated the increase in sales helped by a weak JPY.
- ❑ Decrease in Net Sales and lower Gross Profit Ratio (excl. the FOREX impact) were due to a sales decrease in AMU.
- ❑ SG&A was steady due to our cost control compensation measures.

# Net Sales: Overall

(JPY Billion)

■ B&P ■ HC ■ CW ■ V&S ■ AMU ■ OTH



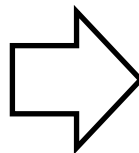
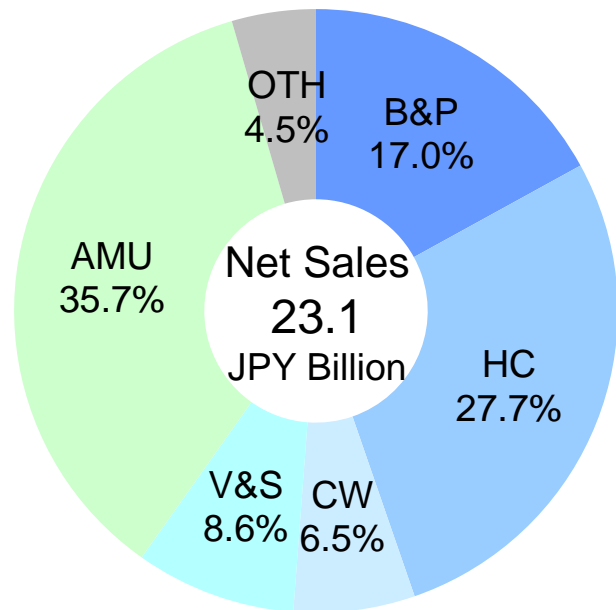
B&P/HC/CW/V&S  
Total  
QoQ 111.6%



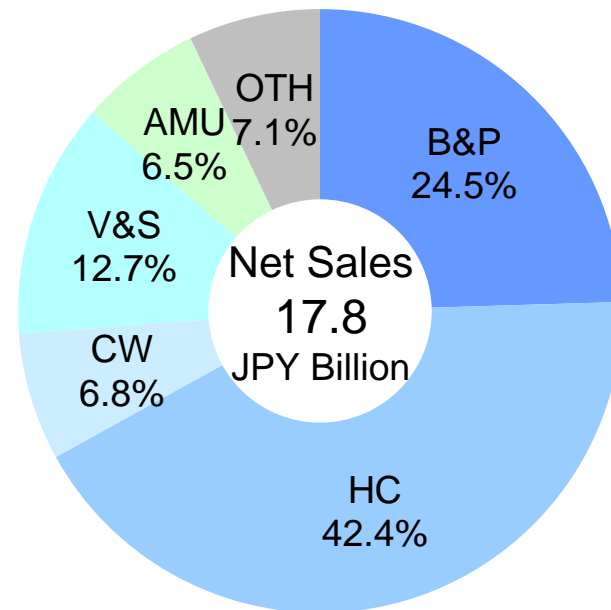


# Net Sales: Composition Ratio

21Q1

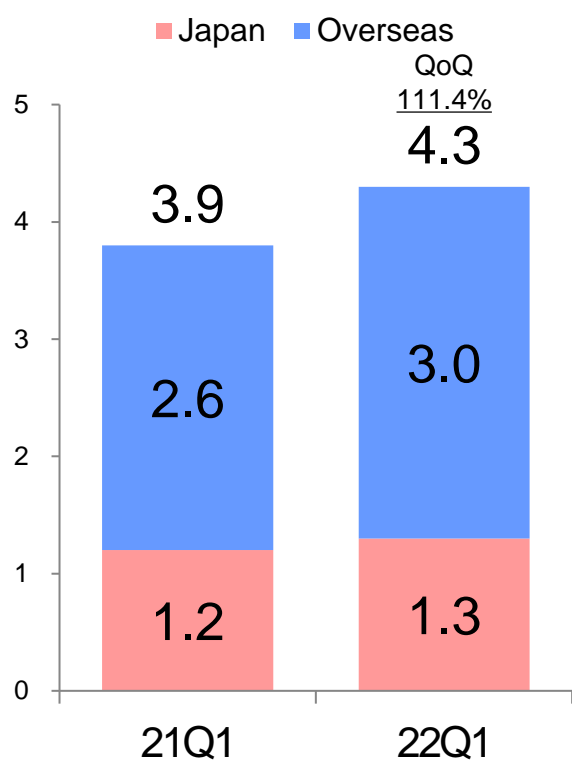


22Q1



# Net Sales: B&P (Business & Plus)

(JPY Billion)



## Overseas

- Sales increased due to a gradual recovery in our ability to supply satisfying the strong demand, despite an inventory shortage in some models.

## Japan

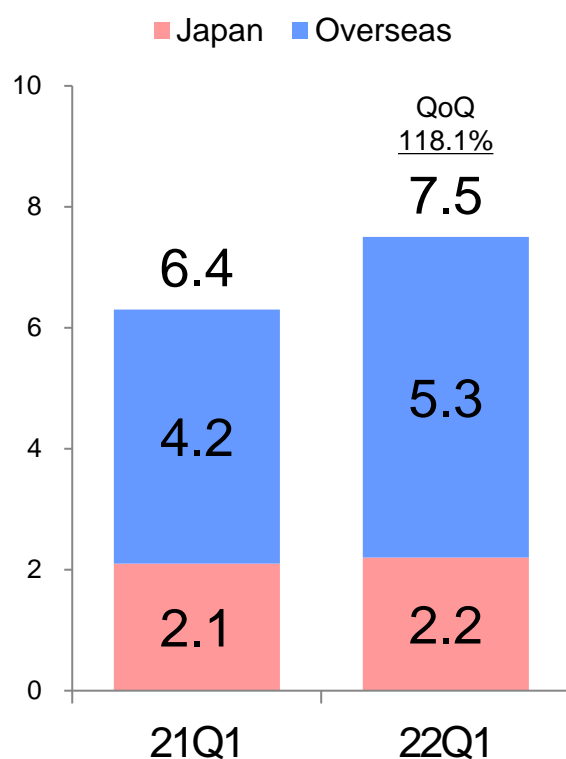
- Sales increased as a result of strong capital investment.



FlexScan EV2781

# Net Sales : Healthcare

(JPY Billion)



## Diagnostics

- Overseas sales increased steadily in Europe.
- Sales in Japan increased as a result of continuous investment in CAPEX.

## OR Integration

- Sales decreased as CAPEX was postponed due to the COVID-19 and supply problems in the market.

## Endoscopy

- Sales increased in Japan, Europe, North America, except for China which was affected by the lockdown.



CuratOR EX3242-3D/EX3242

# Net Sales: Creative Work

(JPY Billion)



▣ Sales both in Japan and overseas decreased as full-scale delivery of new models had to be postponed to 22Q2.

## Overseas

▣ Sales in Europe decreased.

## Japan

▣ Sales of ColorEdge CG series decreased.



ColorEdge CG2700X / CG2700S

# (JPY Billion) Net Sales: V&S (Vertical & Specific)



## ATC (Air Traffic Control)

- Sales in Japan increased.

## Maritime

- Sales in Japan recovered slightly with a recovery in the shipbuilding industry.

## S&S (Security & Surveillance)

- Sales in North America increased with progress in installation of IP decoding solutions, EVS (EIZO Visual Systems).

## Others

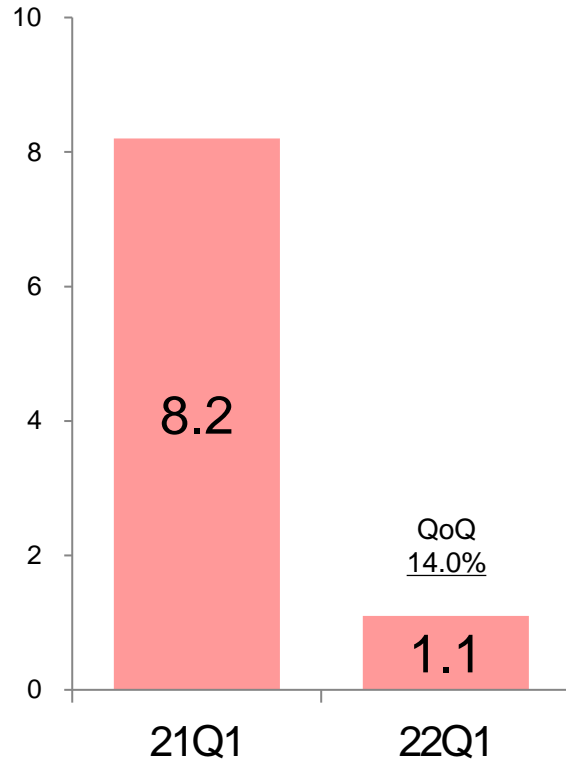
- Sales in Japan decreased by decreasing sales of some programs requiring advanced product customization.
- Sales overseas slightly increased due to a recovery in the automotive and other industrial markets, which were heavily affected by COVID-19.



DuraVision FDF2382WT-A

# Net Sales : Amusement

(JPY Billion)



- ▣ Sales decreased due to the completion of the intensive demand for replacement.
- ▣ The market size continues to decrease.



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# Consolidated Balance Sheets

(JPY Million)

	21F	22Q1	Growth
Current Assets	80,510	81,589	1,079
Cash & Equivalents	22,387	22,414	26
Accounts Receivable etc.*	24,814	18,980	(5,833)
Inventories	31,749	37,880	6,130
Tangible Assets	20,173	20,453	280
Intangible Assets	841	835	(6)
Investments and Other Assets	53,933	51,353	(2,580)
Total	155,459	154,232	(1,227)
Current Liabilities	20,726	21,174	448
Long term Liabilities	16,150	15,697	(452)
Shareholders' Equity	118,582	117,359	(1,222)
Total	155,459	154,232	(1,227)

## Inventories

Increased raw materials and finished products were achieved due to our stable supply strategy.

## Investments and Other Assets

Investment securities decreased by sales and market price.

## Shareholders' Equity

Acquired own shares.

\* Notes and accounts receivable, contract assets and trade notes receivable transferred by endorsement

1. 22Q1 Consolidated Financial Result

**2. 22F Plan / Topics**

3. Reference Materials



# 22F Plan

(JPY Million)

	21F	22F Plan	21F vs.22F Plan
Net Sales	86,789	86,000	99.1%
Gross Profit	30,859	29,000	94.0%
Gross Profit / Net Sales	35.6%	33.7%	(1.8pt)
Selling, General and Administrative Expenses	19,560	21,000	107.4%
Operating Income	11,299	8,000	70.8%
Operating Income / Net Sales	13.0%	9.3%	(3.7pt)
Ordinary Income	12,110	9,000	74.3%
Net Income Attributable to EIZO Corporation's Stockholders	7,794	6,300	80.8%
Exchange Rate(Yearly Ave.) :USD	JPY112.39	JPY130.00	JPY17.61
Exchange Rate(Yearly Ave.) :EUR	JPY130.55	JPY138.00	JPY7.45
ROA	7.9%	-	
ROE	6.7%	-	

No revision of 22F projected results announced on May 11<sup>th</sup>, 2022.

## Foreign Exchange Sensitivity

(Impact on Operating Income per JPY1 depreciation)

- USD: JPY120M (Negative)
- EUR: JPY170M (Positive)



# Topic 1

## EIZO Discloses Information Based on the TCFD Recommendations

May 2021 Endorsement of the TCFD\* recommendations

\* Task Force on Climate-related Financial Disclosures

October 2021 The first disclosure based on the TCFD recommendations

Identify and assess climate-related risks and opportunities, and how to manage it.

**May 2022 Disclosure of information according to TCFD's recommended elements (governance, strategy, risk management and metrics and targets).**

### Scenario Analysis

Analyze risks and opportunities from 2 scenarios.

### Financial Analysis

Analyze how much risks and opportunities identified from scenario analysis will affect on our business.

### Setting of Metrics and Targets

Set metrics and targets in response to financial analysis.

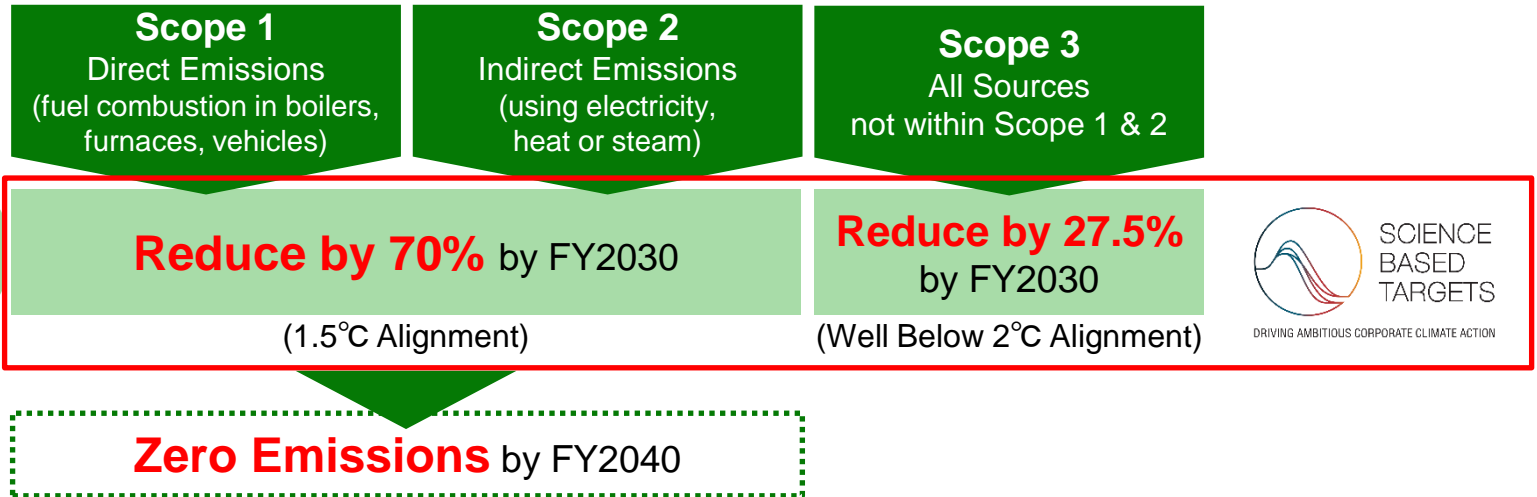
**Continue to make further contributions to the realization of sustainable society**

# Topic 2

## EIZO Obtains SBTi Approval for Near-Term Science-Based Targets

EIZO's GHG (greenhouse gas) emissions reduction targets were approved\* by the SBTi (Science Based Targets initiative).

\*The targets are considered 'science-based' if they are in line with what the latest climate science and the goals of the Paris Agreement (An international treaty on climate change with the goal to limit global warming to well below 2°C compared to pre-industrial levels and pursuing efforts to limit warming to 1.5°C).



EIZO's GHG Emissions Reduction Targets

\*From a FY2019 base year



# Topic 3

## EIZO Accelerates Sustainability Efforts by Transitioning to Cardboard and Molded Pulp Packaging

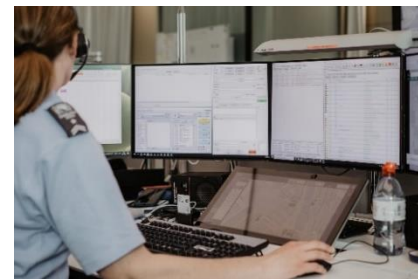
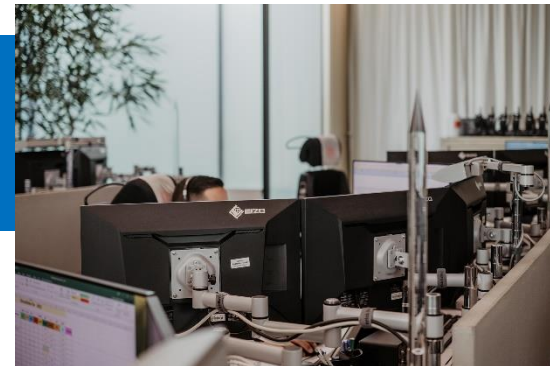
- EIZO starts utilizing sustainable packing material, recycled molded pulp in its packaging instead of conventional Styrofoam or plastic for 6 FlexScan models.
  - Resulting in a reduction of CO2 emissions by approximately 21% (for the 27-inch EV2795)

### Sustainable Efforts in Monitor Design (Mainly in FlexScan Models)

- Effortlessly save on power consumption
- Made of recycled plastic
- Reducing excessive cables to eliminate unnecessary waste
- Meeting the latest sustainability standards



# Topic 4



## Case Study

### Zurich Municipal Police

#### FlexScan Was Chosen Due to Its High Functionality & Reliability

- Zurich Municipal Police(Switzerland) installed FlexScan EV2456 for their emergency call operations.

Control of all emergency calls all over Zurich:  
Approx. 170,000 p.a.

- ◆ **Reliable for operation around the clock**
- ◆ An exceptional 5-year warranty with on-site replacement

Multi-screen environment consisting of 5 monitors per position

- ◆ Product designs & functions **preventing from overlooking of important information**  
( The frameless design, the wide viewing angle of 178 degrees and functions reducing eye fatigue such as flicker-free viewing)

1. 22Q1 Consolidated Financial Result

2. 22F Plan / Topics

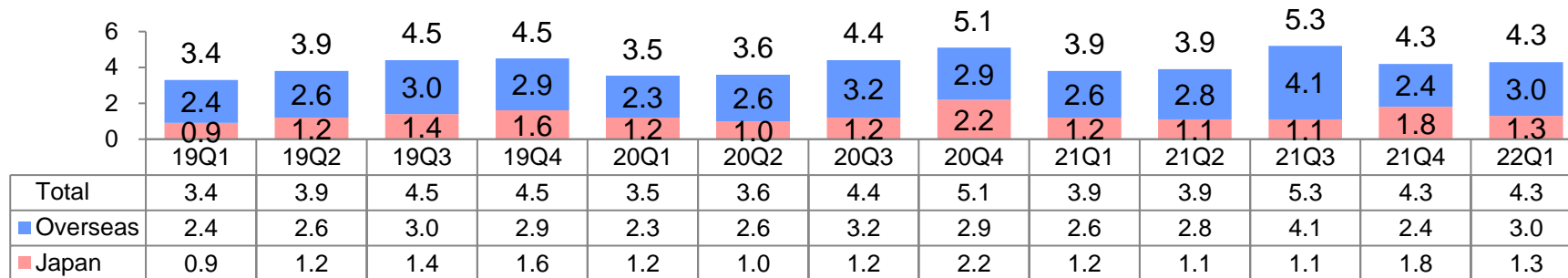
**3. Reference Materials**

# Net Sales: B&P / Healthcare

(JPY Billion)

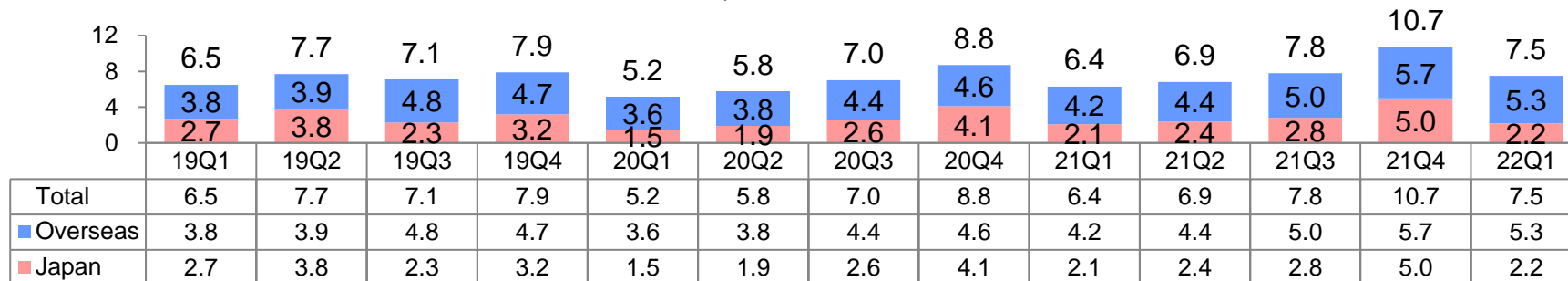
## B&P

■ Japan ■ Overseas



## Healthcare

■ Japan ■ Overseas

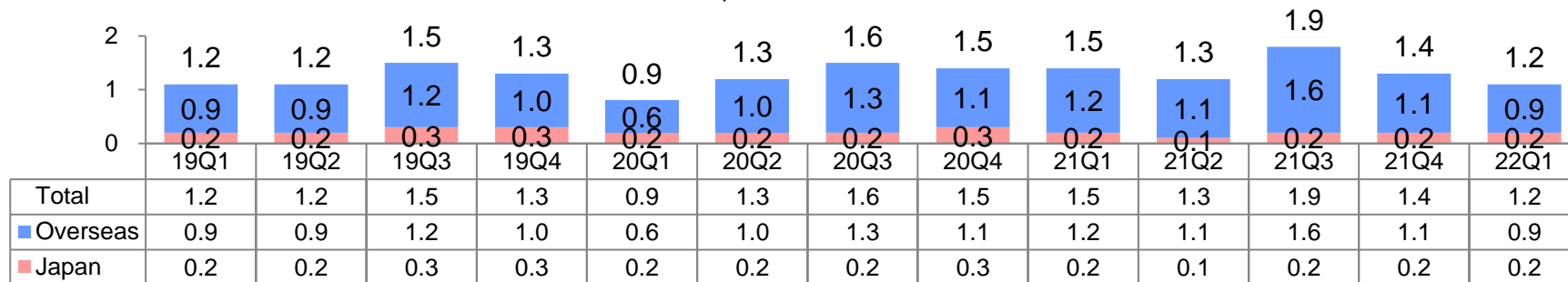


# Net Sales: Creative Work / V&S

(JPY Billion)

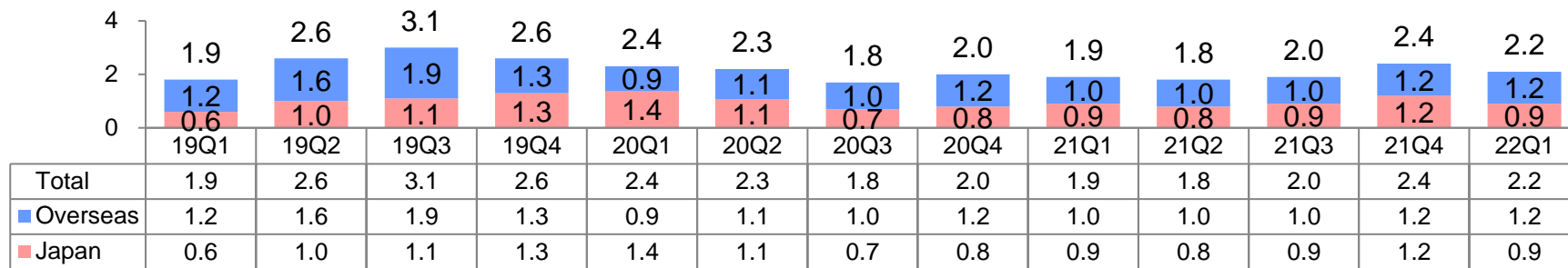
## Creative Work

Japan Overseas



## V&S

Japan Overseas

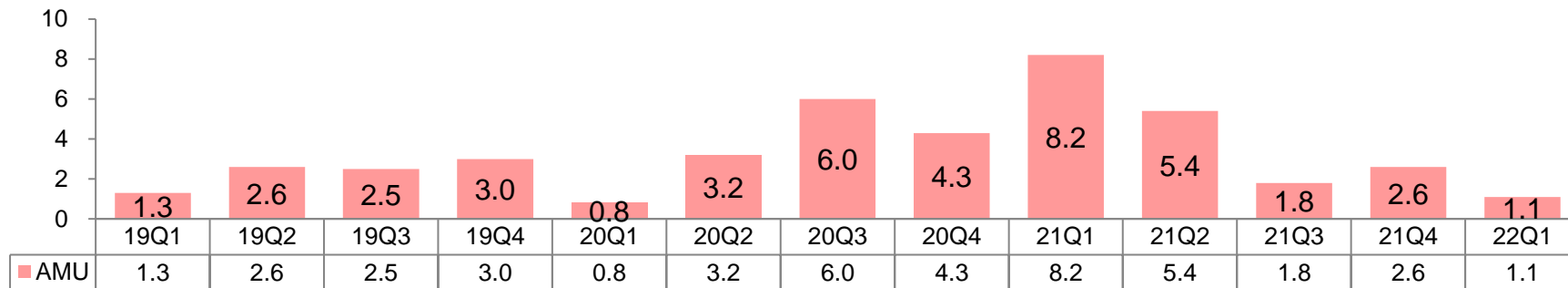




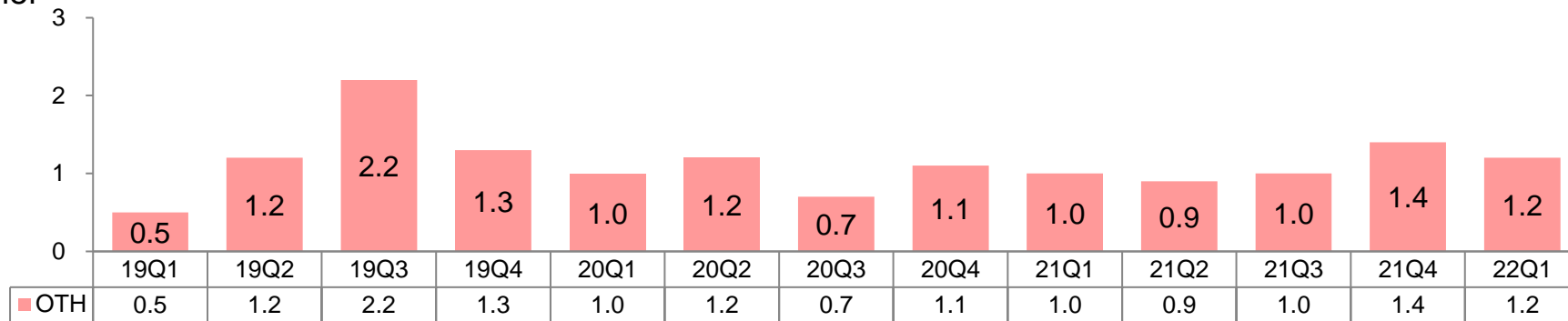
# Net Sales: Amusement / Other

(JPY Billion)

## Amusement

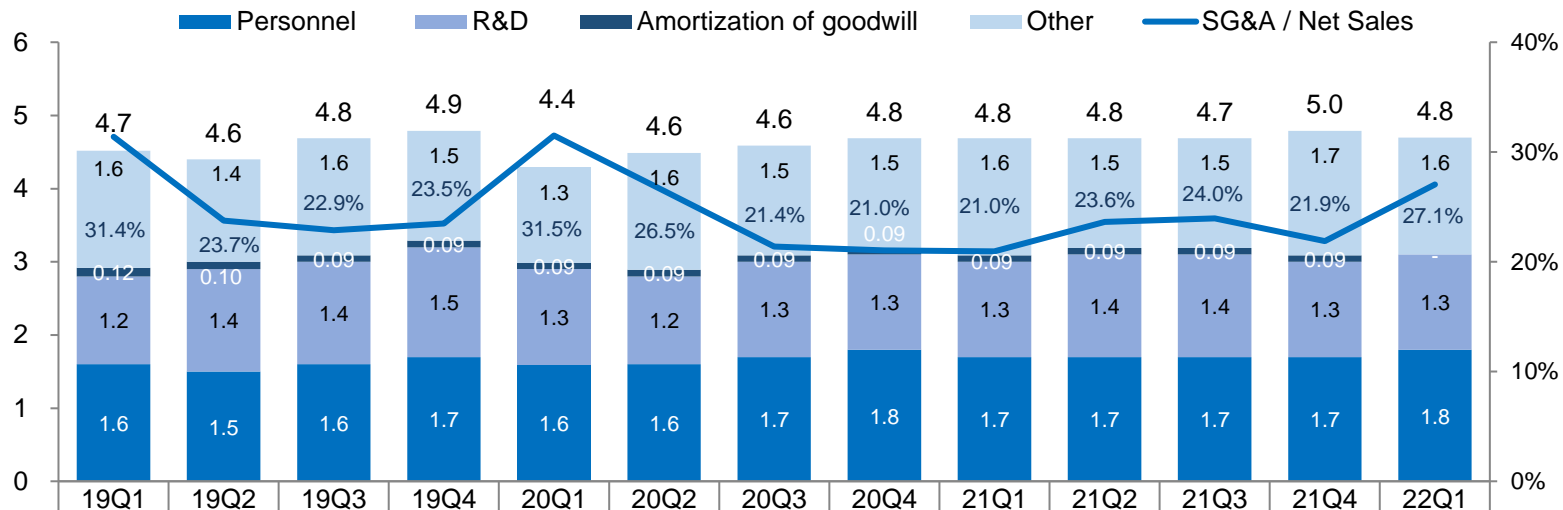


## Other



# Selling, General and Administrative Expenses

(JPY Billion)



TOTAL	4.7	4.6	4.8	4.9	4.4	4.6	4.6	4.8	4.8	4.8	4.7	5.0	4.8
Other	1.6	1.4	1.6	1.5	1.3	1.6	1.5	1.5	1.6	1.5	1.5	1.7	1.6
Amortization of goodwill	0.12	0.10	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	-
R&D	1.2	1.4	1.4	1.5	1.3	1.2	1.3	1.3	1.3	1.4	1.4	1.3	1.3
Personnel	1.6	1.5	1.6	1.7	1.6	1.6	1.7	1.8	1.7	1.7	1.7	1.7	1.8
SG&A / Net Sales	31.4%	23.7%	22.9%	23.5%	31.5%	26.5%	21.4%	21.0%	21.0%	23.6%	24.0%	21.9%	27.1%



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