



# Consolidated Financial Highlights

**22F**

**First Half**

October 28th, 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: "22F1" appearing in this presentation means "First Half 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. 22F1 Consolidated Financial Results

## 2. 22F Plan / Topics

## 3. Reference Materials

# 22F1 Consolidated Financial Highlights

**Growing Sales in B&P, HC & V&S Driven by High Demand  
Decrease in Sales & Income Due to an Expected Decrease in AMU**

## □ **Net Sales: JPY36.5B (YoY 83.6%)**

- **AMU: JPY3.0B (YoY 22.5%)** Decreased due to the completion of the intensive demand for replacement.
- **B&P/HC/CW/V&S: JPY31.0B (YoY 110.9%)**  
Though supply had fallen short of demand at the beginning of FY2022, supply increased thanks to 100% in-house development and production, which resulted in sales growth. In addition, the FOREX impact contributed to increasing sales.

## □ **Operating Income: JPY2.2B (YoY 33.5%)**

- Gross Profit decreased as a result of decreasing sales in AMU and increase in Costs of Goods due to a strengthened USD.

## □ **Net Income: JPY3.1B (YoY 60.7%)**

- We realized a JPY1.9B gain on investment securities sold.

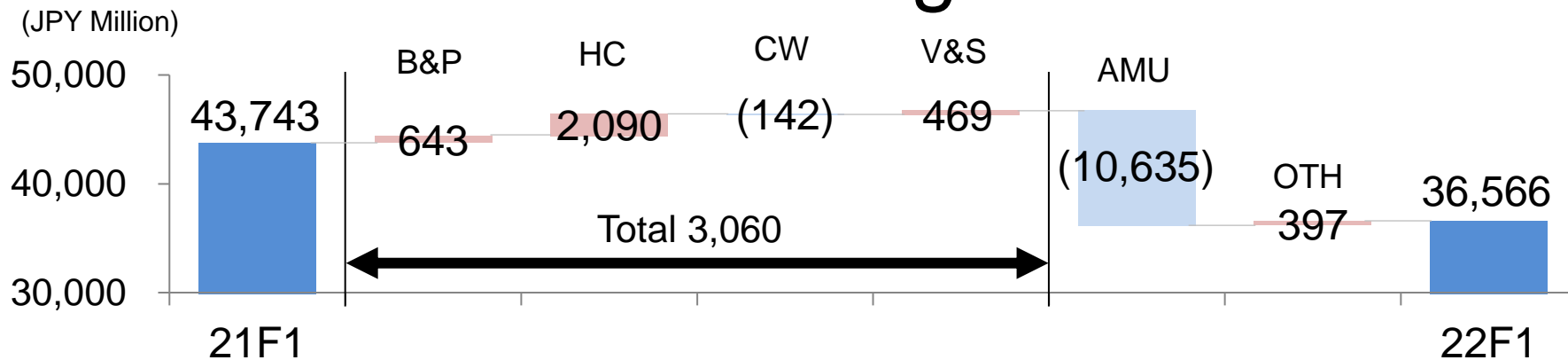
# Consolidated Income Statement

(JPY Million)

	21F1	22F1	21F1 vs.22F1
Net Sales	43,743	36,566	83.6%
Gross Profit	16,329	11,916	73.0%
Gross Profit / Net Sales	37.3%	32.6%	(4.7pt)
Selling, General and Administrative Expenses	9,719	9,704	99.8%
Operating Income	6,610	2,212	33.5%
Operating Income / Net Sales	15.1%	6.1%	(9.1pt)
Ordinary Income	7,034	2,508	35.7%
Net Income Attributable to EIZO Corporation's Stockholders	5,152	3,127	60.7%
Exchange Rate(Year-To-Date Ave.):USD	JPY109.81	JPY134.03	JPY24.22
Exchange Rate(Year-To-Date Ave.):EUR	JPY130.88	JPY138.76	JPY7.88

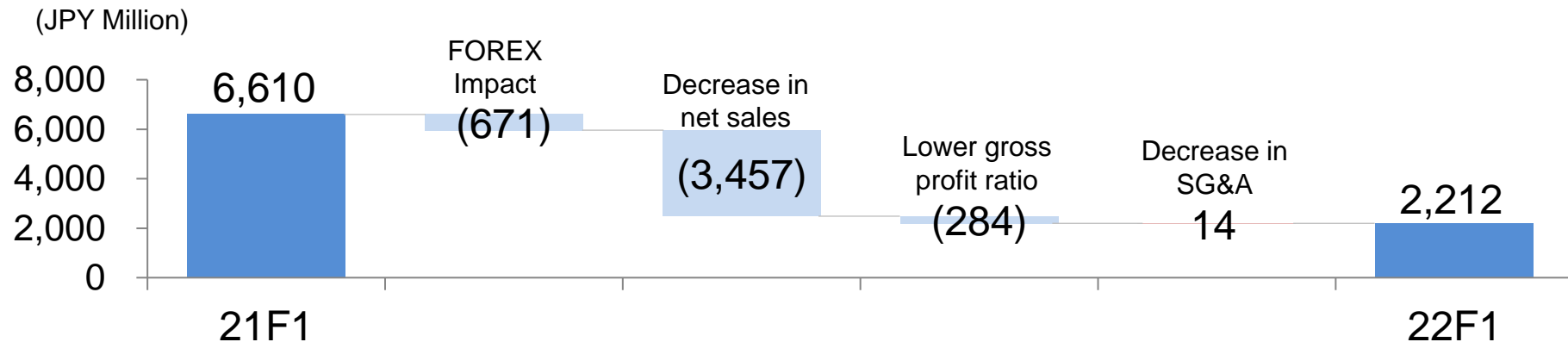


# Main Factors for Changes in Net Sales



- B&P: Overseas sales increased resulting from our increased production to meet strong demand.
- HC: Sales increased steadily in Europe and Japan and demand in North America gradually recovered.
- CW: Overseas 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.

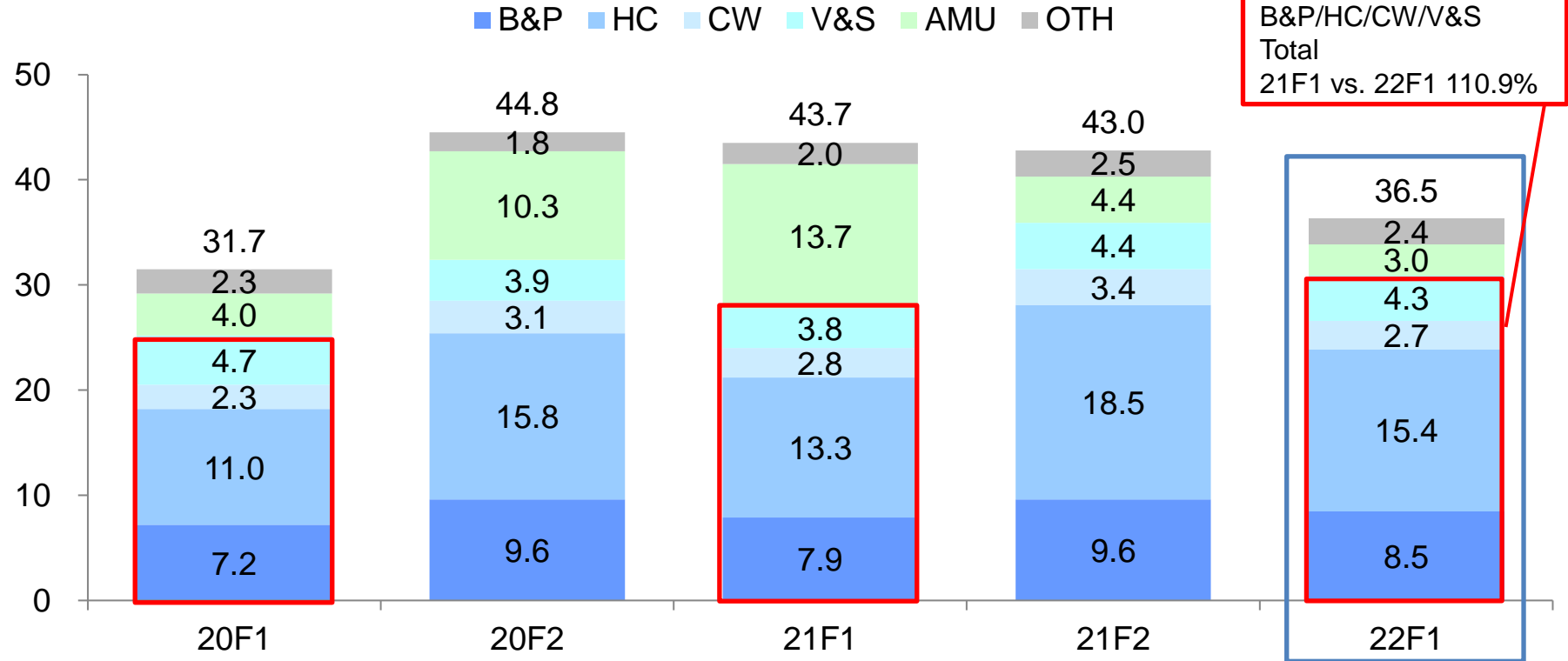
# Main Factors for Changes in Operating Income



- ❑ The FOREX impact negatively affected the results, as a strong USD caused a rise in raw material costs, which negated the increase in sales compounded 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.

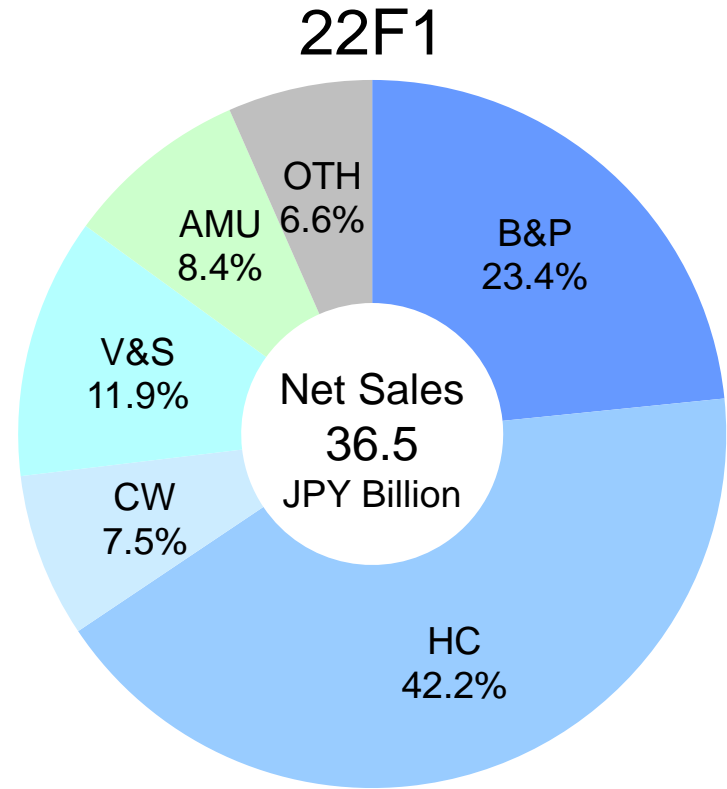
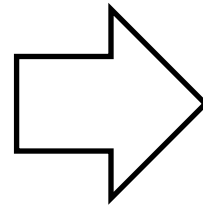
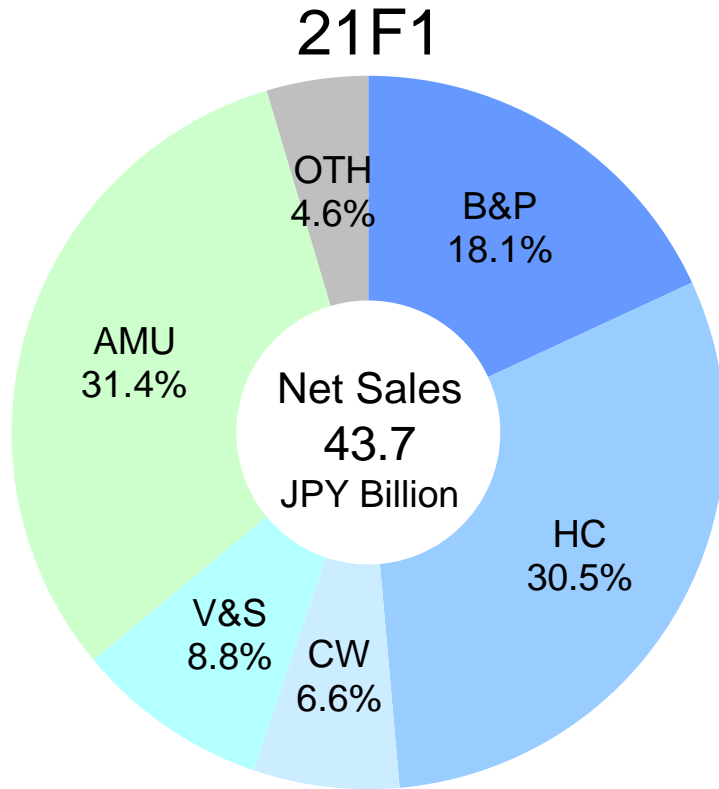
# Net Sales: Overall

(JPY Billion)



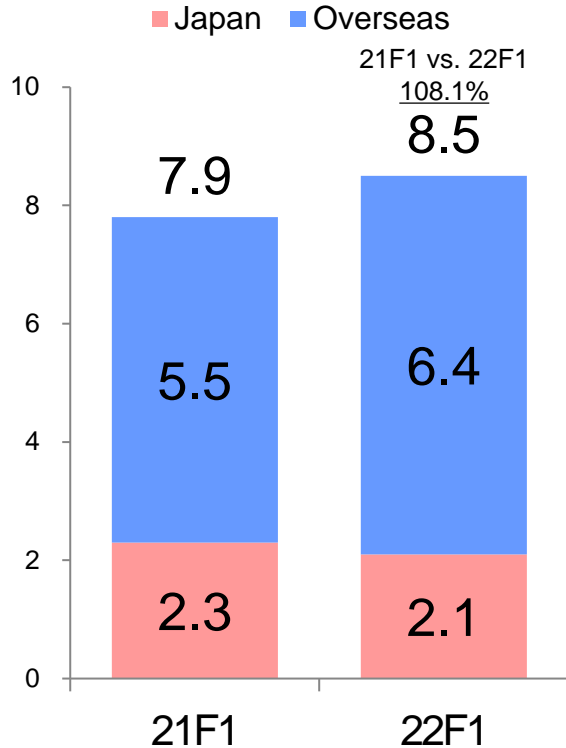


# Net Sales: Composition Ratio



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

(JPY Billion)



## Overseas

- Sales increased resulting from our increased production for stable supply to meet continuously strong demand mainly in Europe. Especially, sales in Germany increased.

## Japan

- Sales decreased due to stock adjustments by distributors.



FlexScan EV2781

# Net Sales : Healthcare

(JPY Billion)



## Diagnostics

- Overseas sales increased due to steady sales in Europe and gradual recovery in demand in North America.
- Sales in Japan increased as a result of continuous investment in CAPEX.

## OR Integration

- Sales in Japan increased.

## Endoscopy

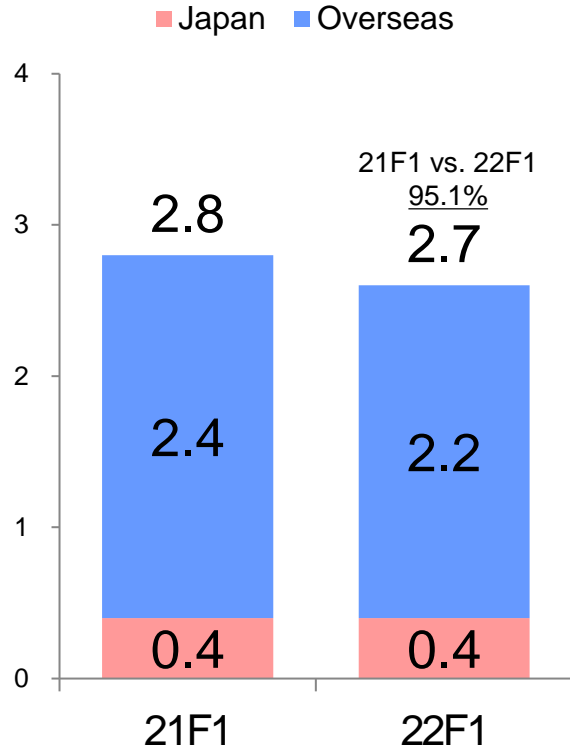
- Sales increased in Europe and North America. Sales recovered in China from June, in which had been affected by the lockdown.



CuratOR EX3242-3D/EX3242

# Net Sales: Creative Work

(JPY Billion)



## Overseas

- ❑ Sales decreased. Increase in sales in 22Q2, including new models was not enough to compensate the impact of an overall postponement in full-scale deliveries in 22Q1.

## Japan

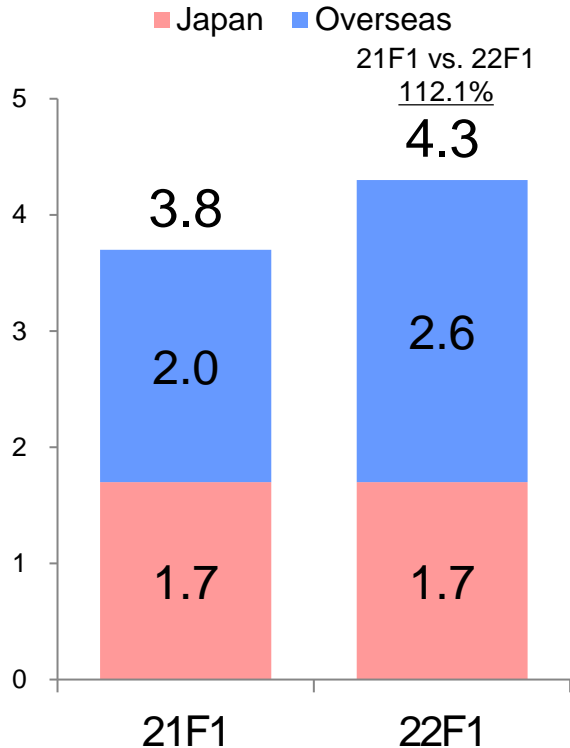
- ❑ Sales increased by new models.



ColorEdge® CG2700X / CG2700S

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

(JPY Billion)



## 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

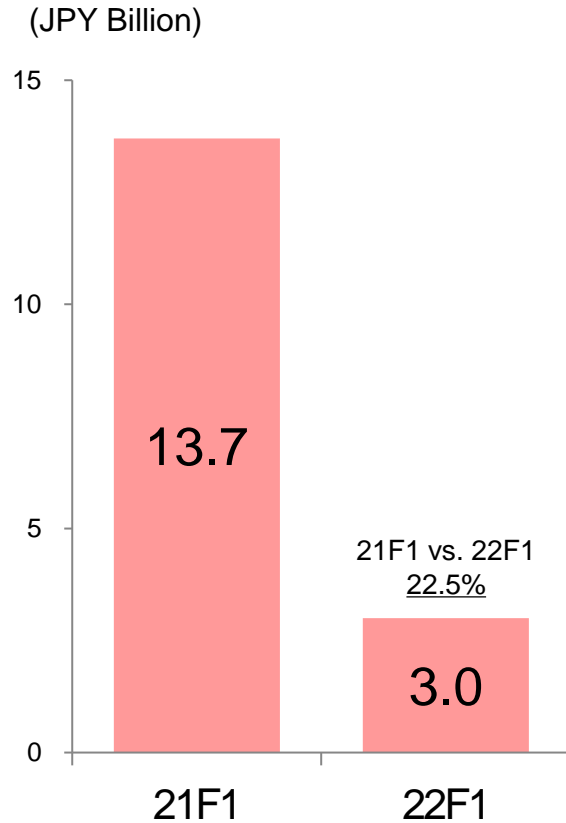
- ▣ Sales in Japan decreased due to the delivery timing of some programs requiring advanced product customization.
- ▣ Sales overseas slightly increased due to a recovery in the automotive and other industrial markets, which were heavily affected by COVID-19.



DuraVision FDF2382WT-A

# Net Sales : Amusement

- ▣ 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	22F1	Growth
Current Assets	80,510	81,852	1,341
Cash & Equivalents	22,387	18,305	(4,082)
Accounts Receivable etc.*	24,814	17,215	(7,599)
Inventories	31,749	43,973	12,224
Tangible Assets	20,173	21,084	910
Intangible Assets	841	777	(64)
Investments and Other Assets	53,933	47,124	(6,808)
<b>Total</b>	<b>155,459</b>	<b>150,839</b>	<b>(4,620)</b>
Current Liabilities	20,726	20,740	14
Long term Liabilities	16,150	14,465	(1,685)
Shareholders' Equity	118,582	115,633	(2,949)
<b>Total</b>	<b>155,459</b>	<b>150,839</b>	<b>(4,620)</b>

## 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 (JPY 2.0B).

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

# Research & Development / CAPEX

(JPY Billion)

	21F1	22F1	21F1 vs. 22F1
R&D * Includes manufacturing costs	2.8	2.8	100.5%
R&D / Net Sales	6.6%	7.9%	1.3pt.
CAPEX	0.6	1.1	175.5%
Depreciation	1.2	1.0	83.2%

## Research & Development

Invested in key areas steadily.

## CAPEX

Invested continuously for future growth.

- **EIZO MS Corp (Japan):**  
**New manufacturing facility**  
Ensuring capacity increase, productivity improvement and laborsaving.



1. 22F1 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	82,000	94.5%
Gross Profit	30,859	25,600	83.0%
Gross Profit / Net Sales	35.6%	31.2%	(4.3pt)
Selling, General and Administrative Expenses	19,560	20,200	103.3%
Operating Income	11,299	5,400	47.8%
Operating Income / Net Sales	13.0%	6.6%	(6.4pt)
Ordinary Income	12,110	6,200	51.2%
Net Income Attributable to EIZO Corporation's Stockholders	7,794	5,700	73.1%

	21F	22F1	22F2 Plan	22F Plan	21F vs.22F Plan
Exchange Rate:USD	JPY112.39	JPY134.03	JPY150.00	JPY142.02	JPY29.63
Exchange Rate:EUR	JPY130.55	JPY138.76	JPY146.00	JPY142.38	JPY11.83

ROA	7.9%	-	-
ROE	6.7%	-	-

## Revised 22F projected results (announced on Oct. 28<sup>th</sup>, 2022)

- Steady sales predicted in B&P/HC/CW/V&S.
- On the other hand, net sales and income decreased due to the FOREX impact and sales in AMU.
  - Strong USD impact negatively as we purchase materials mainly in USD.
  - AMU sales decreased by postponements in delivery of some models.

## Foreign Exchange Sensitivity

(Impact on Operating Income per JPY1 depreciation)

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



# 22F Plan for Net Sales by Market

(JPY Million)

	21F	(%)	22F Plan	(%)	21F vs.22F Plan(%)
B&P (Business & Plus)	17,544	20.2	20,800	25.4	118.6
Healthcare	31,905	36.8	34,500	42.1	108.1
Creative Work	6,278	7.2	6,900	8.4	109.9
V&S (Vertical & Specific)	8,337	9.6	10,100	12.3	121.1
Amusement	18,141	20.9	5,000	6.1	27.6
Other	4,581	5.3	4,700	5.7	102.6
Total	86,789	100.0	82,000	100.0	94.5

# Topic 1

## Publish Integrated Report 2022 (Oct, 2022)

- Provide insightful report for our shareholders, investors and other stakeholders on our mid-and-long initiatives to enhance our corporate value by integrating both financial and non-financial information.
- In addition to our past performance, **explain our efforts to realize business growth in FY2022, which we consider a year of “steps” toward achieving our 7<sup>th</sup> Mid-Term Business Plan.**



▼ Published in our website  
<https://www.eizoglobal.com/ir/integratedreport/>

22F, First Half  
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# Topic 2

## Case Study

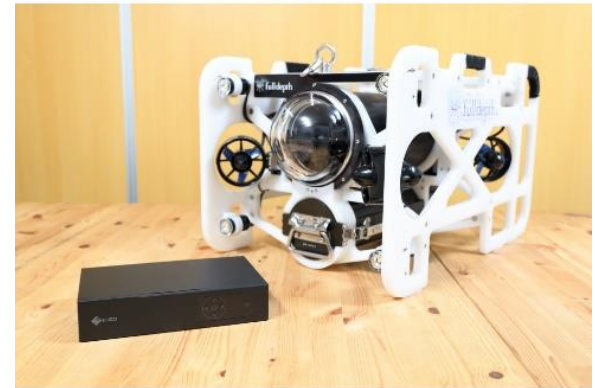
# Enhancing Visibility of Images Captured by Underwater Drones With Our System Called “EVS”

- FullDepth (Japan), developing and manufacturing drones for underwater\*, installed EIZO’s image optimization system

\* Utilized in a wide range of fields (incl. infrastructure inspection of dams, ports, offshore wind farms and fishing reefs), which have proven to be a major challenge in the field of underwater exploration

### Image Optimization System DuraVision EVS1VX

- Optimizes images by fine-tuning each parameter according to how low the visibility is and what the varying water quality conditions are in real time.
- The primary reason they selected EIZO was due to the high quality and reliability of the product.



DuraVision EVS1VX and underwater drone

# Topic 3

## Case Study

# Imelda Hospital (Belgium) Installed Operating Room Solutions



Large Monitor Manager  
LMM0802

### Server Area

Bundle all video sources and stream them to the control room



### Control Room

Send grouped data to the operating area, by operation with high resolution monitors



### Operating Area

See all necessary information on a 4K large monitor in one glance

## The EIZO's Solution Allows:

- Combining all available video sources and arranging various sources
- Providing necessary information to the operating team without supplementary actions

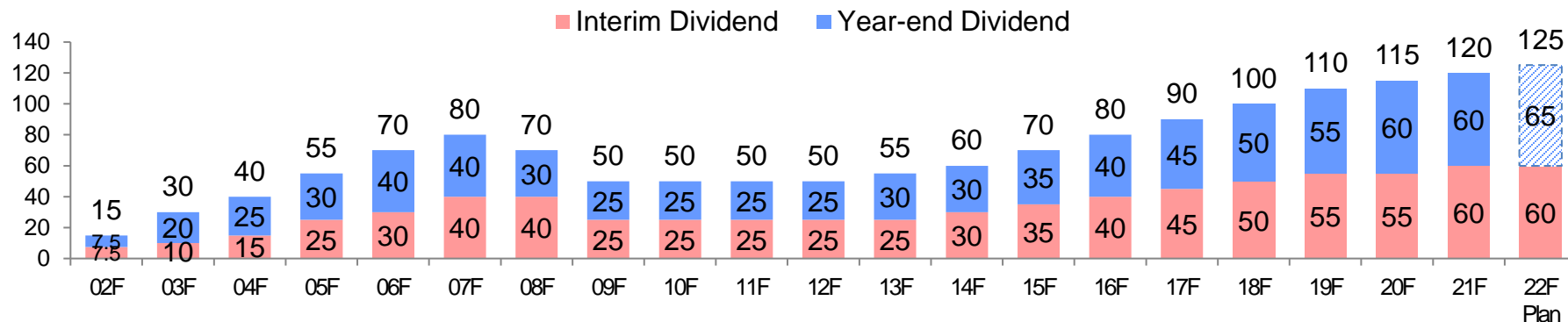
# Profit Distribution to Shareholders

## Basic policy on profit distribution to shareholders

- Returning profit to shareholders is a key management concern for EIZO Corporation, and we have followed a basic policy of stable dividend payment in line with corporate growth. We return profit to shareholders on the basis of an overall consideration of securing retained profit for capital investments and R&D expenditures required for business expansion, financial status and future performance.

(JPY / Share)

- Our target shareholder return ratio is 40% to 50% of net income.



Dividend Payout Ratio	11.3%	9.5%	14.4%	17.5%	20.6%	41.0%	229.7%	22.6%	31.5%	67.5%	66.7%	21.6%	38.5%	35.5%	30.1%	26.9%	49.5%	50.2%	39.8%	32.8%	45.8%
Shareholder Return Ratio	11.3%	9.5%	14.4%	17.5%	20.6%	41.0%	375.2%	22.6%	31.5%	168.0%	66.7%	21.6%	38.5%	35.5%	30.1%	26.9%	49.5%	50.2%	39.8%	32.8%	100.4%

\* 22F Plan: The Shareholder Return Ratio includes the share buybacks planning 3.1 billion JPY.

1. 22F1 Consolidated Financial Result

2. 22F Plan / Topics

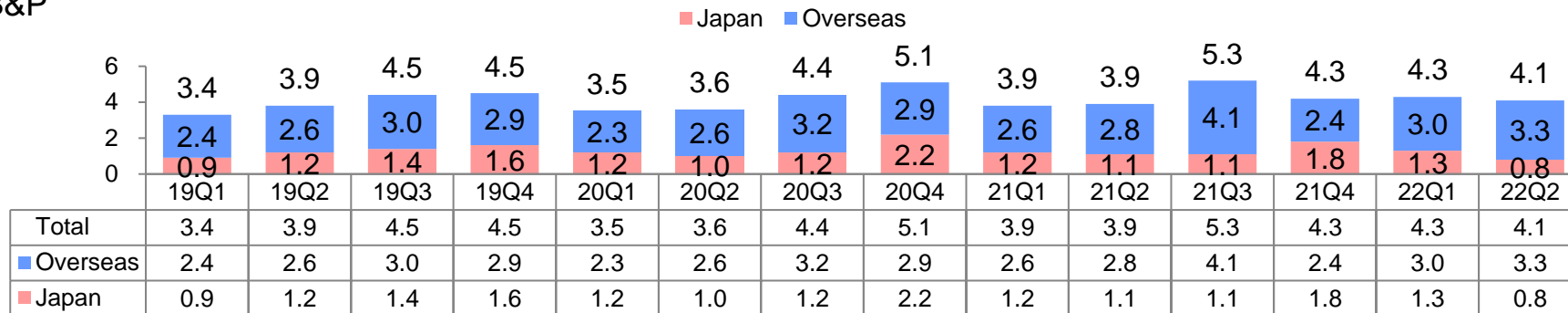
**3. Reference Materials**



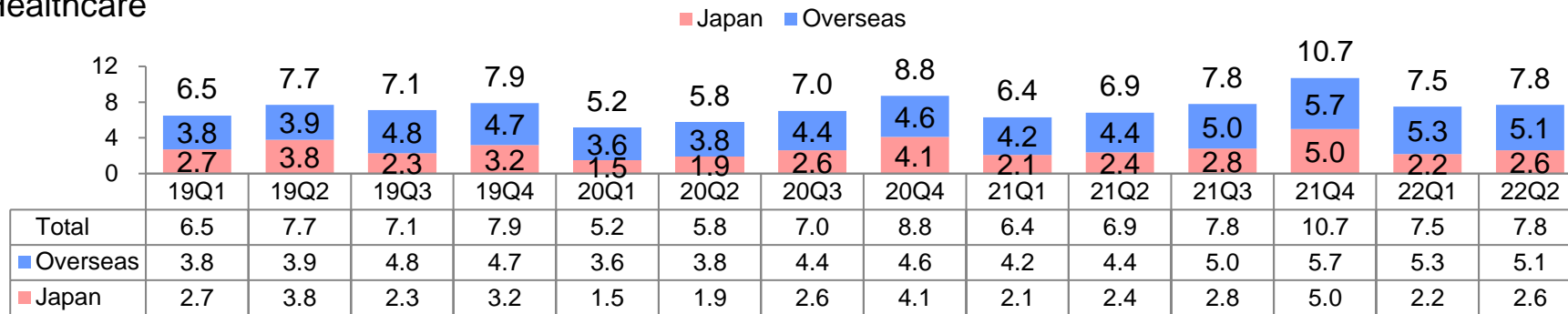
# Net Sales: B&P / Healthcare

(JPY Billion)

## B&P



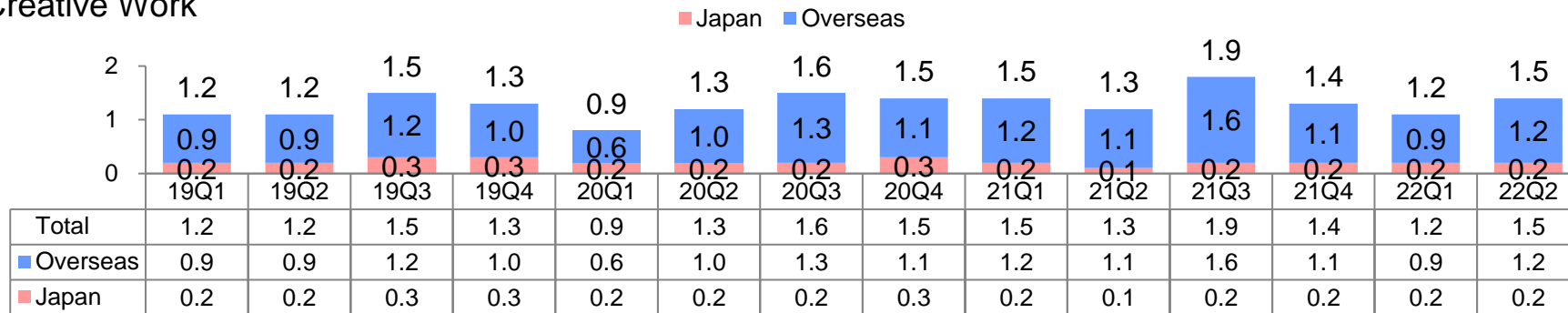
## Healthcare



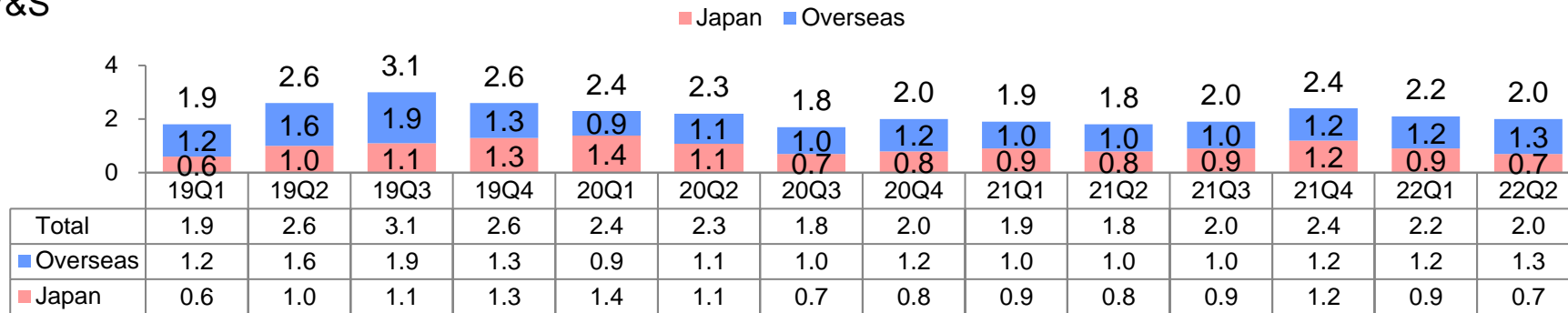
# Net Sales: Creative Work / V&S

(JPY Billion)

## Creative Work



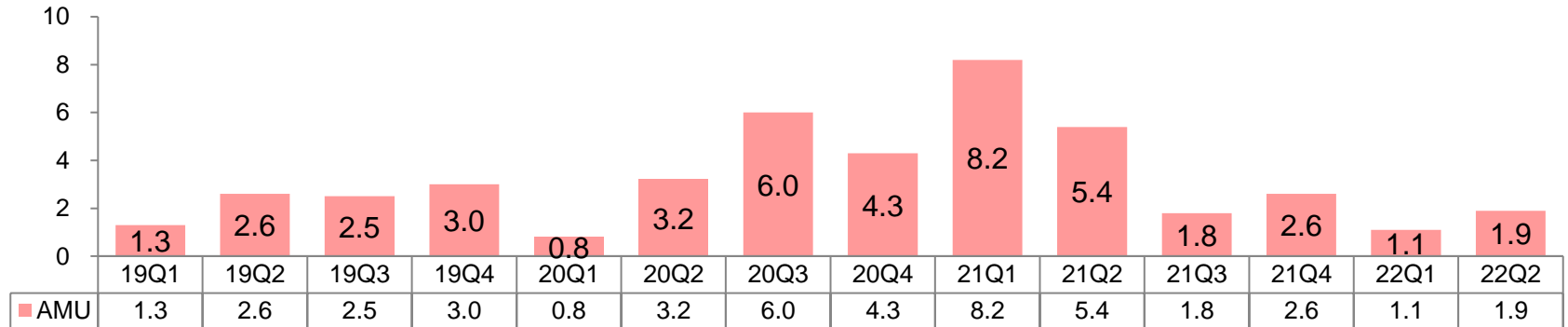
## V&S



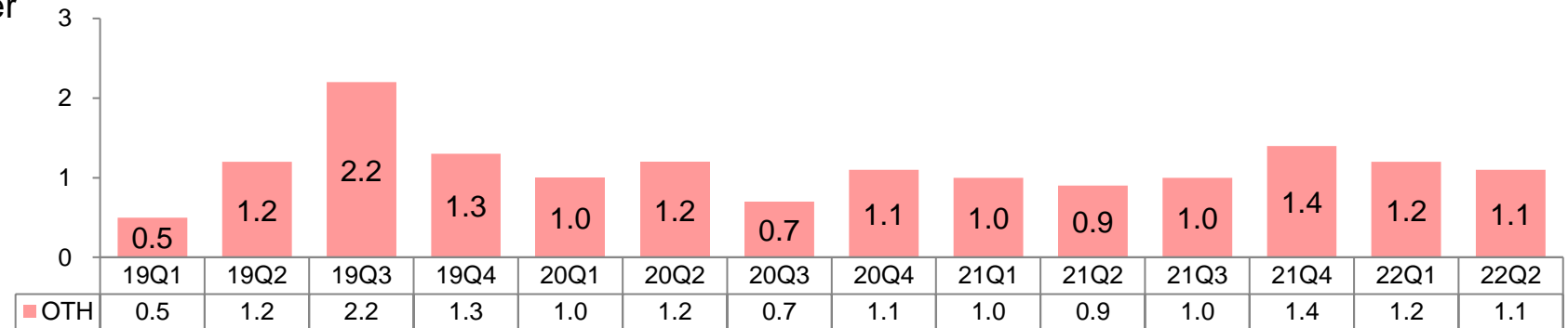
# Net Sales: Amusement / Other

(JPY Billion)

## Amusement

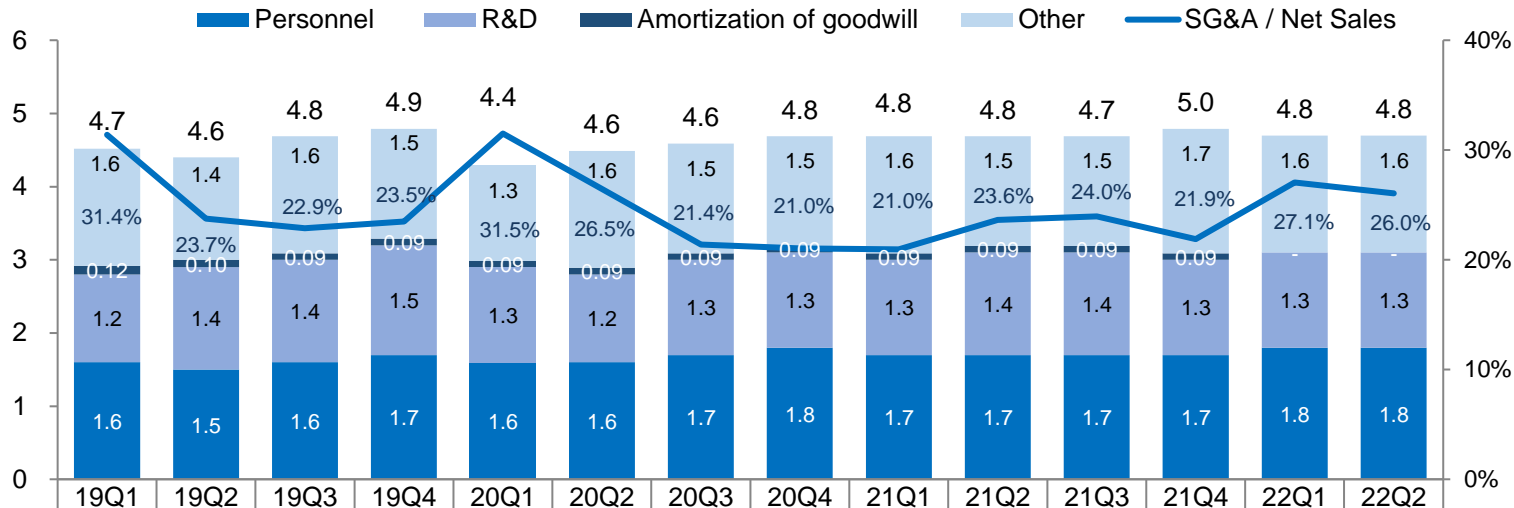


## Other



# Selling, General and Administrative Expenses

(JPY Billion)



	19Q1	19Q2	19Q3	19Q4	20Q1	20Q2	20Q3	20Q4	21Q1	21Q2	21Q3	21Q4	22Q1	22Q2
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	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	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	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	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%	26.0%



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