



Consolidated Financial Highlights

Fiscal Year 2022

May 12th, 2023

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: "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. 22F Consolidated Financial Results

2. 23F Plan / Topics

3. Reference Materials

22F Consolidated Financial Highlights

Growing Sales in HC & V&S Decrease in Sales & Income Due to AMU

- **Net Sales: JPY80.8B (YoY 93.2%)**
 - **AMU: JPY6.4B (YoY 35.8%)** Decreased due to the completion of the intensive demand for replacement.
 - **B&P/HC/CW/V&S: JPY69.3B (YoY 108.2%)**
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.
- **Operating Income: JPY5.0B (YoY 44.3%)**
 - Gross Profit decreased as a result of decreasing sales in AMU, an increase in Costs of Goods due to increasing material & logistics cost and a strengthened USD.
- **Net Income: JPY5.8B (YoY 75.2%)**
 - We realized a JPY1.9B gain on investment securities sold.

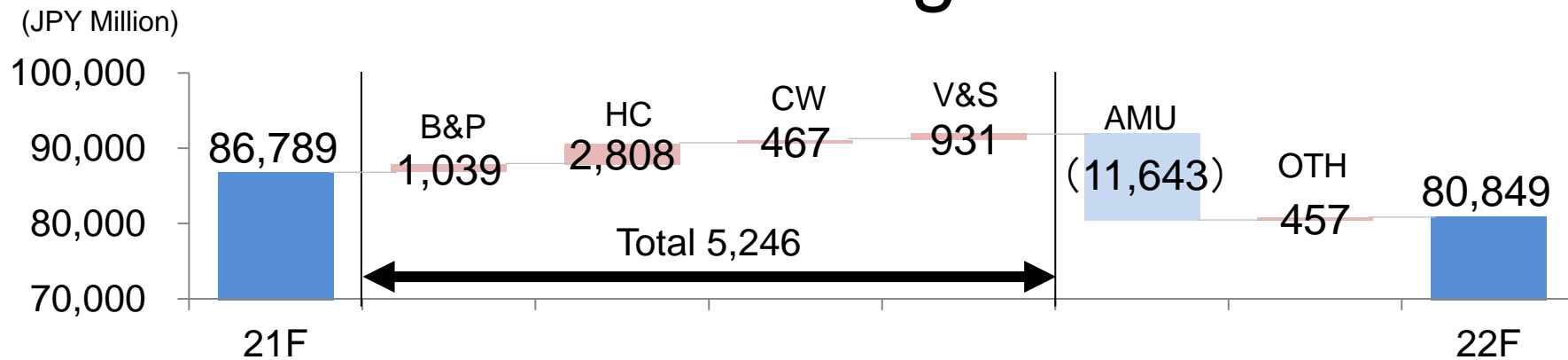
Consolidated Income Statement

(JPY Million)

	21F	22F	YoY
Net Sales	86,789	80,849	93.2%
Gross Profit	30,859	25,243	81.8%
Gross Profit / Net Sales	35.6%	31.2%	(4.3pt)
Selling, General and Administrative Expenses	19,560	20,241	103.5%
Operating Income	11,299	5,002	44.3%
Operating Income / Net Sales	13.0%	6.2%	(6.8pt)
Ordinary Income	12,110	6,126	50.6%
Net Income Attributable to EIZO Corporation's Stockholders	7,794	5,862	75.2%
Exchange Rate(Yearly Ave.):USD	JPY112.39	JPY135.50	JPY23.11
Exchange Rate(Yearly Ave.):EUR	JPY130.55	JPY140.99	JPY10.44

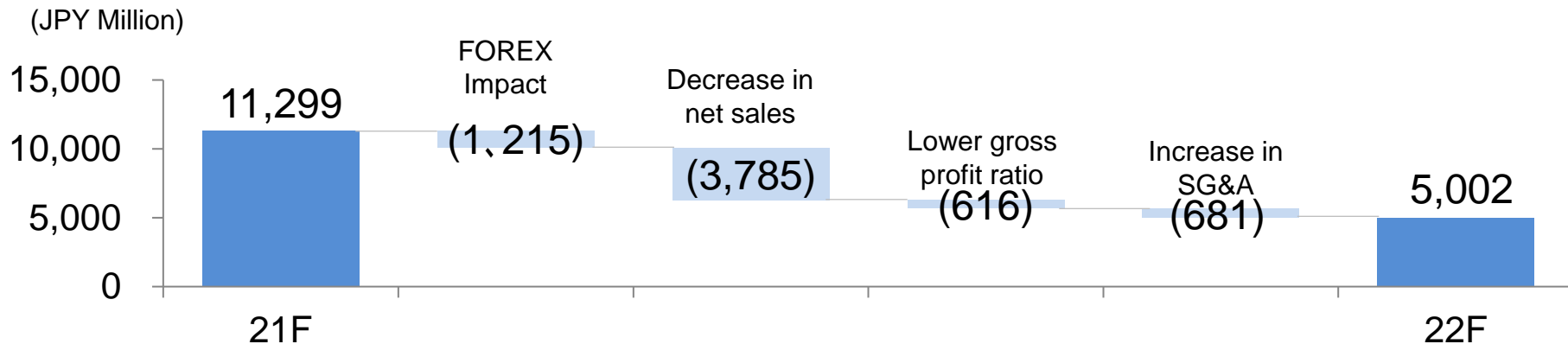


Main Factors for Changes in Net Sales



- B&P: Sales increased although some investments in IT equipment were postponed in 22Q3/Q4 in Europe.
- HC: Sales increased steadily in Europe & Japan and demand in North America gradually recovered.
- CW: Sales of new models increased W/W and sales increased in North America and India.
- V&S: Sales increased for S&S overseas 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.

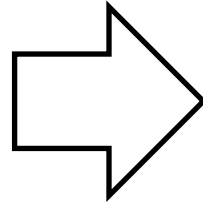
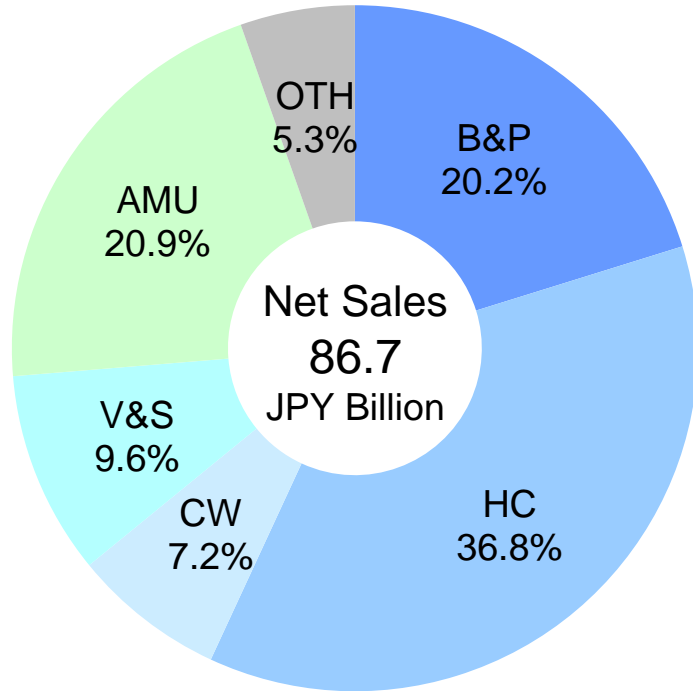
Main Factors for Changes in Operating Income



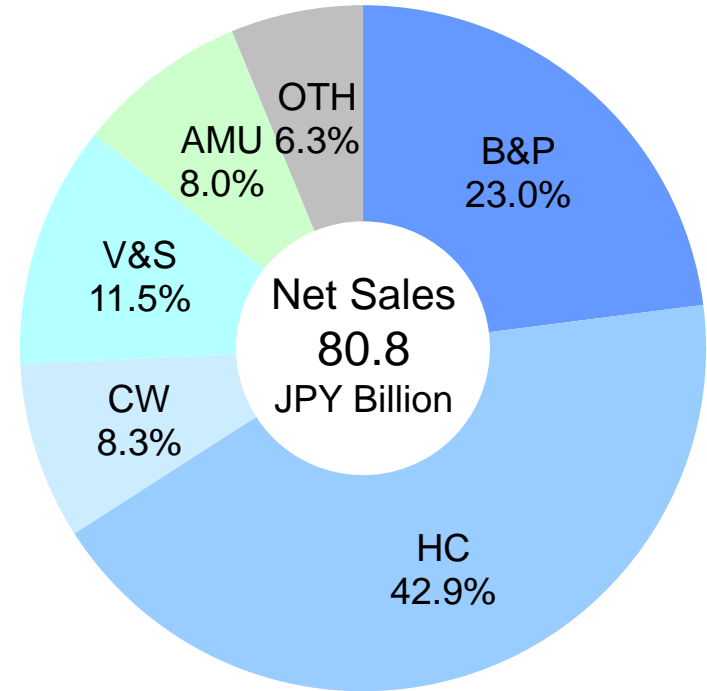
- ❑ The FOREX impact negatively affected the results, as a strong USD caused a rise in raw material costs, which negated the increase in sales compounded by a weak JPY.
- ❑ The decrease in Net Sales and lower Gross Profit Ratio (excl. the FOREX impact) were due to material cost & logistics cost increase and in addition to sales decrease in AMU.
- ❑ SG&A increased by a gradual resumption of marketing activities after severe restrictions from the COVID-19 pandemic.

Net Sales: Composition Ratio

21F



22F



Net Sales: B&P (Business & Plus)

(JPY Billion)



Overseas

- Sales increased steadily although some investments in IT equipment were postponed in 22Q3/Q4, primarily in Germany.

Japan

- Sales decreased due to stock adjustments by distributors.
- Sales increased by sales of highly profitable products mainly for capital investment.



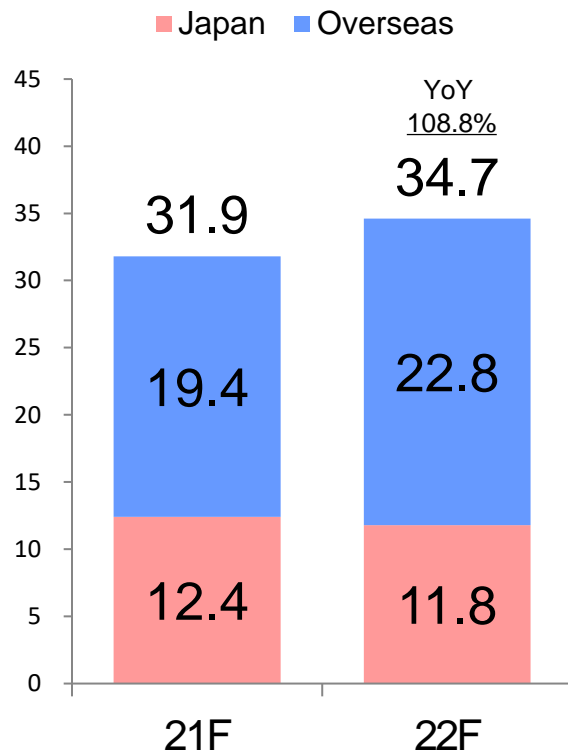
FlexScan EV3240X / EV2740X

Fiscal Year 2022

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Net Sales : Healthcare

(JPY Billion)



Diagnostics

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

OR Integration

- Sales increased overseas.

Endoscopy

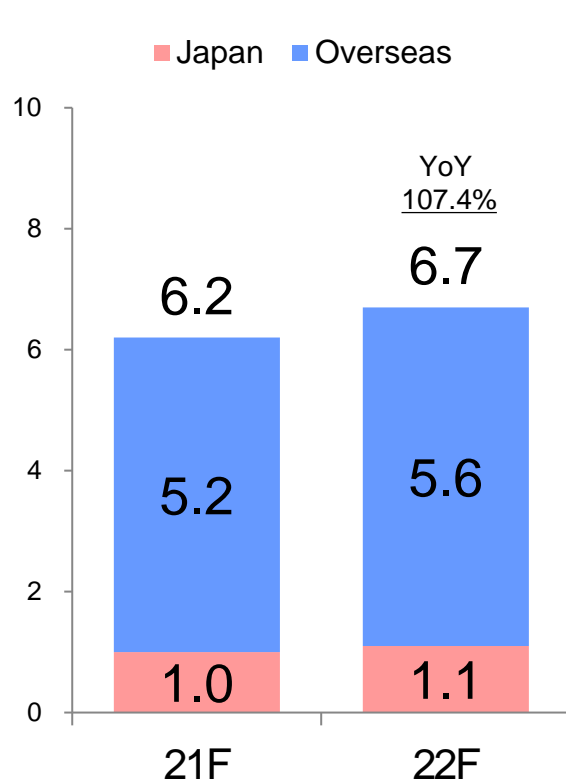
- Sales increased overseas mainly in Europe, North America, and China.



RadiForce & RadiCS

Net Sales: Creative Work

(JPY Billion)



Overseas

- ▣ Sales of new models increased, which compensated the impact of an overall postponement in full-scale deliveries in 22Q1.
- ▣ Demand in North America recovered and sales in India increased.

Japan

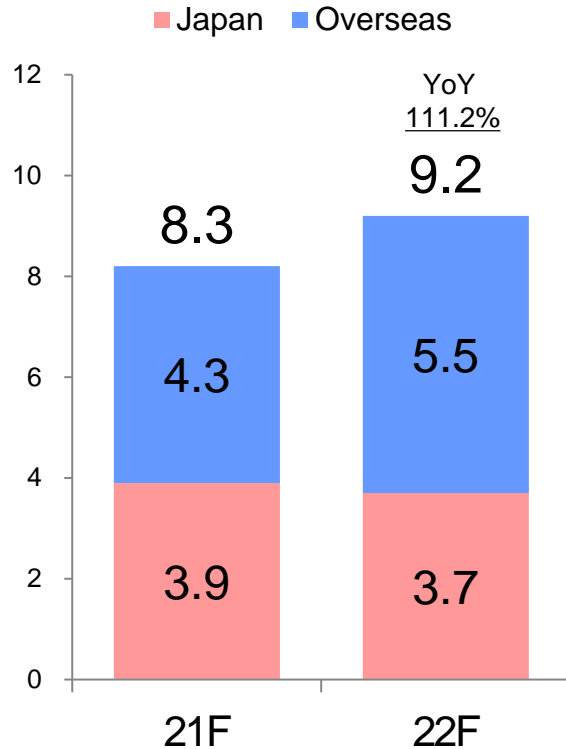
- ▣ Sales of new models increased.



ColorEdge CS2400S

Net Sales: V&S (Vertical & Specific)

(JPY Billion)



ATC (Air Traffic Control)

- ▣ Sales decreased due to the project nature of the market.

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).

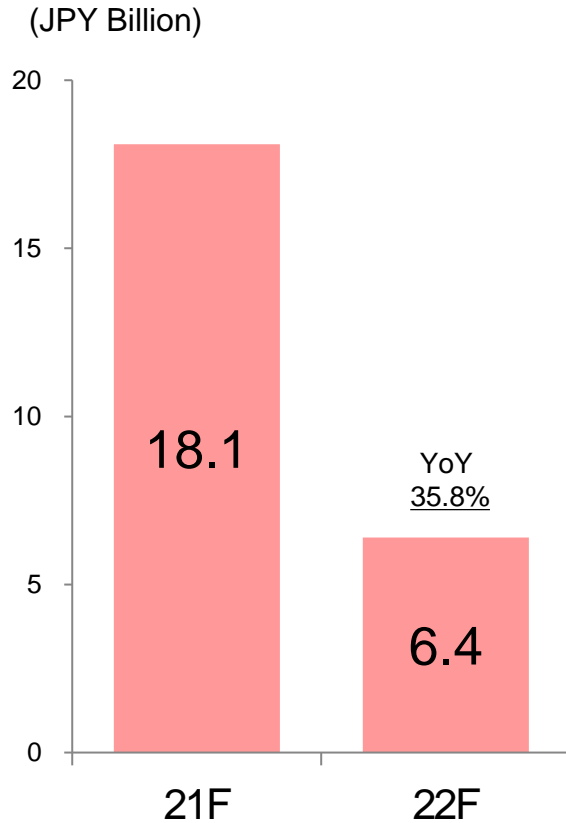
Others

- ▣ 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.



Net Sales : Amusement

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



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Consolidated Balance Sheets

(JPY Million)

	21F	22F	Growth
Current Assets	80,510	79,904	(606)
Cash & Equivalents	22,387	9,557	(12,830)
Accounts Receivable etc.*	24,814	20,661	(4,153)
Inventories	31,749	48,020	16,271
Tangible Assets	20,173	21,988	1,814
Intangible Assets	841	748	(93)
Investments and Other Assets	53,933	53,294	(638)
Total	155,459	155,935	476
Current Liabilities	20,726	19,717	(1,008)
Long term Liabilities	16,150	15,638	(512)
Shareholders' Equity	118,582	120,580	1,997
Total	155,459	155,935	476

Inventories

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

Shareholders' Equity

Acquired own shares (JPY 2.8B).

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

R&D / CAPEX

(JPY Billion)

	21F	22F	21F vs. 22F
R&D	5.8	6.1	105.3%
* Includes manufacturing costs * Includes manufacturing costs			
R&D / Net Sales	6.7%	7.6%	0.9pt.
	21F	22F	21F vs. 22F
CAPEX	3.0	3.1	104.3%
Depreciation	2.6	2.3	88.3%

- Invested continuously for future growth.

R&D

- R&D for new models and system business expansion increased.

CAPEX

- New logistics building (Japan)
- EIZO MS Corp (Japan)
New automated manufacturing facility

1. 22F Consolidated Financial Result

2. 23F Plan / Topics

3. Reference Materials

23F Plan

(JPY Million)

	22F	23F Plan	22F vs.23F Plan
Net Sales	80,849	89,000	110.1%
Gross Profit	25,243	29,400	116.5%
Gross Profit / Net Sales	31.2%	33.0%	1.8pt
Selling, General and Administrative Expenses	20,241	21,900	108.2%
Operating Income	5,002	7,500	149.9%
Operating Income / Net Sales	6.2%	8.4%	2.2pt
Ordinary Income	6,126	8,600	140.4%
Net Income Attributable to EIZO Corporation's Stockholders	5,862	6,000	102.4%
Exchange Rate(Yearly Ave.) :USD	JPY135.50	JPY130.00	(JPY5.50)
Exchange Rate(Yearly Ave.) :EUR	JPY140.99	JPY140.00	(JPY0.99)
ROA	3.9%	-	
ROE	4.9%	-	

Announced on May 12th, 2023.

- ▣ Sales in B&P/HC/CW/V&S will increase.
- ▣ Profitability will improve by sales price increases in response to material cost increases and sales expansion of highly profitable products such as HC and V&S.
- ▣ Invest aggressively in R&D, sales, CAPEX, and human resources.

Foreign Exchange Sensitivity

(Impact on Operating Income per JPY1 depreciation)

- USD: JPY100M (Negative)
- EUR: JPY180M (Positive)



23F Plan for Net Sales by Market

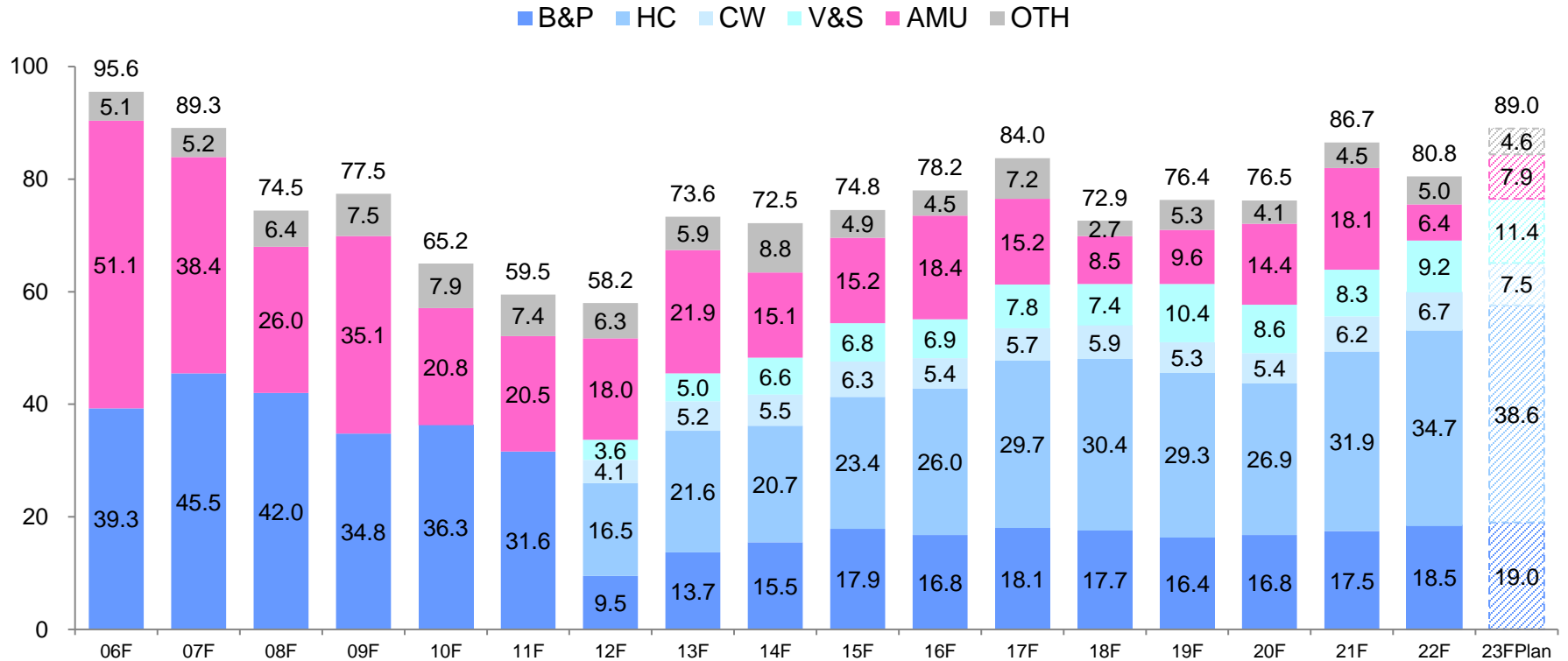
(JPY Million)

	22F	(%)	23F Plan	(%)	22F vs.23F Plan(%)
B&P (Business & Plus)	18,583	23.0	19,000	21.3	102.2
Healthcare	34,713	42.9	38,600	43.4	111.2
Creative Work	6,746	8.3	7,500	8.4	111.2
V&S (Vertical & Specific)	9,269	11.5	11,400	12.8	123.0
Amusement	6,498	8.0	7,900	8.9	121.6
Other	5,039	6.3	4,600	5.2	91.3
Total	80,849	100.0	89,000	100.0	110.1



Net Sales: Overall

(JPY Billion)



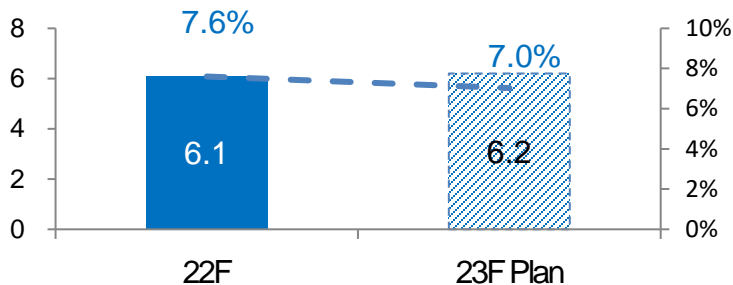
23F Plan R&D / CAPEX

(JPY Billion)

R&D

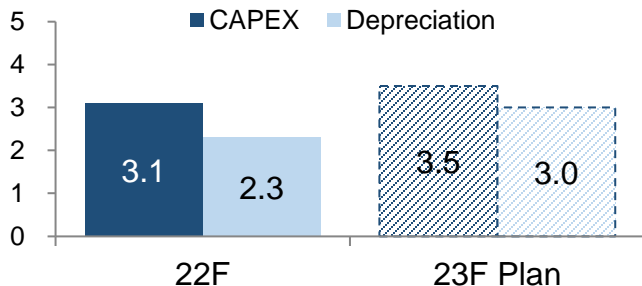
* Includes manufacturing costs

■ TOTAL — R&D / Net Sales



CAPEX / Depreciation

■ CAPEX ■ Depreciation



- Invest aggressively for future growth.
- R&D will increase ensuring investment in growth areas such as HC/V&S, especially in products for system business expansion.

23F CAPEX Plan:

- New manufacturing facility (Japan) : JPY0.4B
- DX (Digital transformation) investment : JPY0.4B
Strengthening the MES(manufacturing execution system)
Improving efficiency in customization to meet customer needs

Topic 1



SSZ-9700 / SSC-9700

Case Study

EIZO's ultra-high sensitivity camera makes it possible to measure river flow rates and velocities even at night

- Hydro Technology Institute (Japan) installed ultra-high sensitivity camera SSZ-9700 in their system to clearly observe rivers at night.

The challenge

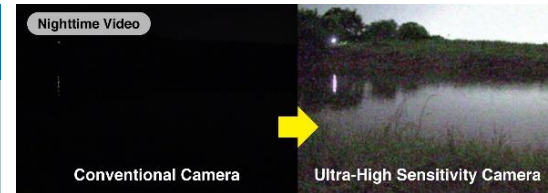
- During a flood, someone has to conduct an on-site observation as part of a safety process.
- Flow rates often peak overnight, so ordinary cameras can't capture images in poor lighting.
- Far-infrared cameras are expensive and don't have enough resolution.



The solution: SSZ-9700

- Capable to capture even the subtlest movements on the river's surface in the dark of night.
- Capable to capture from far away and safe places thanks to the Full HD resolution and built-in zoom lens.

→ **Allowing systems to be used in a wider range of environments**



Topic 2

Construction of a New Logistics Building with Net-Zero CO₂ Emissions

- EIZO completed a new logistics building, that is designed to reduce environmental impact



Streamline logistics activities

- By consolidating materials and products, EIZO will streamline logistics activities and further its stable supply system initiatives.

Reduce environmental impact Virtually zero CO₂ emissions

- Install solar panels across entire rooftop, resulting in a reduction of CO₂ emissions by approximate 163 tons per year.
- Reduce greenhouse gas by approximate 58 tons per year for the distribution process alone.

Topic 3

EIZO's Sustainability Initiatives

- EIZO was recognized as a CDP (*) **Supplier Engagement Leader - the highest rating in the CDP's Supplier Engagement Rating (SER) evaluation**

(*) CDP is a not-for-profit charity that runs the environmental disclosure and assessment system and is widely recognized as the global standard



In fiscal year 2022, out of approximately 8,000 companies that were evaluated, 653 companies representing the top 8% were selected as Supplier Engagement Leaders

Being selected is recognition of EIZO's ongoing efforts related to key issues throughout the supply chain

- Six FlexScan monitors were certified by EPEAT (*) **with the highest ranking of Gold** (*) Global ecolabel that aims to assess the impact that electronic products have on the environment

In addition to environmentally conscious product design, we prioritize environmental consciousness, respect for human rights, and improvement of labor conditions throughout the supply chain



Change Basic Policy on Profit Distribution to Shareholders

Our key management objective is to achieve sustainable growth through business expansion and performance improvement, while maintaining financial soundness and providing returns to shareholders.

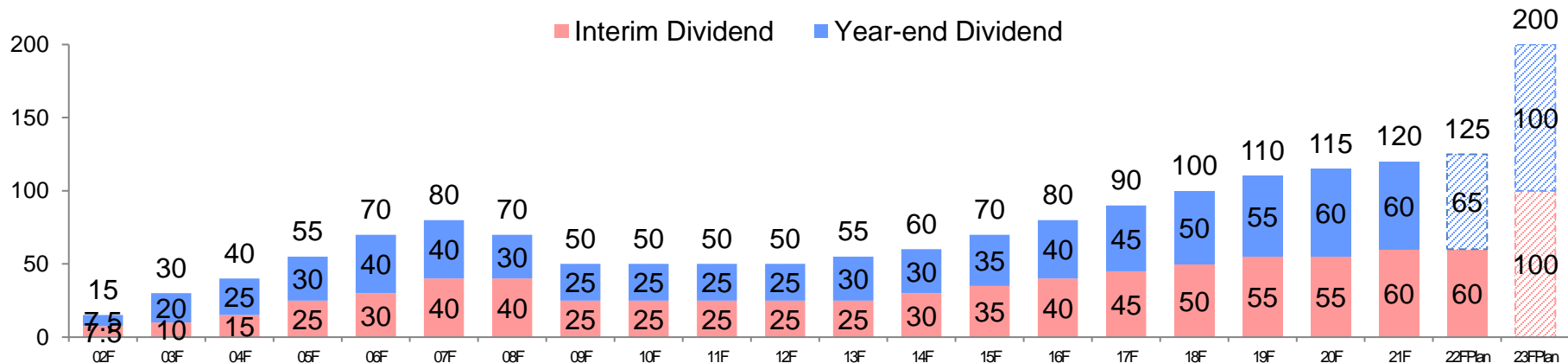
We will increase the profitability of capital as we progress toward a **ROE of 8% and above**.

We will further strengthen the return to shareholders and set **the target level of the shareholders return ratio at 70% of net income** after comprehensive consideration of securing the necessary funds for business expansion, its financial condition, and future performance.

We will dynamically determine the shareholder return ratio for each fiscal year in accordance with our business performance, business environment, and capital needs, etc. **For 23F, we plan to increase the dividend for the 11th consecutive year.**

Profit Distribution to Shareholders

(JPY / Share)



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%	44.5%	68.6%
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%	92.2%	68.6%

* 22F Plan: The Shareholder Return Ratio includes share repurchase amount 2.8 billion JPY.

1. 22F Consolidated Financial Result

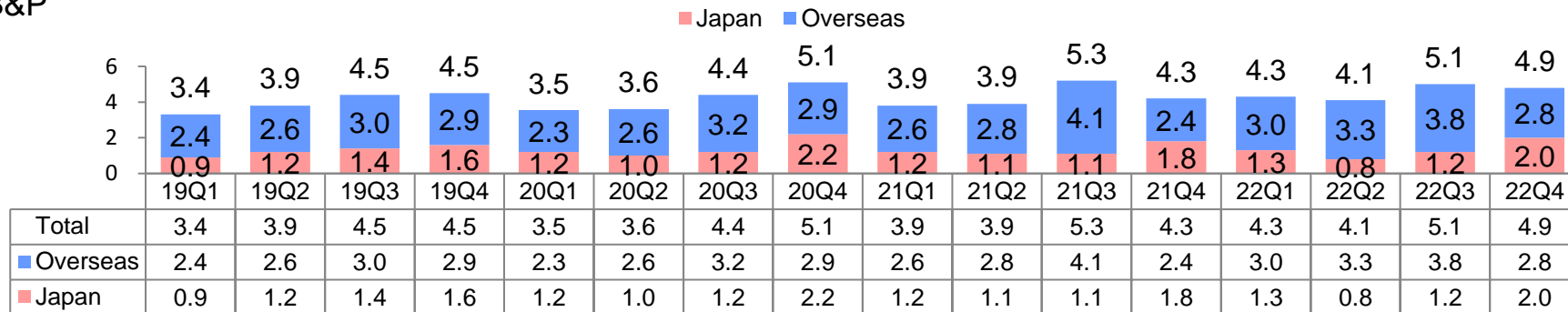
2. 23F Plan / Topics

3. Reference Materials

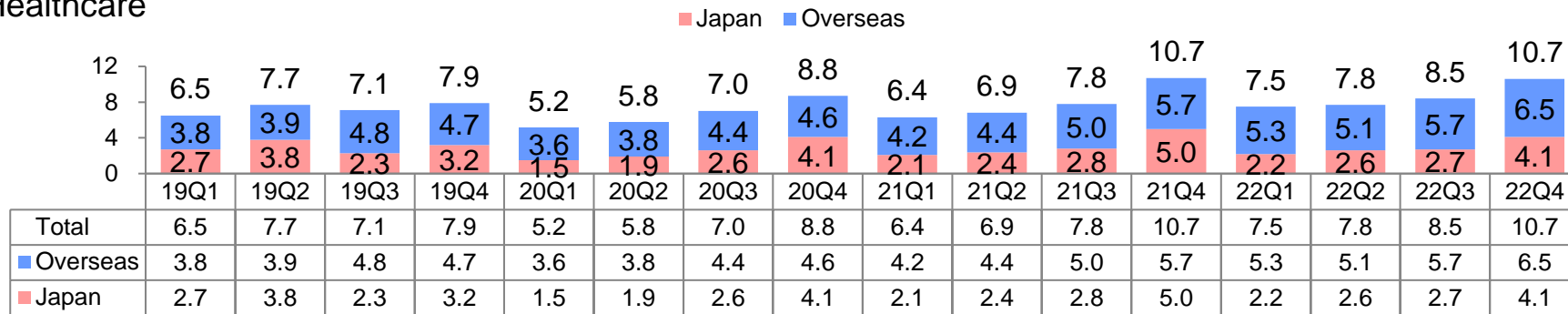
Net Sales: B&P / Healthcare

(JPY Billion)

B&P



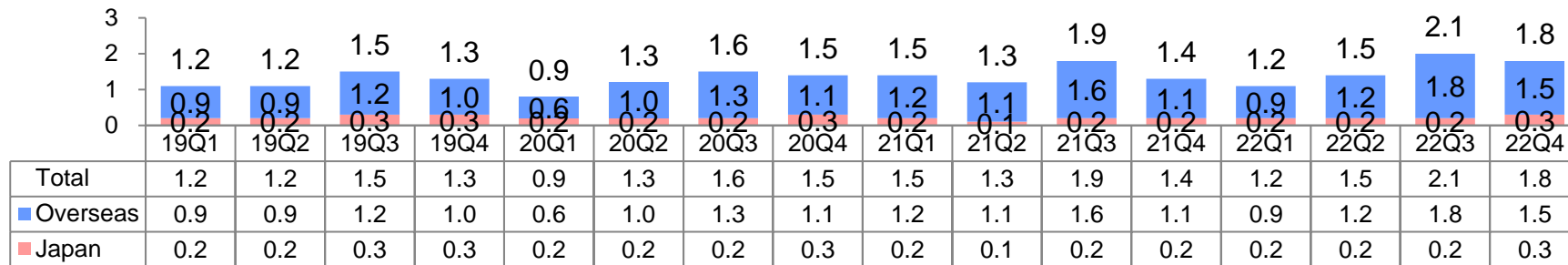
Healthcare



Net Sales: Creative Work / V&S

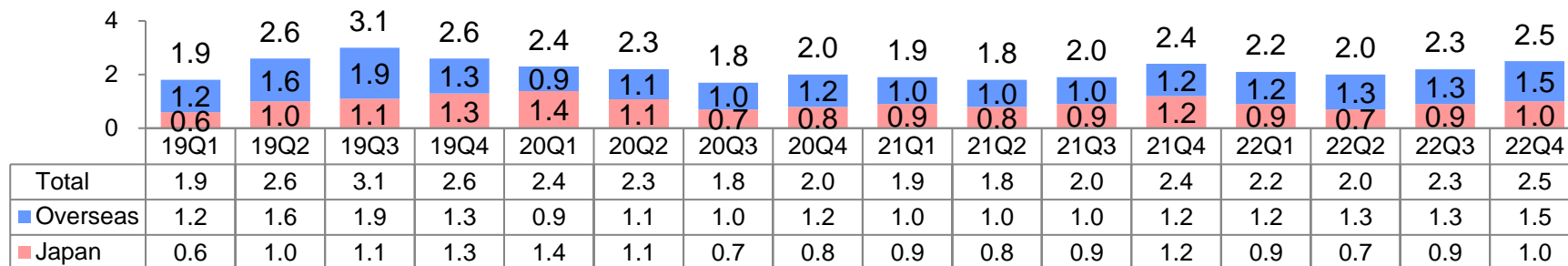
(JPY Billion)
Creative Work

■ Japan ■ Overseas



V&S

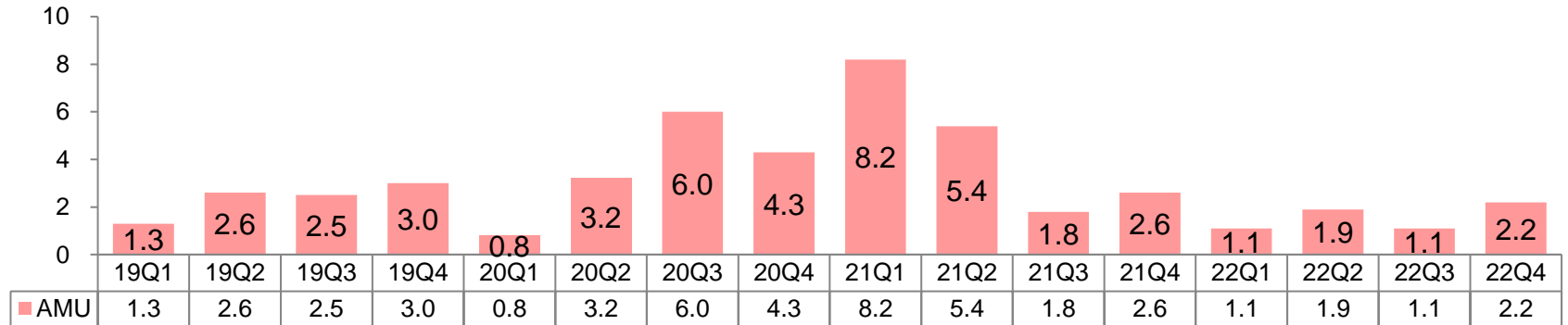
■ Japan ■ Overseas



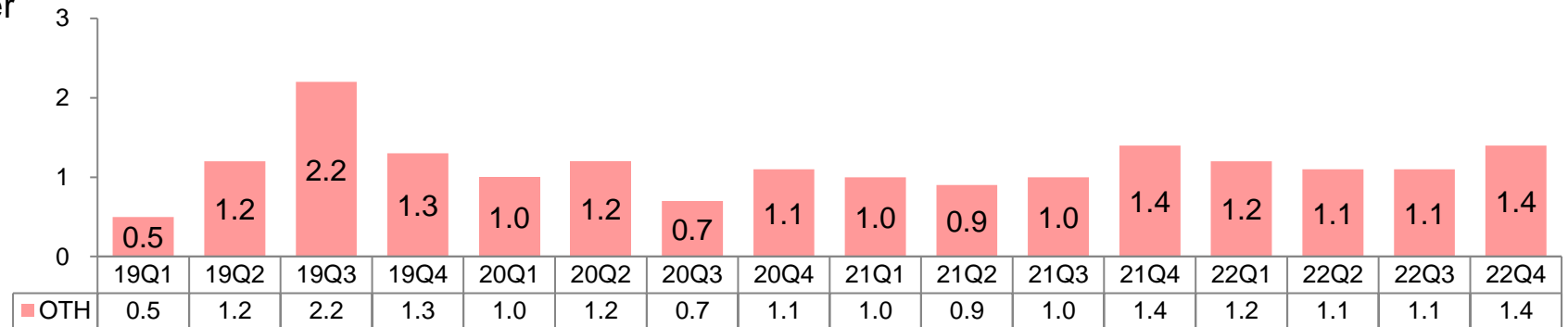
Net Sales: Amusement / Other

(JPY Billion)

Amusement

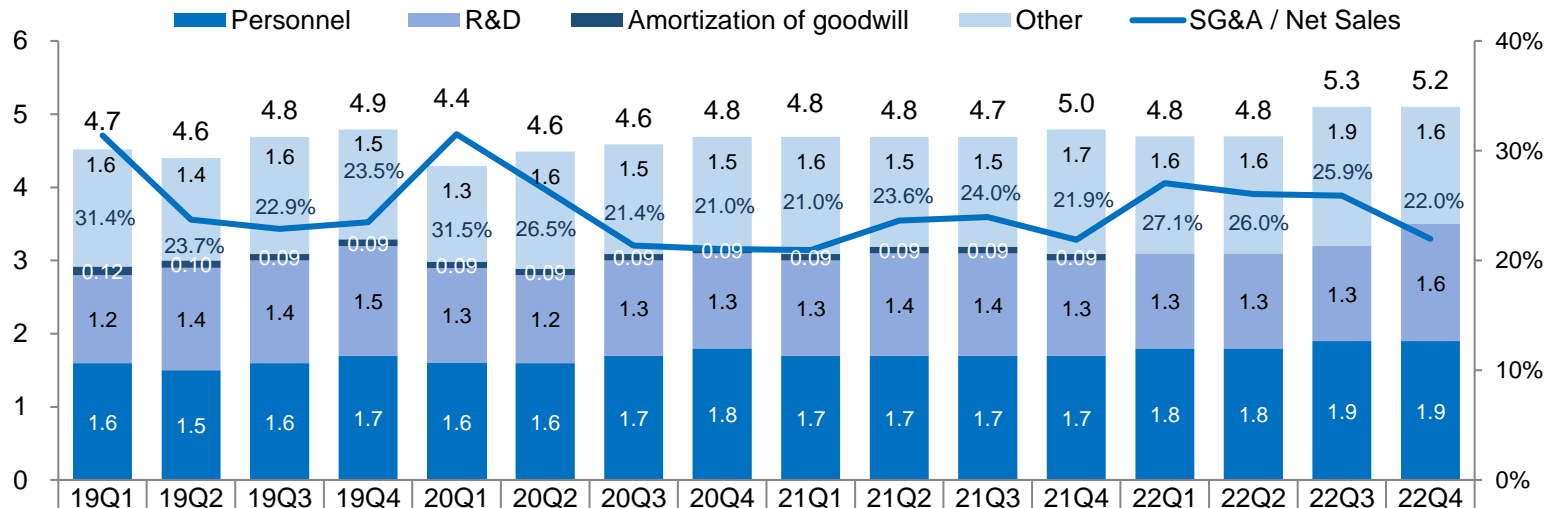


Other



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	4.8	5.3	5.2
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	1.9	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	1.3	1.6
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	1.9	1.9
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%	25.9%	22.0%



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