



# Consolidated Financial Highlights

23F

First Quarter

July 28th, 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: "23Q1" appearing in this presentation means "First Quarter Fiscal year 2023".

"23F" appearing in this presentation means "Fiscal year 2023", that is Fiscal year ended March 31, 2024.

## 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. 23Q1 Consolidated Financial Results

## 2. 23F Plan / Topics

## 3. Reference Materials

# 23Q1 Consolidated Financial Highlights

## Sales and Profit Increase

### HC Steady Sales and Increasing Gross Profit Ratio

#### □ **Net Sales: JPY18.5B (YoY 103.9%)**

- **B&P:** Decreased due to postponed investments in IT equipment and stock adjustments by distributors.
- **HC:** Increased due to steady sales in North America and increased sales in Endoscopy.
- **AMU:** Sales of new model increased.

#### □ **Operating Income: JPY1.0B (YoY 120.6%)**

- Gross Profit Ratio increased as a result of decrease in Costs of Goods due to decreasing material & logistics cost and increasing sales of highly profitable products.

#### □ **Ordinary Income: JPY2.5B (YoY 200.2%)**

- We realized foreign exchange gains of JPY0.8B (We realized a foreign exchange loss of JPY0.1B in 22Q1).

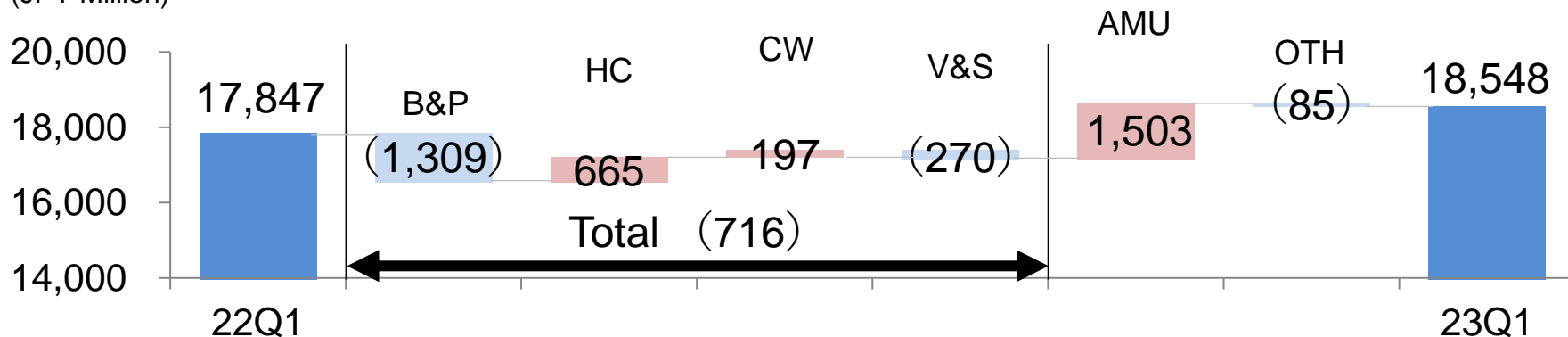
# Consolidated Income Statement

(JPY Million)

	22Q1	23Q1	QoQ
Net Sales	17,847	18,548	103.9%
Gross Profit	5,706	6,338	111.1%
Gross Profit / Net Sales	32.0%	34.2%	2.2pt
Selling, General and Administrative Expenses	4,828	5,279	109.3%
Operating Income	877	1,058	120.6%
Operating Income / Net Sales	4.9%	5.7%	0.8pt
Ordinary Income	1,258	2,518	200.2%
Net Income Attributable to EIZO Corporation's Stockholders	1,383	1,723	124.6%
Exchange Rate(Quarterly Ave.):USD	JPY129.73	JPY137.49	JPY7.76
Exchange Rate(Quarterly Ave.):EUR	JPY138.26	JPY149.58	JPY11.32

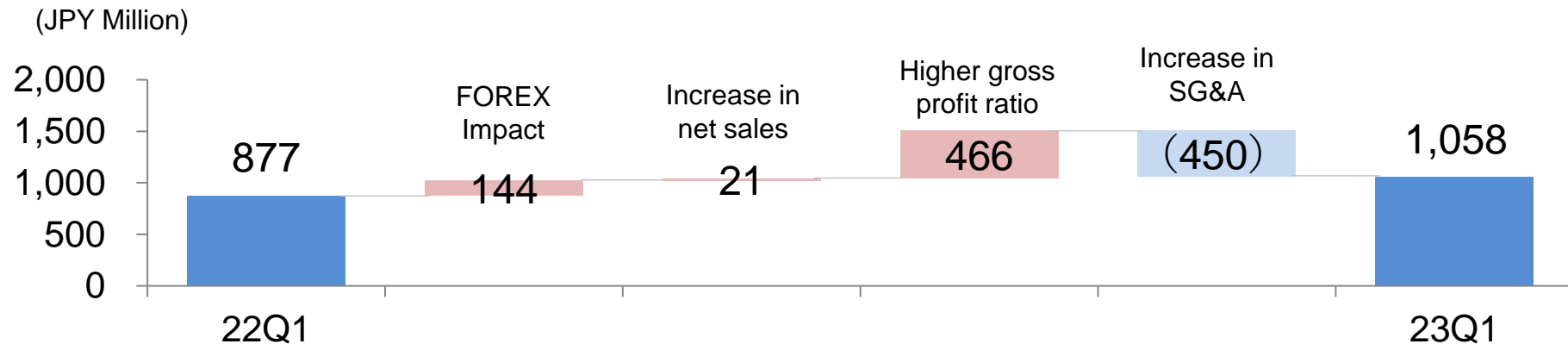
# Main Factors for Changes in Net Sales

(JPY Million)



- B&P: Sales decreased due to postponed investments in IT equipment and stock adjustments by distributors.
- HC: Sales increased due to steady sales in North America and increased sales in Endoscopy.
- CW: Sales in Europe increased.
- V&S: Sales decreased for ATC due to the project nature of the market.
- AMU: Sales of new model increased.
- OTH: Sales of commissioned development of software decreased.

# Main Factors for Changes in Operating Income

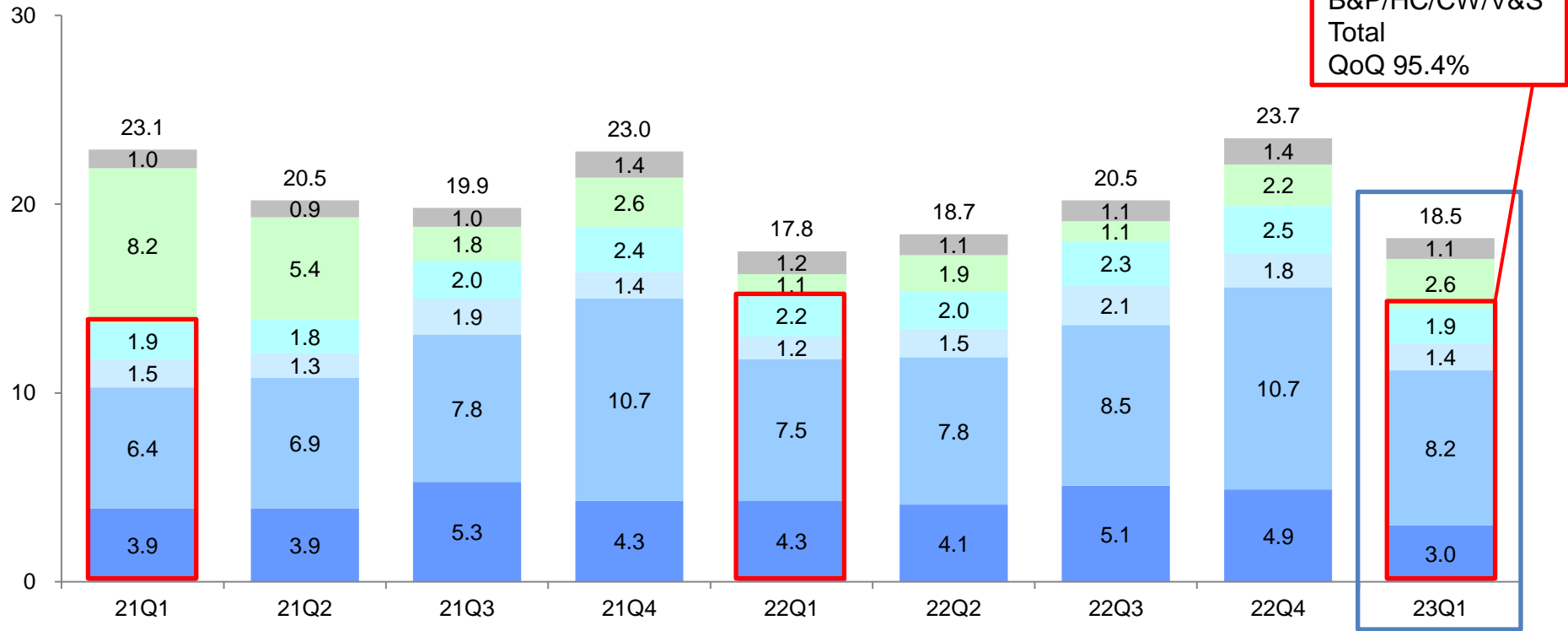


- The FOREX impact was caused by a strong EUR against the JPY.
- Gross Profit Ratio increased as a result of decrease in Costs of Goods due to decreasing material & logistics cost and increasing sales of highly profitable products.
- SG&A increased due to increasing wages and a resumption of marketing activities after severe restrictions from the COVID-19 pandemic.

# Net Sales: Overall

(JPY Billion)

■ B&P ■ HC ■ CW ■ V&S ■ AMU ■ OTH



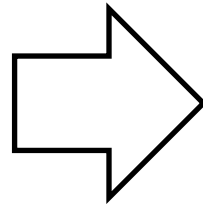
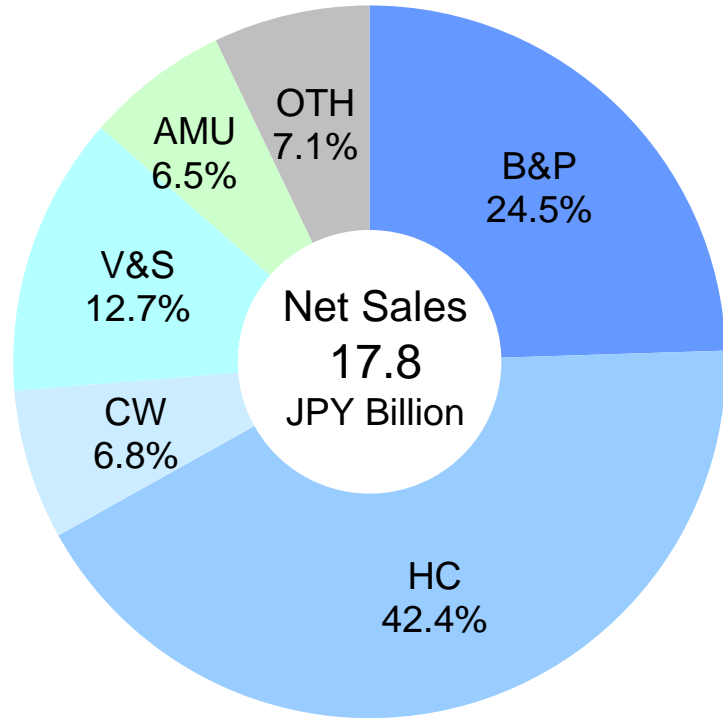
B&P/HC/CW/V&S  
Total  
QoQ 95.4%



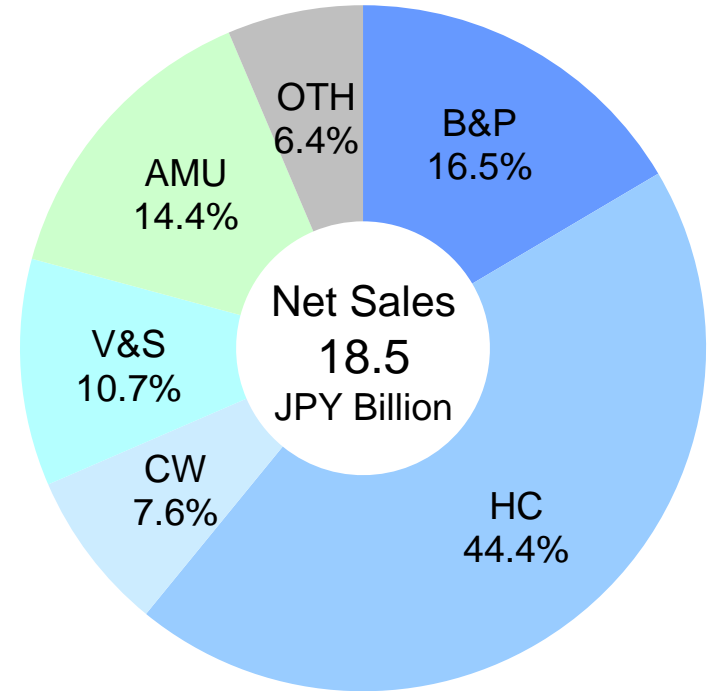


# Net Sales: Composition Ratio

22Q1



23Q1



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

(JPY Billion)



- Sales decreased W/W due to postponed investments in IT equipment, industrywide decrease in computer sales, and stock adjustments by distributors.

## Overseas

- Sales decreased in Europe, primarily in Germany.

## Japan

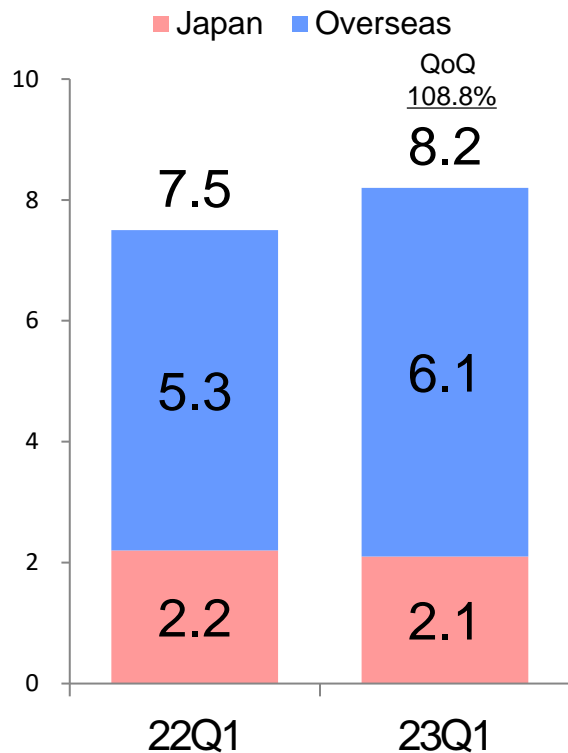
- Sales decreased due to stock adjustments by distributors which continued from 22Q2.



FlexScan EV3240X / EV2740X

# Net Sales : Healthcare

(JPY Billion)



## Diagnostics

- Overseas sales increased due to steady sales in North America.
- Sales in Japan decreased as some projects were postponed.

## OR Integration

- Sales in Japan increased.

## Endoscopy

- Sales increased in Europe, North America, China, and Japan.



RadiForce MX317W

# Net Sales: Creative Work

(JPY Billion)



- Sales increased because full-scale delivery of new models were postponed in 22Q1.

## Overseas

- Sales in Europe increased.

## Japan

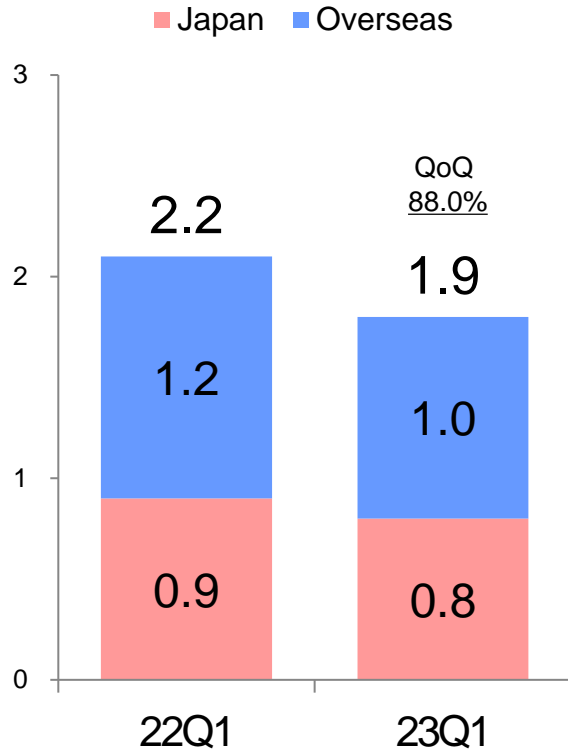
- Sales of high-end models increased.



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 increased due to strong growth in the shipbuilding industry.

## S&S (Security & Surveillance)

- ▣ EVS (EIZO Visual Systems) sales increased due to realization of programs in Japan.

## Others

- ▣ Sales overseas slightly increased due to a recovery in the automotive and other industrial markets, which were heavily affected by COVID-19.



DuraVision DX0212-IP

# Net Sales : Amusement

(JPY Billion)



- ▣ Sales of new models increased.
- ▣ The market size continues to decrease as expected.



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# Consolidated Balance Sheets

(JPY Million)

	22F	23Q1	Growth
Current Assets	79,904	85,278	5,374
Cash & Equivalents	9,557	12,949	3,392
Accounts Receivable etc.*	20,661	18,381	(2,279)
Inventories	48,020	52,426	4,405
Tangible Assets	21,988	22,493	505
Intangible Assets	748	688	(59)
Investments and Other Assets	53,294	56,239	2,944
Total	155,935	164,701	8,765
Current Liabilities	19,717	23,391	3,673
Long term Liabilities	15,638	16,507	869
Shareholders' Equity	120,580	124,802	4,222
Total	155,935	164,701	8,765

## Inventories

Overseas stock increased due to foreign exchange and B&P stock increased.

## Short term loans payable

Increased working capital and cash liquidity.

## Shareholders' Equity

Valuation difference on available for sales securities and foreign currency translation adjustments increased.

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

1. 23Q1 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%	-	

No revision of 23F projected results announced on May 12<sup>th</sup>, 2023.

## Foreign Exchange Sensitivity

(Impact on Operating Income per JPY1 depreciation)

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

# Topic 1



©2022 "Suzume" Film Partners

## Case Study

# ColorEdge Monitors Used for Production of Animated Film "Suzume"

- The production company CoMix Wave Films installed ColorEdge with the ColorNavigator Network – a solution that enables the collective management of ColorEdge monitors registered in a network

### The Challenge

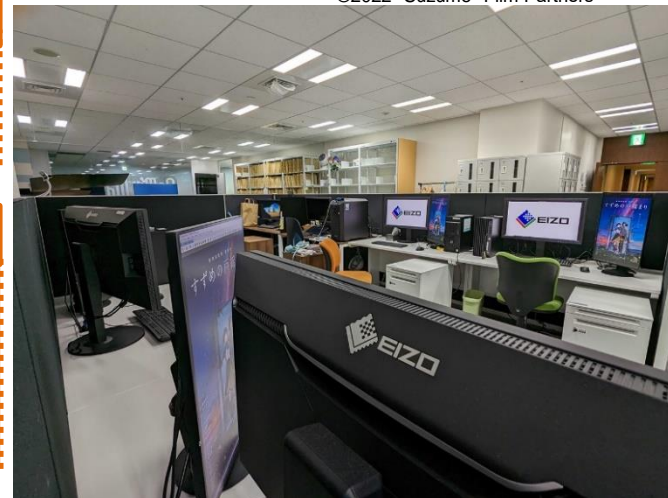
- Color drift over time and the difference in the visual characteristics compared to the monitor that the director is using
- The time and effort required to manage monitors

### ColorEdge

- True color which is crucial to expressing worldview of the film
- Wide gamut unique to color management monitors
- Hardware calibration

### ColorNavigator Network

- Centralized management of 50 monitors
- Enabled timely troubleshooting due to remote monitoring
- Convenient for home office



# Topic 2

## Construction of a New Technology Hub For Future Growth (Scheduled for Completion in March 2025)

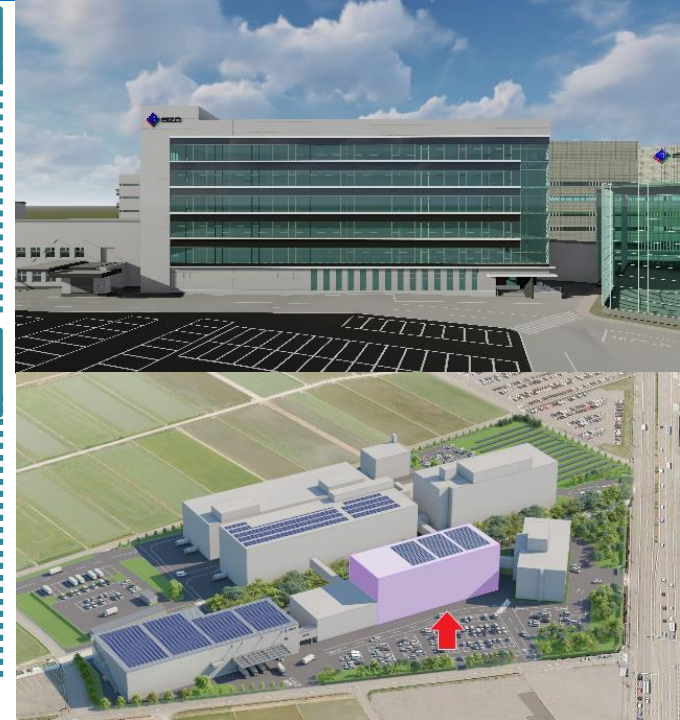
### Strengthen R&D and customer service capabilities

- Ensure capabilities for future expansion and versatility
- Optimize overall layout of the building, including the reconfiguration of existing buildings
- Provide a working environment that supports creativity and increase productivity

### Promote Sustainability

- Install rooftop solar photovoltaic system
- The new technology hub will meet the Japanese ZEB standard(\*). EIZO aims to achieve ZEB certification for all buildings on the site by the end of FY2026

(\* ) Net Zero Energy Building. The standards to certify energy saving building (50% or more) with advanced architectural design, highly efficient equipment, installed renewable energy.



# Topic 3

## “Transition to Net Zero”

### ■ Acceleration to achieve carbon neutrality

EIZO will continue to drive efforts across the value chain to achieve Net Zero by 2040

EIZO GHG Emission Reduction Targets

FY2030	Scope(*) 1+2: Reduce absolute scope 1 and 2 GHG(*) emissions by 70% by FY2030 compared to the FY2019 base year Scope 3: Reduce absolute scope 3 GHG emission by 27.5% by FY2030 compared to the FY2019 base year
FY2040	Scope 1+2: Reduce Scope 1 and 2 GHG emissions to Net Zero Scope 3: Aim for Net Zero GHG emissions in Scope 3 in cooperation with stake holders

GHG: Greenhouse gas

Scope1: Direct GHG emissions by company

Scope2: Indirect emissions from the use of electricity, heat and steam supplied by other companies

Scope3: Other emissions

## Transition to Net Zero

2040



1. 23Q1 Consolidated Financial Result

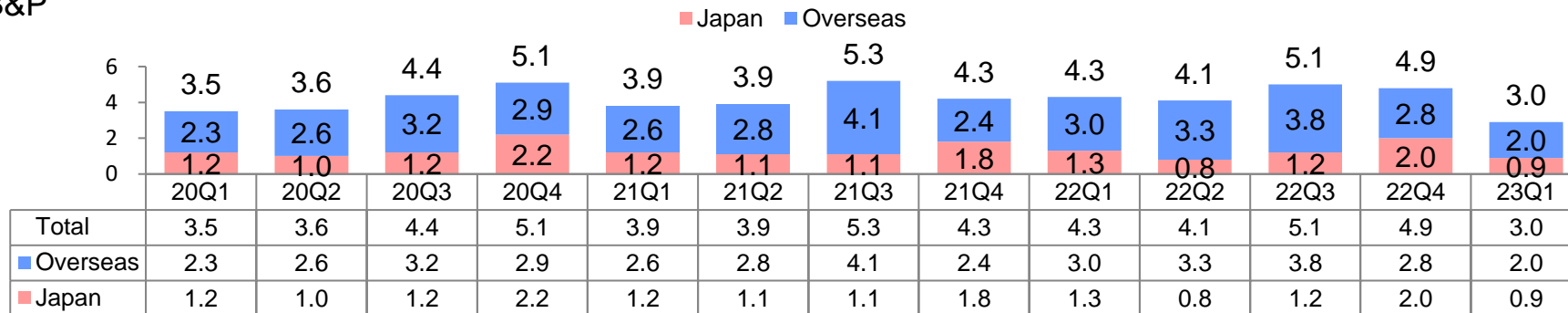
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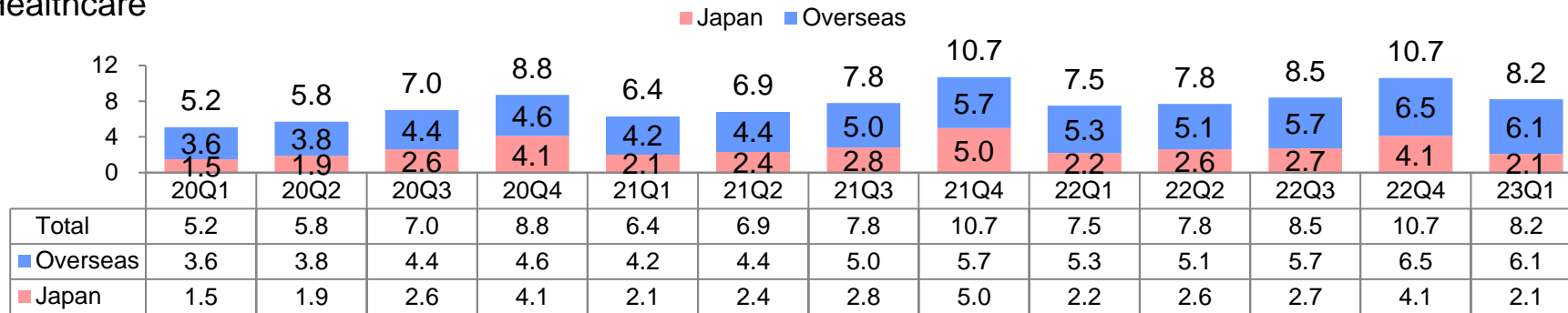
# Net Sales: B&P / Healthcare

(JPY Billion)

## B&P



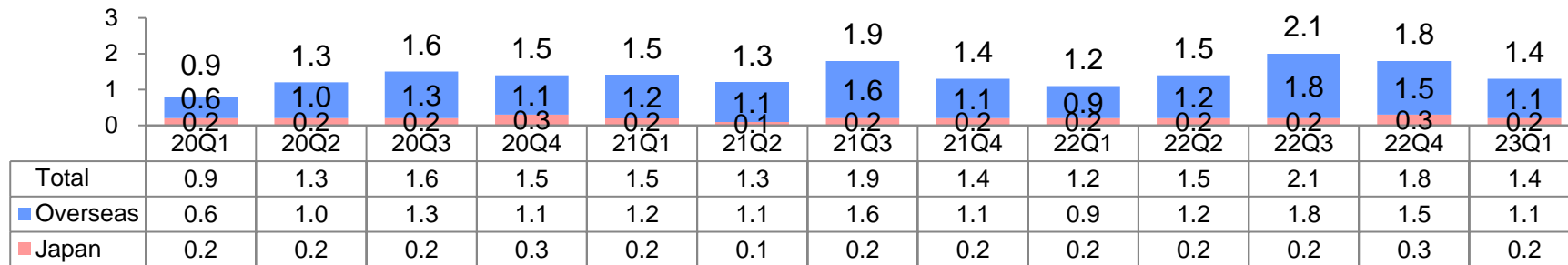
## Healthcare



# Net Sales: Creative Work / V&S

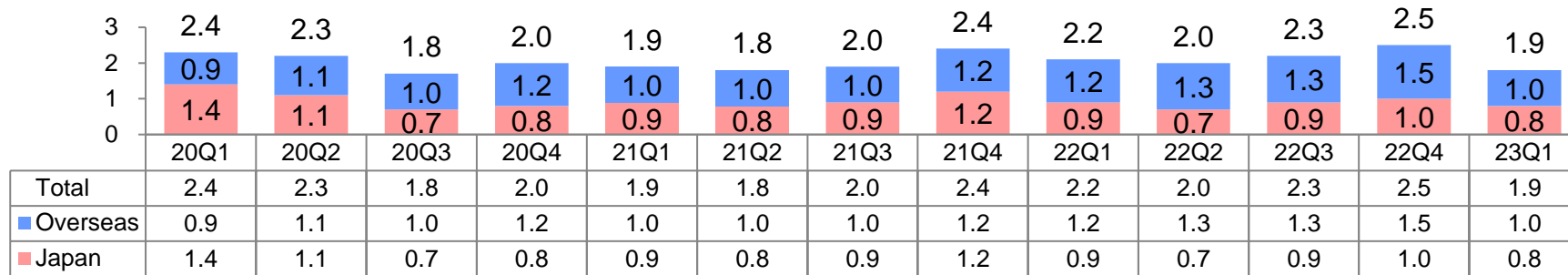
(JPY Billion)  
Creative Work

■ Japan ■ Overseas



V&S

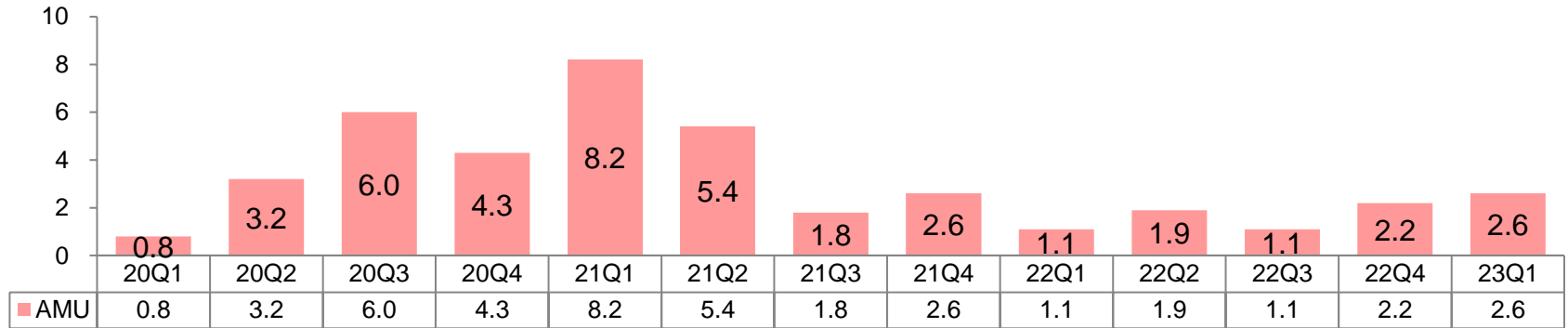
■ Japan ■ Overseas



# Net Sales: Amusement / Other

(JPY Billion)

## Amusement



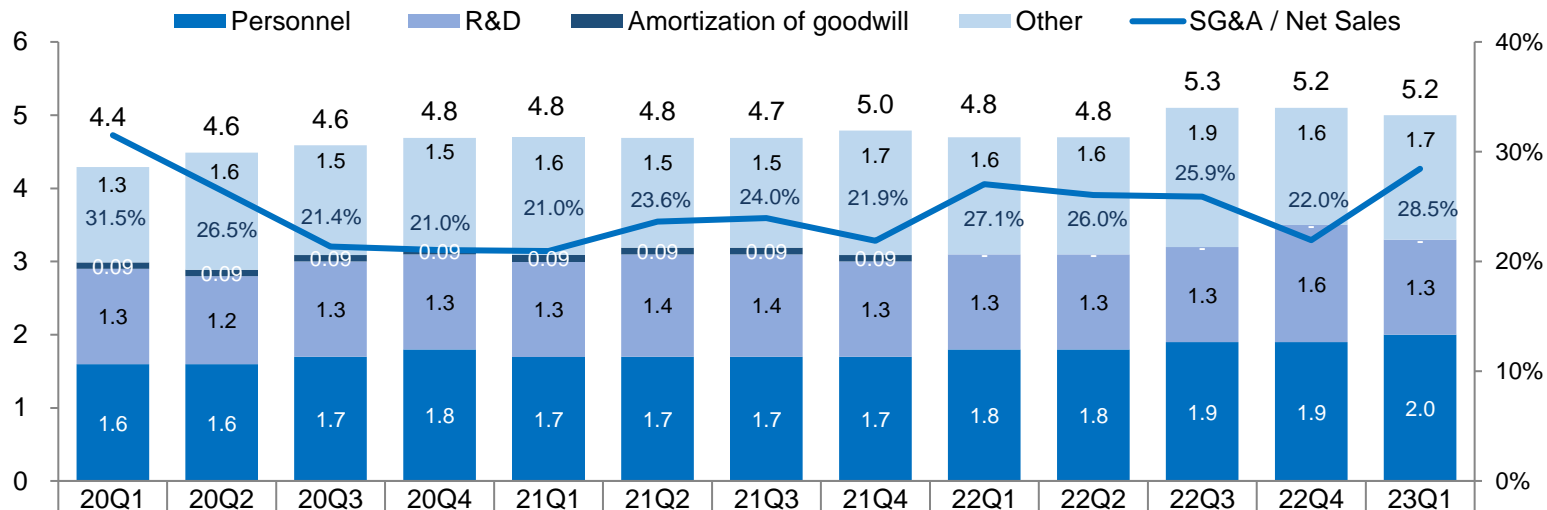
## Other





# Selling, General and Administrative Expenses

(JPY Billion)



TOTAL	4.4	4.6	4.6	4.8	4.8	4.8	4.7	5.0	4.8	4.8	5.3	5.2	5.2
Other	1.3	1.6	1.5	1.5	1.6	1.5	1.5	1.7	1.6	1.6	1.9	1.6	1.7
Amortization of goodwill	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	-	-	-	-	-
R&D	1.3	1.2	1.3	1.3	1.3	1.4	1.4	1.3	1.3	1.3	1.3	1.6	1.3
Personnel	1.6	1.6	1.7	1.8	1.7	1.7	1.7	1.7	1.8	1.8	1.9	1.9	2.0
SG&A / Net Sales	31.5%	26.5%	21.4%	21.0%	21.0%	23.6%	24.0%	21.9%	27.1%	26.0%	25.9%	22.0%	28.5%



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