



# Consolidated Financial Highlights

## 22F

## Third Quarter

January 31st, 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: "22Q3" appearing in this presentation means "Third 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. 22Q3 Consolidated Financial Results

## 2. 22F Plan / Topics

## 3. Reference Materials

# 22Q1-3 Consolidated Financial Highlights

## Growing Sales in HC & V&S

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

- **Net Sales: JPY57.1B (YoY 89.7%)**
  - **AMU: JPY4.2B (YoY 27.4%)** Decreased due to the completion of the intensive demand for replacement.
  - **B&P/HC/CW/V&S: JPY49.2B (YoY 109.2%)**

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. In addition, the FOREX impact contributed to increasing sales.
- **Operating Income: JPY2.7B (YoY 32.1%)**
  - Gross Profit decreased as a result of decreasing sales in AMU and increase in Costs of Goods due to increasing material cost and a strengthened USD.
- **Net Income: JPY3.8B (YoY 57.9%)**
  - We realized a JPY1.9B gain on investment securities sold.

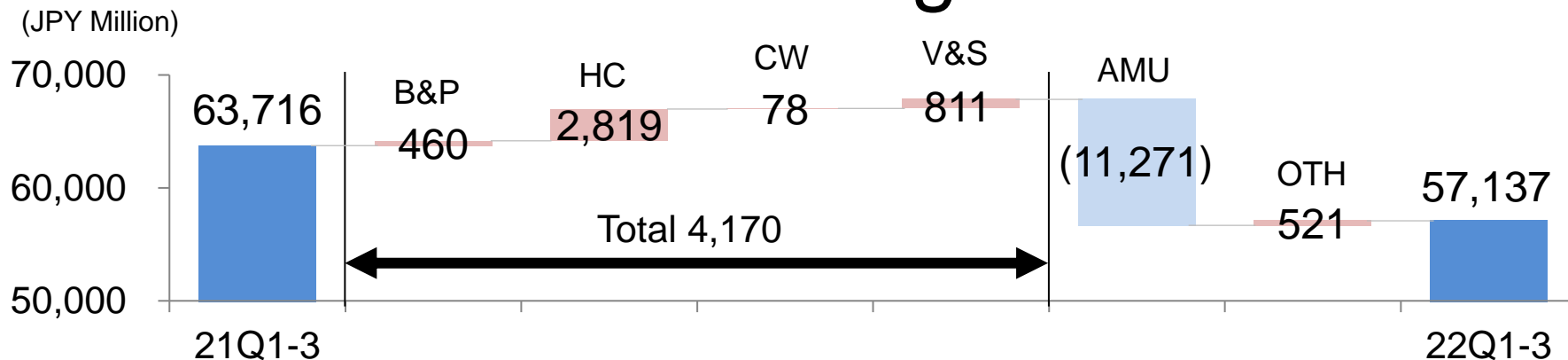
# Consolidated Income Statement

(JPY Million)

	21Q1-3	22Q1-3	YoY
Net Sales	63,716	57,137	89.7%
Gross Profit	22,916	17,736	77.4%
Gross Profit / Net Sales	36.0%	31.0%	(4.9pt)
Selling, General and Administrative Expenses	14,506	15,034	103.6%
Operating Income	8,409	2,701	32.1%
Operating Income / Net Sales	13.2%	4.7%	(8.5pt)
Ordinary Income	9,159	3,577	39.1%
Net Income Attributable to EIZO Corporation's Stockholders	6,735	3,898	57.9%
Exchange Rate(Year-To-Date Ave.):USD	JPY111.14	JPY136.49	JPY25.35
Exchange Rate(Year-To-Date Ave.):EUR	JPY130.60	JPY140.60	JPY10.00

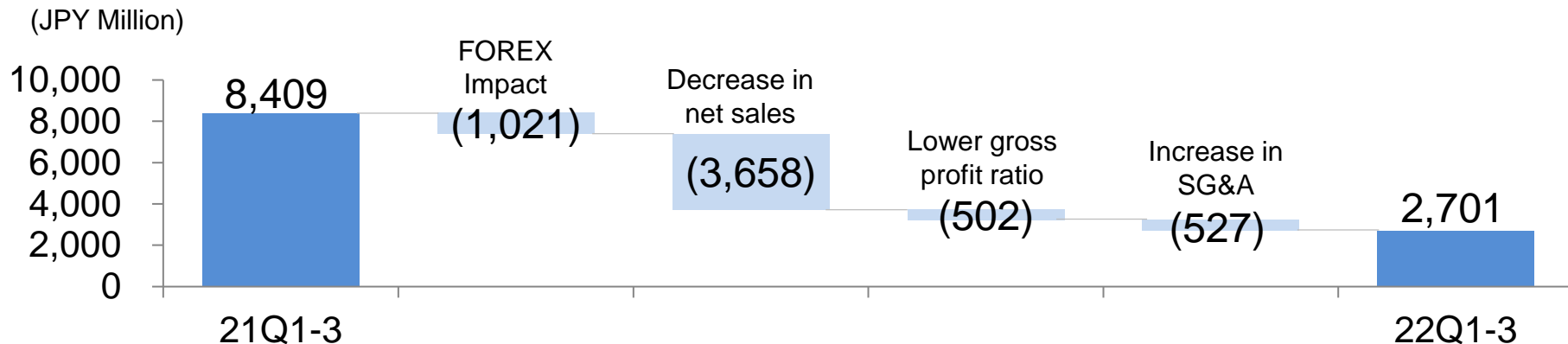


# Main Factors for Changes in Net Sales



- B&P: Overseas sales increased mainly in Germany.
- HC: Sales increased steadily in Europe & Japan and demand in North America gradually recovered.
- CW: Sales of new models increased, which compensated the impact of an overall postponement in full-scale deliveries in 22Q1.
- 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.

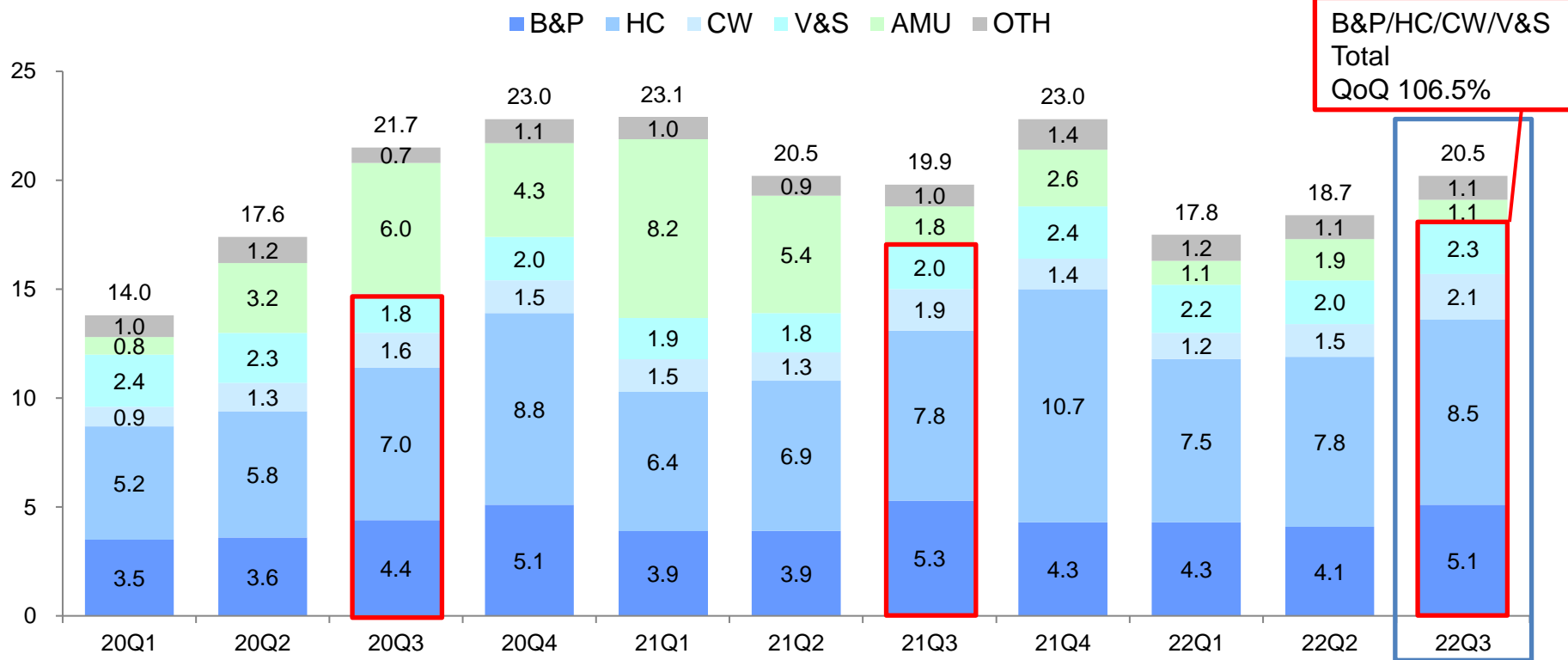
# Main Factors for Changes in Operating Income



- ❑ 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.
- ❑ The decrease in Net Sales and lower Gross Profit Ratio (excl. the FOREX impact) were due to a material cost increase 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: Overall

(JPY Billion)



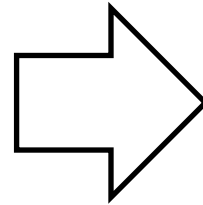
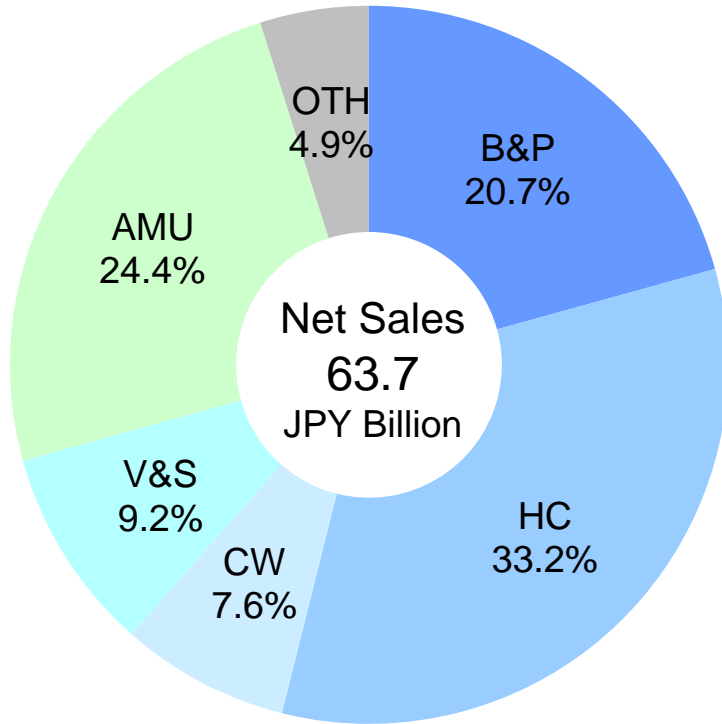
B&P/HC/CW/V&S  
Total  
QoQ 106.5%



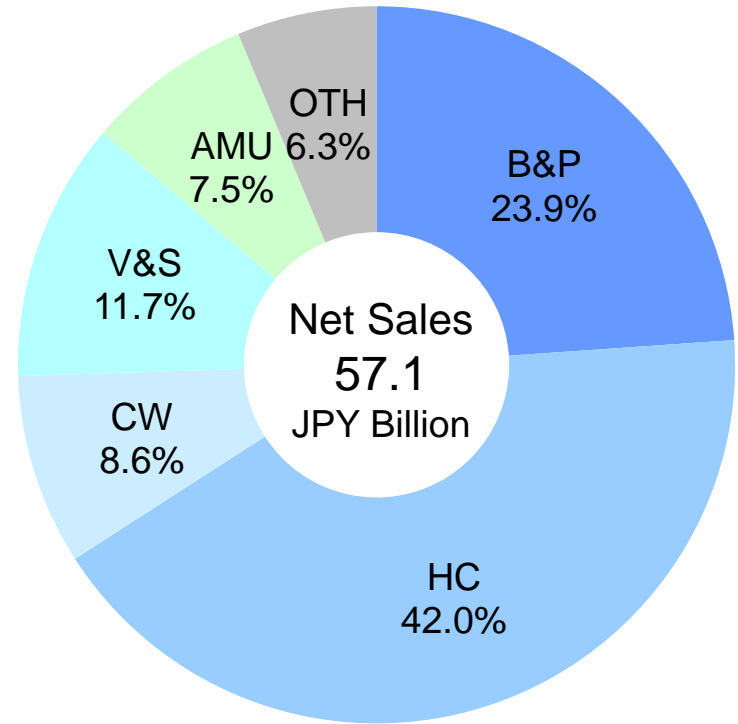


# Net Sales: Composition Ratio

21Q1-3

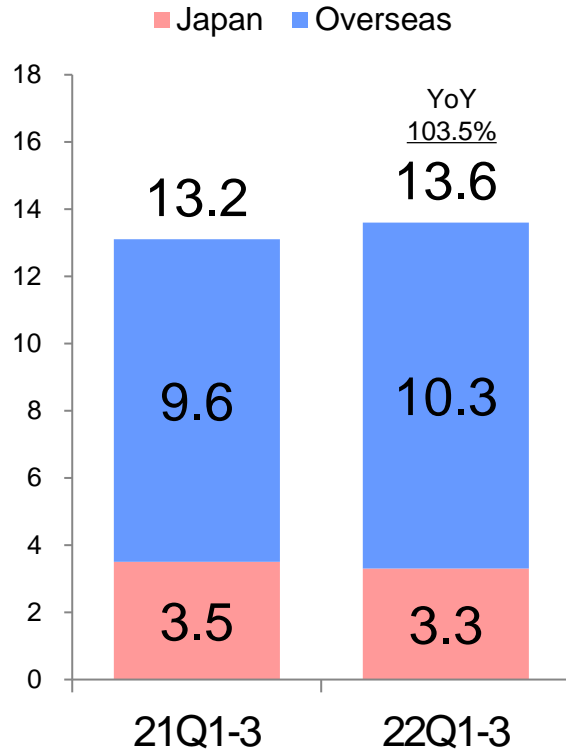


22Q1-3



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

(JPY Billion)



## Overseas

- ▣ Sales increased by steady sales in Germany.
- ▣ Some investments in IT equipment were postponed in 22Q3.

## Japan

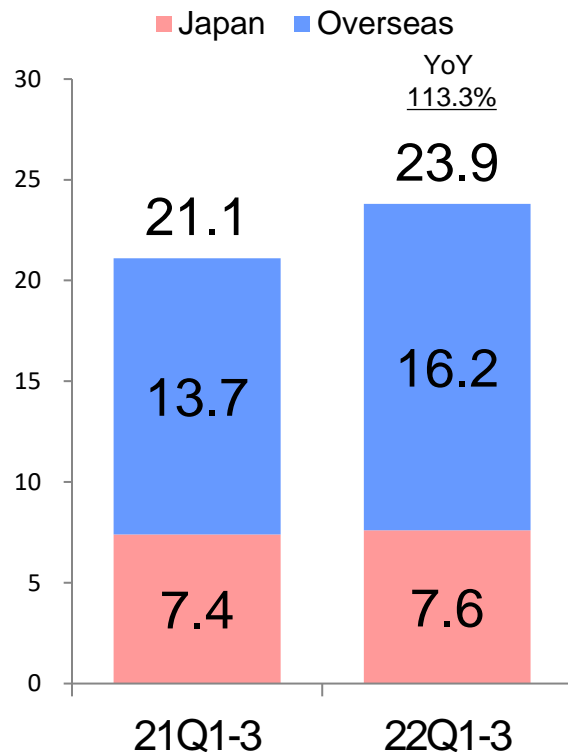
- ▣ Sales decreased due to stock adjustments by distributors.
- ▣ 22Q3 sales increased by sales of highly profitable products mainly for capital investment.



FlexScan EV2781

# 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 in Japan increased.

## Endoscopy

- Sales increased in Europe and North America.

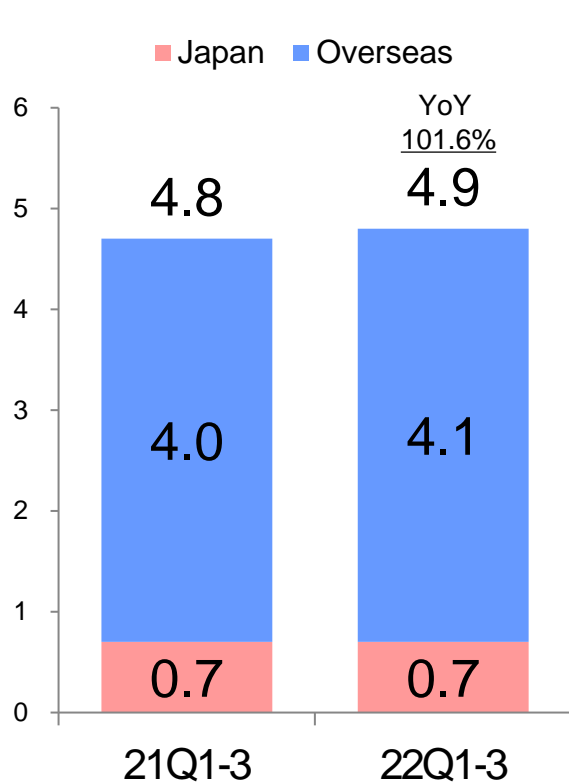


CuratOR EX5542 / EX4942 / EX4342

4K

# 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.

## Japan

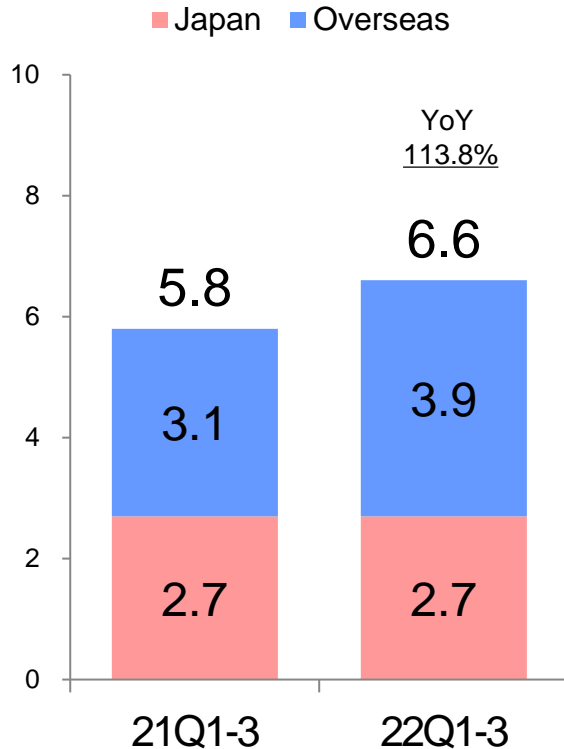
- ▣ Sales of new models increased.



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).

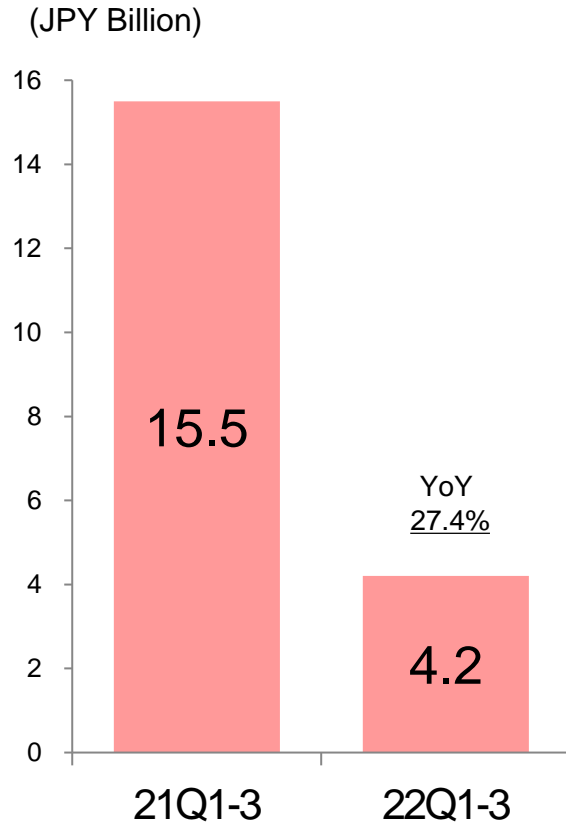
## Others

- ▣ 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 as expected.



©SANYO BUSSAN CO.,LTD.

# Consolidated Balance Sheets

(JPY Million)

	21F	22Q3	Growth
Current Assets	80,510	77,296	(3,213)
Cash & Equivalents	22,387	9,658	(12,729)
Accounts Receivable etc.*	24,814	17,799	(7,014)
Inventories	31,749	47,705	15,956
Tangible Assets	20,173	20,982	808
Intangible Assets	841	757	(84)
Investments and Other Assets	53,933	46,811	(7,121)
<b>Total</b>	<b>155,459</b>	<b>145,848</b>	<b>(9,611)</b>
Current Liabilities	20,726	18,227	(2,498)
Long term Liabilities	16,150	14,259	(1,891)
Shareholders' Equity	118,582	113,361	(5,221)
<b>Total</b>	<b>155,459</b>	<b>145,848</b>	<b>(9,611)</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 2.8B).

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

1. 22Q3 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%

**No revision of 22F projected results announced on Oct. 28<sup>th</sup>, 2022**

- The basis for the forecast has not changed.

## **Foreign Exchange Sensitivity**

(Impact on Operating Income per JPY1 depreciation)

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

	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%	-	-	-	-



# Topic 1

## EIZO Establishes New Sales Subsidiary in India

- Wholly-owned subsidiary in India, EIZO Private Limited is set to formally be established (February 2023) with operations scheduled to commence (April 2023).
- Enables EIZO to invest for further sales growth in our focusing market, India with economic growth and development expected to continue over the mid to long term.

### Be No.1 in Vertical Markets

Expand sales in HC, CW and other vertical markets:

- Long-term relationship with customers
- Supply flexible customization and prompt support services

### Strengthen Global Sales Structure

Broadens our business opportunities by adding India to EIZO's global structure, covering 60 countries and regions with EIZO-owned subsidiaries

# Topic 2

## EIZO Earns Platinum Status from the Responsible Business Alliance for Sustainability Initiatives in the Global Supply Chain

- Our manufacturing facilities earned a Platinum Status from the RBA's VAP audit\*, the highest certification in the program.

\* RBA (The Responsible Business Alliance) is the world's largest industry coalition of more than 200 companies dedicated to corporate social responsibility in global supply chains. The audits are conducted by RBA-accredited auditing organization to verify and assess compliance with the RBA Code of Conduct

### The Result of Our Sustainability Initiatives in the Global Supply Chain:

- Establishment of the EIZO Group Human Rights Policy
- Requirement of suppliers to comply with our Supplier Code of Conduct and cooperate with voluntary audits



# Topic 3



## EIZO Purchases New Office Building in the USA

- EIZO Rugged Solutions Inc.\* moved into the new office space (January 2023).

\*A provider of ruggedized graphics, displays, and video electronics hardware

### Expand Building Space

- 3 times the square footage
- Engineering labs & collaborating meeting spaces emphasizing R&D process efficiencies
- MIL-STD-810 testing areas
- Spaces for manufacturing

### Accelerate Further Company Growth

Serve our customers and partners with increased production capability and a more extensive product portfolio by the expansion



1. 22Q3 Consolidated Financial Result

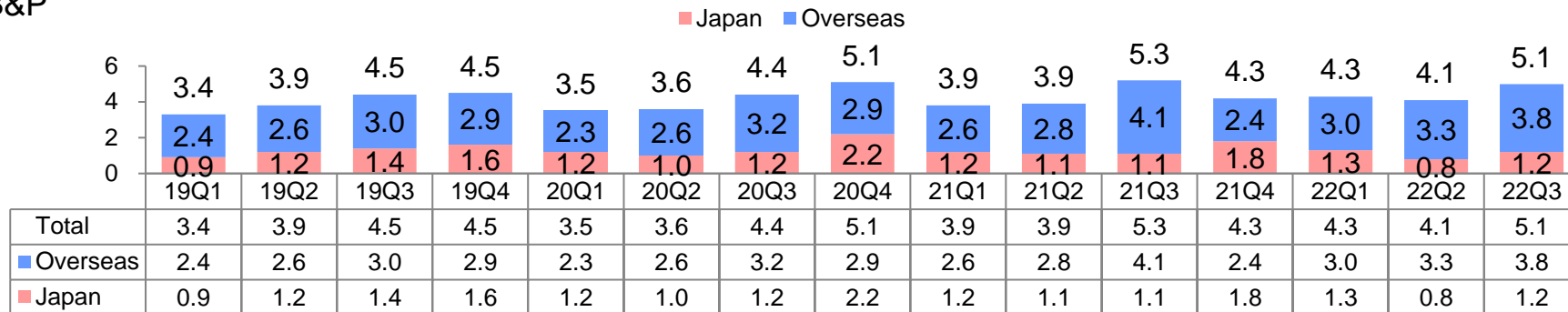
2. 22F Plan / Topics

**3. Reference Materials**

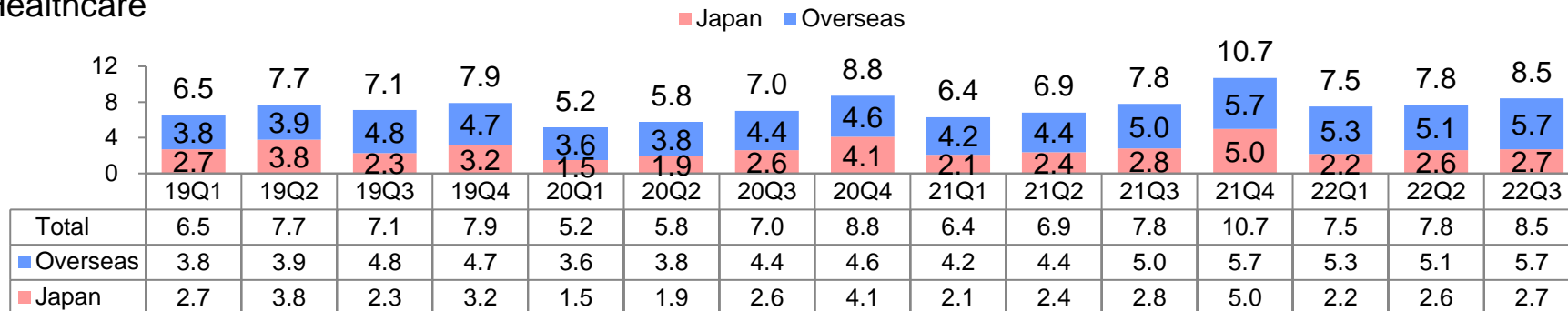
# Net Sales: B&P / Healthcare

(JPY Billion)

## B&P

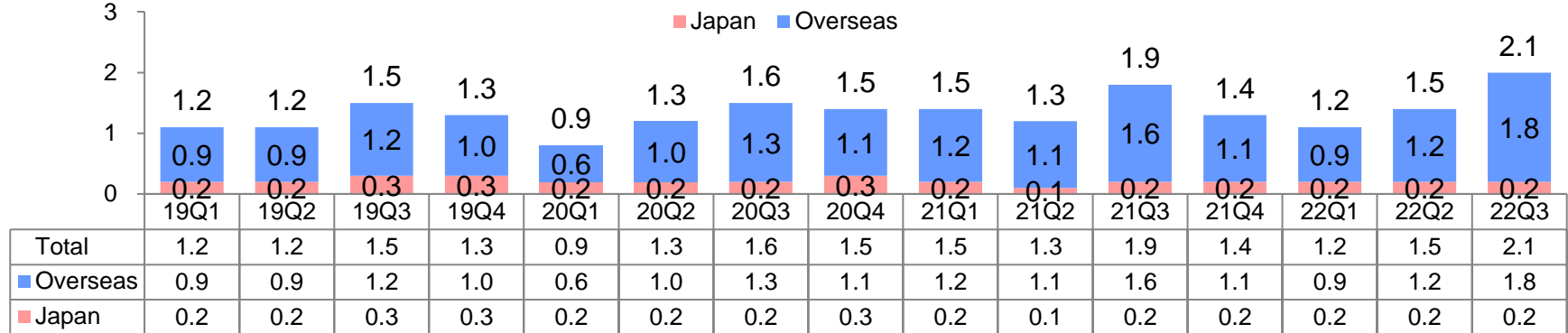


## Healthcare

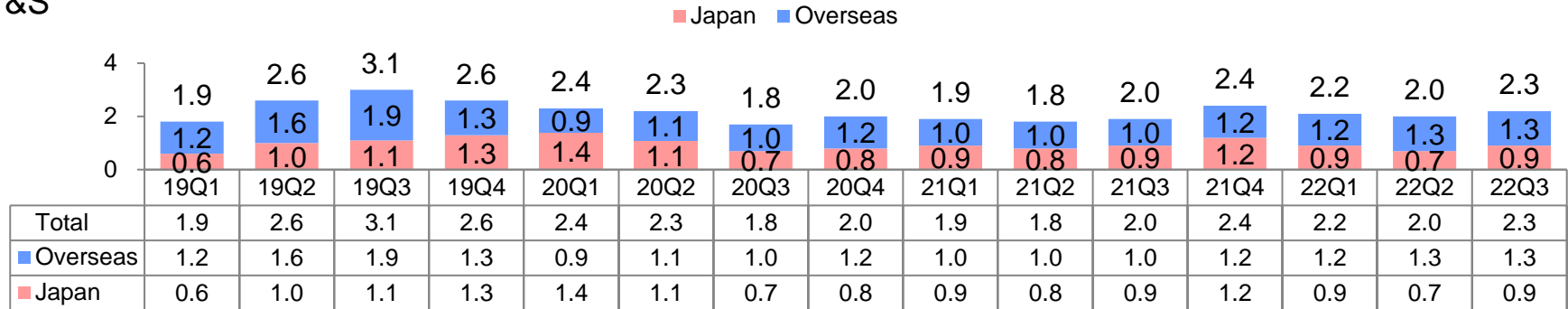


# Net Sales: Creative Work / V&S

(JPY Billion)  
Creative Work



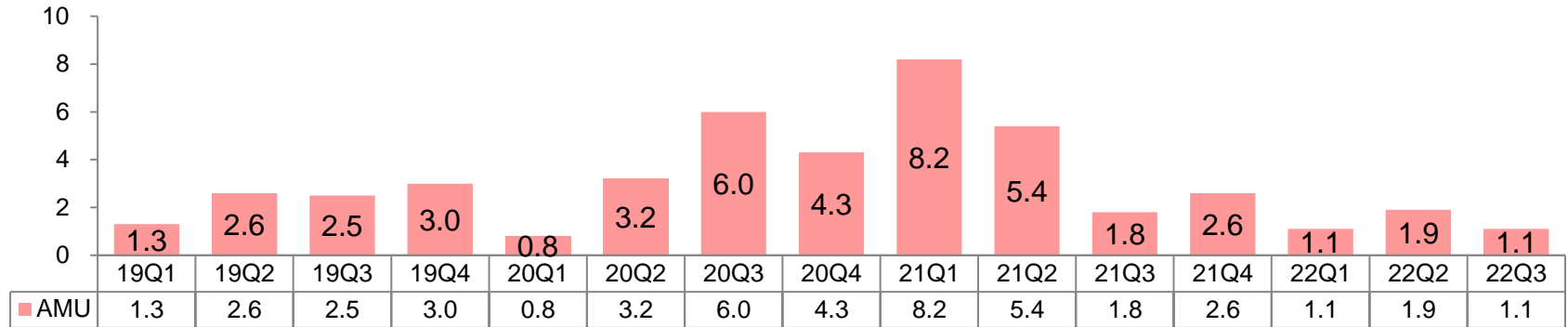
V&S



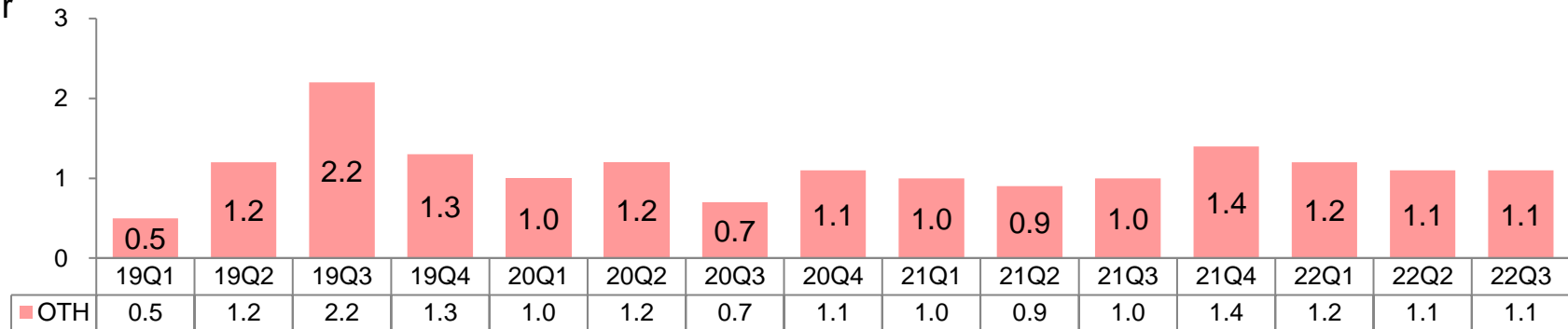
# Net Sales: Amusement / Other

(JPY Billion)

## Amusement



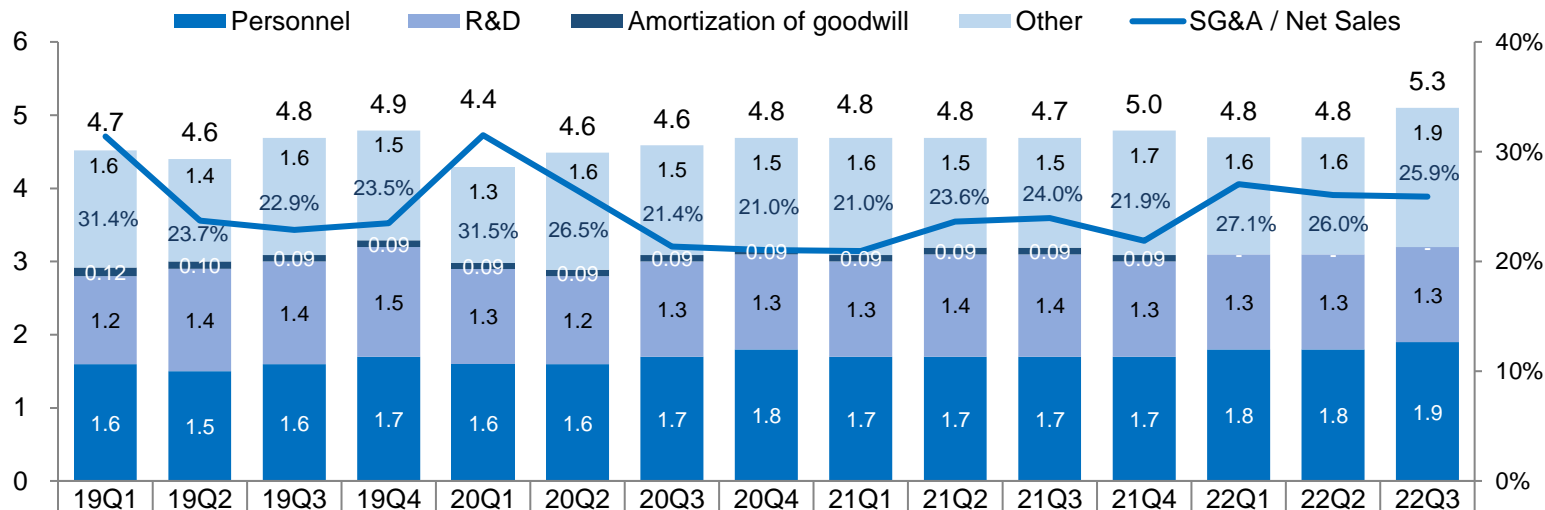
## Other





# Selling, General and Administrative Expenses

(JPY Billion)



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
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
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
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
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%



Visit us online  
[www.eizoglobal.com](http://www.eizoglobal.com)