

Environmental Consideration for Our Products and Business Operations

We will incorporate environmental considerations into our manufacturing and business operations.

We are conscious of the importance of environmental preservation as a common issue for all humankind, and are committed to do our utmost to protect the environment in all aspects of our corporate operations, with particular emphasis on efforts that result in environmentally sound product specifications.

Environmental Policy

We, Eizo Nanao Corporation, are aware that our products have an impact on the environment. In our product development work we therefore consider friendliness to the environment to be part and parcel of product quality. We endeavor to supply our customers worldwide with products developed to common specifications that meet or exceed the environmental requirements of individual countries as well as our own environmental standards. We are conscious of the importance of environmental preservation as a common issue for all humankind and pledge to do our utmost to protect the environment in all aspects of our corporate operations.

- 1 We endeavor to constantly remain up to date on and to strictly adhere to environmental laws and standards applicable to our corporate operations and products, as well as other environmental preservation requirements of society at large. We determine environmental objectives and targets based on a clear understanding of such requirements as well as the environmental impact of our corporate operations and products. These objectives and targets are reviewed on a regular basis to achieve ongoing improvement of our environmental management system and performance.
- 2 At the research and development stage, we pay careful attention to the design of our products to minimize the consumption of resources and energy, ensure ease of recycling, and reduce the volume of toxic substances. Our aim is a continuous raising of our environmental standards.
- 3 In our corporate operations we give due consideration to conserving energy and resources. We work to reduce the volume of waste products generated by our operations and to dispose properly of all waste generated. We are engaged in positive efforts to promote the collection and recycling of used products discarded by consumers.
- 4 We constantly monitor the latest information related to the environment through our information network, which includes our overseas facilities and affiliated companies. We endeavor to share information appropriately by disclosing and disseminating details of our own environmental initiatives, and we work with others in common efforts aimed at reserving the environment.
- 5 We educate all company members and strive to deepen their awareness of environmental matters, while creating members of a team that will be committed to the effective use of natural resources and energy, and to the protection of our global environment.

Environmental Management System

After establishing an environmental management system under our Environmental Policy, we obtained ISO 14001 certification* in July 1998. Since then we have implemented measures for waste reduction and reduced resource and energy consumption. We have also taken a step farther in light of a number of factors, including society's movement toward environmentally sound products and growing public interest in eco products, by operating our environmental management system, which emphasizes environmental targets centered on environmentally sound products.

* EIZO Nanao MS Corporation, EIZO GmbH, and EIZO Display Technologies (Suzhou) Co., Ltd. have also obtained certification to date.

◆ Activities under the Environmental Management System

As in fiscal 2010, we incorporated many tasks for meeting our environmental targets for fiscal 2011 that would achieve results in product specifications. We also sought to accomplish these tasks and targets by sharing them with in-house organizations, including the design and development departments. We successfully reduced power consumption during suspension and use, exercised stricter control over chemical substances used in parts, and achieved manufacturing that meets advanced environmental standards.



◆ Environmental Management System Audits

Our ISO 14001 certification was maintained and updated in fiscal 2011 after a third-party institution conducted an external audit.

Basic Product Development Sequence

In product development, we endeavor to meet the legal requirement and standards as well as to enhance the environmentally sound quality of our products including compliance with the legal requirement and standards, domestic and overseas legal requirements and standards, industry trends and social conditions. In addition, we conduct product environmental assessments in accordance with our own Environmental Compliance Standards to measure the environmental soundness of products.

The standards are linked to our system for developing, implementing and meeting companywide environmental targets for each fiscal year, and are revised every year toward improving the environmental soundness of our products. We also evaluate and control chemical substances throughout our supply chain in line with our Green Procurement Standards so that they comply with chemical substance regulations.

Voice from a Worksite

Our division is responsible for the structural design of products, which involves the development of the chassis, external cladding, packaging materials, labels and user's manuals.

Every year, we seek to raise the level of environmental consideration that goes into our products, not only through compliance with the frequently changing environmental regulations and standards of each country, but also by taking into account resource savings and using environmentally sound materials in our product development.

We adopt various approaches to reduce the amount of materials used in our products such as resins and steel plates toward making them smaller and lighter to both save resources and maintain high quality and reliability. We also place high priority on reducing container size and have been able to conserve resources and raise the efficiency of logistics.

In order to quickly introduce environmentally sound materials, we assess and verify recycled resin, ink with less environmental impact and other materials in cooperation with our suppliers.



Yasushi Ikeda
Modeling and Design
Division
Functional Unit
Development
Department

Green Procurement

◆ Our Philosophy on Green Procurement

Our Environmental Policy for preserving the global environment applies to all our business operations, and respect for the environment is incorporated into product development to create a recycling-based society.

Our Green Procurement Standards were established to guide material procurement and to meet the expectations of customers and society as a whole by maintaining and strengthening our environmental preservation activities. The standards were also intended to fulfill our social responsibility by enabling us to quickly respond to the evolving environmental rules and regulations in each country.

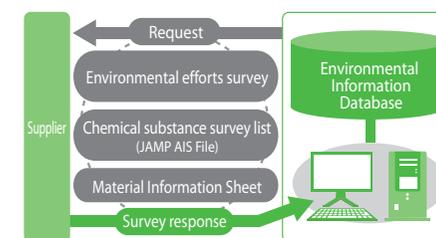
Our suppliers' efforts to reduce environmental impact and preserve the environment are just as important to us as their quality, prices, delivery schedule, services and technological excellence. In selecting products, parts and materials, including packaging, we place higher priority on those that are environmentally sound as well as meeting our quality, function and cost requirements.

These efforts are helping to reduce the environmental impact of our business operations while at the same time expanding markets for environmentally friendly products.

◆ Management of Chemical Content Information

Amid growing concern for the environment across the globe, we voluntarily monitor chemical substances toward obtaining certifications for environmental standards in Japan and overseas, and support our green procurement efforts. These efforts include surveying the environmental activities of our suppliers and the chemical substances contained in the parts we procure from them. We have established a database for collecting and managing the results of these surveys to determine which suppliers and materials best align with our values, and we also use the information in evaluating the environmental compliance of our own products.

■ Flow of Chemical Content Survey



Compliance with Environmental Labeling Standards and Legal Requirements

In our effort to proactively develop environmentally sound products, we observe the legal requirements of Japan and other countries and comply with major environmental labeling standards in each market for our flagship products. Furthermore, as we ensure that our own products are in full compliance, we also play our role in guiding the entire industry by actively engaging in the development of standards, such as the internationally recognized TCO Display 5.0 and ENERGY STAR 5.0.

We will continue to closely monitor trends in environmental labeling to reduce the environmental impact of product development.

◆ TCO

Efforts to make our products more environmentally friendly have proceeded largely in response to the evolution of environmental standards in Europe, starting with ensuring compliance with the TCO'95 standard introduced in Sweden. This standard has evolved into TCO Displays 6.0 following subsequent upgrades. EIZO has consistently participated in the formulation of TCO standards and scrutinizing the content of the standards to ensure progress in their effective application.

EIZO became the first in the world to receive certification for TCO Display 5.0 in April 2009, which was revised in September 2012 into TCO Displays 6.0 and for which we were also the first to receive certification. In the years ahead we will continue to recognize the importance of meeting this standard in the development of new products and maintain our policy of obtaining certification.



◆ ENERGY STAR

The ENERGY STAR Program was launched by the U.S. Environmental Protection Agency in 1993 to help reduce the power consumption of computers and related devices. The International ENERGY STAR Program was adopted in Japan in 1995 on the basis of an agreement with the U.S. government. We have participated in this program from the very beginning, and since becoming the first registered monitor manufacturer, we have had virtually all subsequent products registered under the program. ENERGY STAR Ver. 5.0 went into effect in October 2009. While the new standard is even more stringent, our products have been in compliance since it went into effect. Ver. 6.0 is scheduled to come into effect in 2013, and we will continue to actively seek compliance with these standards for the models we develop in the future.



◆ EPEAT

EPEAT, developed by the U.S. Environmental Protection Agency and managed by the Green Electronics Council since 2006, is a tool for evaluating the environmental impact of computers and peripheral equipment. Products are comprehensively evaluated against 23 mandatory and 28 optional requirements to award them gold, silver or bronze ratings.

Many of EIZO's monitors have been certified as EPEAT Silver, and since 2009 we have been reinforcing our efforts to increase the number of our gold-rated products.



◆ RoHS Directive

The RoHS Directive bans the use of six substances that are harmful to the global environment or human health: lead, mercury, cadmium, hexavalent chromium, PBB and PBDE. We began the switchover in 2005 and achieved complete compliance in all products bound for the EU by May 2006.



◆ WEEE Directive

The WEEE Directive went into effect in the EU in August 2005 toward reducing environmental impact through promotion of the three Rs of Reduce, Reuse, Recycling for used electrical and electronic equipment. We have responded by developing a system for recovery and recycling.

◆ PC Green Label

This environmental labeling program is administered in Japan by the PC3R Promotion Association. The program is based on three concepts: (1) environmentally sound design and manufacturing; (2) post-use recovery and recycling of products; (3) environmental information disclosure.

EIZO has participated in revising the program as a committee member. We have also actively sought certification for our FlexScan and ColorEdge series and intend to maintain this policy.



Collection and Recycling of Used Products (Japan)

◆ Collection of Used EIZO Products from Homes

In compliance with the Waste Disposal Act and the Law for Promotion of Effective Utilization of Resources, we have been collecting used commercial products from individual customers under our Product Collection and Recycling System since October 2003.

For monitors purchased after October 1, 2003, we provide "PC Recycle Mark" labels at customer request. Monitors bearing these labels can be discarded without charge.

Monitors Actual collection from homes (FY 2011)		
	CRT monitors	LCD monitors
Volume in weight (kg)	29,548	7,959
Quantity (units)	1,211	1,137
Recycled volume (kg)	19,777	6,352
Recycling ratio (%)	66.9	79.8

◆ Collection of Used EIZO Products from Corporate Users

In compliance with the Waste Disposal Act and the Law for Promotion of Effective Utilization of Resources, we have been collecting used commercial products from corporate customers under our Product Collection and Recycling System since July 2001. Products collected under this system are disassembled, crushed and sorted by recycling companies for reuse. Since June 2010, we have been collecting and recycling through a system administered by the PC3R Promotion Association.

Monitors Actual collection from corporate users (FY 2011)		
	CRT monitors	LCD monitors
Volume in weight (kg)	1,220	420
Quantity (units)	50	60
Recycled volume (kg)	884	322
Recycling ratio (%)	72.5	76.7

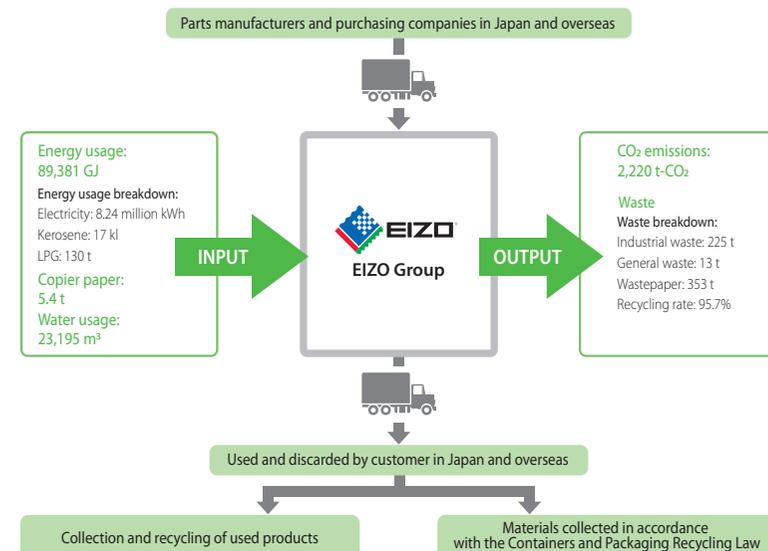
◆ Disposal of TV Sets

The revised Home Appliance Recycling Law that came into effect on April 1, 2009, added LCD and plasma TV sets to the list of appliances covered by the law. EIZO responded by establishing its Product Collection and Recycling System and began collecting and recycling used TV sets regardless of their manufacturer.

LCD TV Sets Actual collection and recycling (FY 2011)	
Quantity collected from designated collection sites (units)	306
Quantity of products discarded for recycling (units)	326
Weight of products discarded for recycling (kg)	5,281
Weight of recycled products (kg)	4,120
Recycling rate (%)	78

Overview of the Environmental Impact of Our Business Operations

Scope of calculations: three domestic areas as listed below



■ Environmental Impact by Area

Area	EIZO Nanao MS Corporation		EIZO Nanao Corporation Headquarters area	Total
	Nanao Plant	Hakui Plant		
Operations	Assembly of monitors	Production of circuit boards		
Total Energy Usage (GJ)	8,774	31,106	49,501	89,381
Energy Resources	Electricity (10,000 kWh)	88	312	424
	Kerosene (kl)	—	—	17
	LPG (t)	—	—	130
Copier Paper (t)	0.1	0.9	4.4	5.4
Water Usage (m³)	2,603	2,388	18,204	23,195
CO ₂ Emissions (t-CO ₂)	197	699	1,324	2,220
Waste	Industrial Waste (t)	68	36	121
	General Waste (t)	1	3	9
	Wastepaper (t)	93	69	191
	Recycling rate (%)	96.1	93.7	96.2

Environmental Risk Management

◆ Facility Management

In principle, we ensure compliance with stringent voluntary management standards, including standards not bound by law.

◆ Regulatory Compliance

We strive to comply with regulations governing corporate activities such as the Air Pollution Control Act, the Water Quality Pollution Control Act, and the Waste Disposal and Public Cleansing Act by collecting information on revisions and new regulations and by regularly monitoring and measuring the status of our response. In addition, we adhere to our own voluntary management standards, even in operations for which there are no applicable laws. No compliance problems were found in fiscal 2011, and no administrative guidance, admonitions, orders or reprimands have been received. In addition, no complaints about environmental issues were received from our neighboring communities.

Prevention of Global Warming

◆ Emissions of Greenhouse Gases and Atmospheric Pollutants

Please refer to “Non-Financial Information” on page 5.

◆ Energy Use

In fiscal 2011, we sought to save energy associated with our air conditioning systems by optimizing the operation of our air conditioning units and replacing some units. Given the current state of electric power supply in Japan, we also reduced electricity use by cutting down on in-house lighting and more frequently turning off unnecessary lights. As a result, we were able to limit total energy use to below 1,500 kl in crude oil equivalent, which is the target for energy efficiency under the Energy Savings Law. We will continue to pursue group-wide energy saving activities while also maintaining comfortable working conditions.

■ Targets and Actual Results Scope: EIZO Nanao Corporation Headquarters and EIZO Display Technologies(Suzhou) Co., Ltd

	Electricity	Kerosene	LPG
FY 2012 Targets	9.26 million kWh	16kl	140t
FY 2011 Targets	9.20 million kWh	20kl	140t
FY 2011 Actual Results	8.24 million kWh	17kl	130t
Level of Attainment	○	○	○

Figures for the goals have increased due to the addition of electricity data from our Group company in China starting in fiscal 2012.

Water Use

We use only groundwater in EIZO Nanao Corporation’s Headquarters area (Group companies use the public water supply). We monitor water usage and wastewater discharge to reduce the risk of subsidence and stress on wastewater treatment systems. We use water in our corporate buildings as well as for the snow melting system and for watering plants in the summer. Our manufacturing processes do not use any water.

Waste Reduction

◆ Industrial Waste

Our total volume of industrial waste decreased 32% year-on-year to 225 t, primarily due to production adjustments in the wake of the Great East Japan Earthquake and the historic rise in the yen’s value. The recycling rate of 95.7% fell short of our goal of 96% due to surplus unrecyclable waste generated by separate production activities, including the disposal of unrecyclable desiccants contained in the packaging of materials, and the promotion of voluntary 5S activities.

■ Discharge of Industrial Waste and Recycling Rate



Chemical Substance Management

◆ Appropriate Management of Chemical Substances

We closely manage kerosene and organic solvents in compliance with regulations such as the Fire Service Act and the Industrial Safety and Health Act. We do not use any chemical substances subject to the PRTR Law*.

* Pollutant Release and Transfer Register

Regulation governing the monitoring and promotion of efforts to more effectively manage the release of controlled substances into the environment.

Environmental Consideration for Our Products and Business Operations

Environmental Targets/Performance Report

Scope: EIZO Nanao Corporation Headquarters area and EIZO Nanao MS Corporation

Environmental Theme	Focus	Environmental Objective	In-house Environmental Target	Fiscal 2011 Actual Results	Self-evaluation	Fiscal 2012 Targets
Efforts to prevent global warming	CO ₂ reduction	Reduced power consumption	Reduce electricity consumption by 9.20 million kWh/year	Maintained under 8.24 million kWh/year	○	Reduce electricity consumption to no more than 9.26 million kWh/year Upgrade interior lighting to LED
		Reduced fuel consumption	Reduce consumption of fuel LPG: up to 140 t; kerosene: up to 20 kl	LPG: 129.5 t; kerosene: 17.3 kl	○	Reduce consumption of fuel LPG: no more than 140 t; kerosene: no more than 16 kl
		Tracking CO ₂ volume	Implement product LCA	Closely monitored carbon footprint deliberations of the Ministry of Economy, Trade and Industry	×	Potential focus
		Environmentally sound product design	Reduce product electricity consumption	EV series achieved power consumption of 0.1 W or less in sleep mode for analog signal input and 0.1 W or less in off mode	○	Further reduce electricity consumption of products when connected to DVI/Display port—0.5 W for sleep mode and 0.5 W for off mode • Promote lightweight, compact products • Promote slimmer products
		Increased transport efficiency	Increase efficiency of product transport	Implemented compact packaging by separating stand bases	○	Accomplished and removed from Environmental Targets
		Green procurement	Green purchase of office supplies	Disseminated in-house information on recommended products for green purchasing	○	Ongoing focus
Creating a sustainable society	Three R's (reduce, reuse, recycle)	Reduce	Reduce industrial waste by up to 350 t for industrial waste generation and up to 6.2 t for purchases of copier paper	Industrial waste generation: 225 t; purchase of copier paper: 5.4 t	○	Industrial waste generation: 325 t Purchases of copier paper: 6.024 t
		Reuse	Promote reuse of office supplies	Promoted reuse of office supplies and in-house furniture and fixtures through the corporate intranet	○	Effectively use resources (Promote reuse of office supplies)
		Recycle	Expand use of recycled plastic materials in products	Adopted use of recycled materials in EV series	△	Improve recycling rate of waste generated on company premises: 96% Investigate and consider recycling parts for amusement monitors
			Recycling rate of waste generated on company premises: 96%	Recycling rate of waste generated on company premises: 95.7%		
	Disclose product collection system	Disclosed information on product collection through the website and user's manual				
Environmental issues	Management of chemicals	Reduced consumption of chemicals	Use mercury-free backlight units Manage and restrict emissions and transport of toxic substances	Expanded development of models mounted with LED backlight Changed cleansing agent used in the substrate assembly process to reduce environmental impact	○	Reduce use of hazardous substances, and control and review MSDS
		Green procurement	Manage chemicals used in products	Introduced new evaluation and control system for chemical substances and established an operational routine	○	Accomplished and removed from Environmental Targets
Environmental communication	Maintaining communication	Education and training	Conduct in-house education	Conducted environmental training for all employees	○	Conduct in-house education
		Disclosure of environmental information	Report corporate environmental activities	Published CSR Report in accordance with GRI application level B Promoted the wearing of lighter or warmer clothes under the "cool biz" and "warm biz" campaigns, and sought and shared eco-ideas publicly Disclosed product environmental information through the corporate website and catalogs	○	Disclose environmental information for company and products
		Survey of market trends	Provide in-house feedback on market needs and trends	Collected information on local environmental standards from overseas subsidiaries and distributors, and implemented ongoing internal feedback	△	Ongoing focus
Environmental compliance	Compliance with environmental laws and standards	Standards compliance	Comply with environmental laws and standards	Obtained ISO 14001 certification at EIZO Display Technologies (Suzhou) Co., Ltd. Complied with revised Rationalization in Energy Use Law Discontinued acquisition of TCO Certified Edge	△	Respond to ENERGY STAR 6.0 Respond to TCO Certified Displays 6.0

○ : Results exceeding 75%, △ : Over 50% and under 75%, × : Under 50%