

Translation

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Consolidated Financial Results for the Six Months Ended September 30, 2023 (Under Japanese GAAP)

October 31, 2023

Company name: EIZO Corporation
 Stock exchange listing: Tokyo
 Stock code: 6737 URL <https://www.eizo.co.jp/>
 Representative: President Yoshitaka Jitsumori
 Director, Executive Operating Officer, and
 Inquiries: Senior Manager, Accounting & Finance, & Manabu Arise TEL 076-275-4121
 Investor Relations
 Scheduled date to file Quarterly Securities Report: November 9, 2023
 Scheduled date to commence dividend payments: November 30, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2023	37,185	1.7	1,636	(26.0)	3,203	27.7	2,158	(31.0)
Six months ended September 30, 2022	36,566	(16.4)	2,212	(66.5)	2,508	(64.3)	3,127	(39.3)

(Note) Comprehensive income For the six months ended September 30, 2023: ¥6,571 million [- %]
 For the six months ended September 30, 2022: ¥381 million [(95.9) %]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	104.89		-	
Six months ended September 30, 2022	148.16		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2023	163,340	125,832	77.0	6,115.50
As of March 31, 2023	155,935	120,580	77.3	5,861.22

(Reference) Equity As of September 30, 2023: ¥125,832 million
 As of March 31, 2023: ¥120,580 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2023	-	60.00	-	65.00	125.00
Year ending March 31, 2024	-	100.00	-	-	-
Year ending March 31, 2024 (Forecast)	-	-	-	100.00	200.00

(Note) Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	81,500	0.8	5,100	2.0	7,200	17.5	5,100	(13.0)	247.87

(Note) Revisions to the forecasts of consolidated financial results most recently announced: Yes

*Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2023	21,981,160 shares	As of March 31, 2023	21,981,160 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	1,405,174 shares	As of March 31, 2023	1,408,606 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	20,573,904 shares	Six months ended September 30, 2022	21,105,489 shares
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*Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

*Proper use of earnings forecasts, and other special matters

(Notice concerning forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. As such, they do not constitute the Company's guarantee that such results would be achieved. Actual business and other results may differ substantially due to various factors.

(Explanatory material for financial results)

Explanatory material for financial results is disclosed through TDnet as well as posted on the Company's website on October 31, 2023.

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	9,557	14,046
Notes and accounts receivable - trade, and contract assets	18,980	14,717
Electronically recorded monetary claims - operating	1,680	1,811
Merchandise and finished goods	17,538	21,471
Work in process	2,191	1,994
Raw materials and supplies	28,289	27,886
Other	1,765	1,331
Allowance for doubtful accounts	(100)	(94)
Total current assets	79,904	83,165
Non-current assets		
Property, plant and equipment	21,988	22,661
Intangible assets	748	736
Investments and other assets		
Investment securities	52,190	56,018
Other	1,104	758
Total investments and other assets	53,294	56,776
Total non-current assets	76,031	80,175
Total assets	155,935	163,340
Liabilities		
Current liabilities		
Accounts payable - trade	6,897	4,371
Short-term borrowings	1,575	8,075
Income taxes payable	1,074	852
Provision for bonuses	1,686	1,420
Provision for product warranties	2,031	2,093
Other	6,452	4,565
Total current liabilities	19,717	21,377
Non-current liabilities		
Long-term borrowings	947	948
Provision for retirement benefits for directors (and other officers)	71	71
Provision for recycling	580	550
Retirement benefit liability	2,598	2,603
Other	11,440	11,955
Total non-current liabilities	15,638	16,130
Total liabilities	35,355	37,507

(Millions of yen)

As of March 31, 2023 As of September 30, 2023

	As of March 31, 2023	As of September 30, 2023
Net assets		
Shareholders' equity		
Share capital	4,425	4,425
Capital surplus	4,313	4,320
Retained earnings	83,896	84,718
Treasury shares	(3,998)	(3,988)
Total shareholders' equity	88,638	89,476
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	28,851	31,341
Foreign currency translation adjustment	2,599	4,604
Remeasurements of defined benefit plans	491	409
Total accumulated other comprehensive income	31,942	36,355
Total net assets	120,580	125,832
Total liabilities and net assets	155,935	163,340

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	36,566	37,185
Cost of sales	24,649	24,894
Gross profit	11,916	12,291
Selling, general and administrative expenses	9,704	10,654
Operating profit	2,212	1,636
Non-operating income		
Interest income	6	7
Dividend income	548	583
Foreign exchange gains	–	866
Other	91	201
Total non-operating income	646	1,657
Non-operating expenses		
Interest expenses	11	43
Foreign exchange losses	324	–
Rental expenses on real estate	–	35
Other	14	12
Total non-operating expenses	350	91
Ordinary profit	2,508	3,203
Extraordinary income		
Gain on sale of investment securities	1,943	–
Total extraordinary income	1,943	–
Extraordinary losses		
Loss on retirement of non-current assets	–	16
Loss on sale of investment securities	5	–
Total extraordinary losses	5	16
Profit before income taxes	4,446	3,186
Income taxes - current	1,230	1,228
Income taxes - deferred	88	(199)
Total income taxes	1,318	1,028
Profit	3,127	2,158
Profit attributable to owners of parent	3,127	2,158

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	3,127	2,158
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,269)	2,490
Foreign currency translation adjustment	1,582	2,004
Remeasurements of defined benefit plans, net of tax	(57)	(81)
Total other comprehensive income	(2,745)	4,413
Comprehensive income	381	6,571
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	381	6,571
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	4,446	3,186
Depreciation	1,079	1,280
Increase (decrease) in provisions	(425)	(325)
Increase (decrease) in retirement benefit liability	(152)	(125)
Interest expenses	11	43
Loss (gain) on sale of investment securities	(1,938)	–
Decrease (increase) in trade receivables	8,019	4,705
Decrease (increase) in inventories	(11,297)	(1,308)
Increase (decrease) in trade payables	1,269	(3,319)
Other, net	(1,769)	(1,955)
Subtotal	(756)	2,182
Interest and dividends received	556	597
Interest paid	(13)	(51)
Income taxes paid	(2,506)	(1,258)
Net cash provided by (used in) operating activities	(2,720)	1,470
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(826)	(2,129)
Purchase of short-term and long-term investment securities	(1)	(301)
Proceeds from sale and redemption of short-term and long-term investment securities	2,604	49
Other, net	3	(22)
Net cash provided by (used in) investing activities	1,780	(2,403)
Cash flows from financing activities		
Proceeds from short-term borrowings	–	6,500
Repayments of long-term borrowings	(69)	(76)
Repayments of lease liabilities	(105)	(158)
Purchase of treasury shares	(2,061)	–
Dividends paid	(1,279)	(1,337)
Net cash provided by (used in) financing activities	(3,516)	4,927
Effect of exchange rate change on cash and cash equivalents	374	494
Net increase (decrease) in cash and cash equivalents	(4,082)	4,488
Cash and cash equivalents at beginning of period	22,387	9,557
Cash and cash equivalents at end of period	18,305	14,046