



Japan Display Inc.

FY22/3 Full-Year Corporate Presentation

May 13, 2022



PersonalTech For A Better World



Japan Display Inc.

FY22/3 Overview

- Despite chip shortage impacts, significantly improved FY22/3 profitability, hit positive Q4 EBITDA target, & generated full-year positive EBITDA
- Developed HMO, ultra-low power consumption backplane technology, & eLEAP, maskless next-generation OLED technology, both of which are breakthrough, first-ever globally
- Launched JDI Raelclear, a transparent display technology with the world's highest transparency
- Aggressively protected IP (intellectual property)
- Increased capital via Ichigo Trust exercising additional stock acquisition rights
- Transferred Taiwan plant to EMS partner to increase cost competitiveness
- Optimized capital structure to strengthen financial position

Note: Raelclear is a JDI trademark. eLEAP is provisional, pending registration.

Strategic Focus

KPI

1) Strengthen Existing Businesses

- Rethink, Reposition & Rebuild JDI
 - ✓ Delegate Authority, Move Quickly
 - ✓ Strengthen Sales & Marketing
- Massively Increase Profitability
 - ✓ Strengthen Competitiveness by Radically Cutting Costs & Liquidating Unprofitable Businesses
 - ✓ Win with the Customer: Superior Products & Superior Technology

- EBITDA Positive in FY22/3 Q4

Accomplished

2) Build New Businesses

- Go Beyond Existing Business Models & Go Direct to the Customer
 - ✓ Drive New Business Growth
 - ✓ Monetize Our R&D
- Commercialize High Value-Add Technologies that Address Key Customer Needs

- Leveraging Our Key Device Technologies, Launch Multiple Service, Solution, Platform Businesses This Year

Accomplished

Robust Automotive & Non-Mobile Demand Despite Chip Shortage

Mobile

- US/Euro sales down 53% YoY due to declining smartphone LCD demand from major customer
- China/Other sales up 19% YoY on broad customer demand

Auto- motive

- Sales up 21% YoY with strong demand all year, although parts & materials shortages significantly affected JDI & customers
- Strong new orders for high-value-added products like privacy view & HUD

Non- Mobile

- Sales up 27% YoY with increased wearable OLED, LCDs for ultra-high-resolution VR-HMD, & intellectual property revenues
- Launched transparent display with the world's highest transparency, Ræclear, along with real-time translation service to creating unique value as 2-way communication tool
- Launched add-on hover sensor that easily makes existing touch screens touch-free

Strengthened Supply Chain, Drove New Technology Development, & Asset Optimization

R&D

- Successfully developed HMO & eLEAP for mass production
- JDI as Global No. 1 – Focused on developing proprietary JDI technologies that radically improve cost performance & customer experience as technology leader in the global display industry

JDI-Wide

- Reduced supply chain risks by concluding Long Term Agreements & diversifying suppliers to curb the impact of part & materials shortages
- Actively promoted the use of intellectual property
- Promoted asset optimization & sold Taiwan back-end manufacturing plant
- Actively promoted sustainability & decarbonization. Signed the United Nations Global Compact & joined Apple's Supplier Clean Energy Program (100% renewable energy initiative)

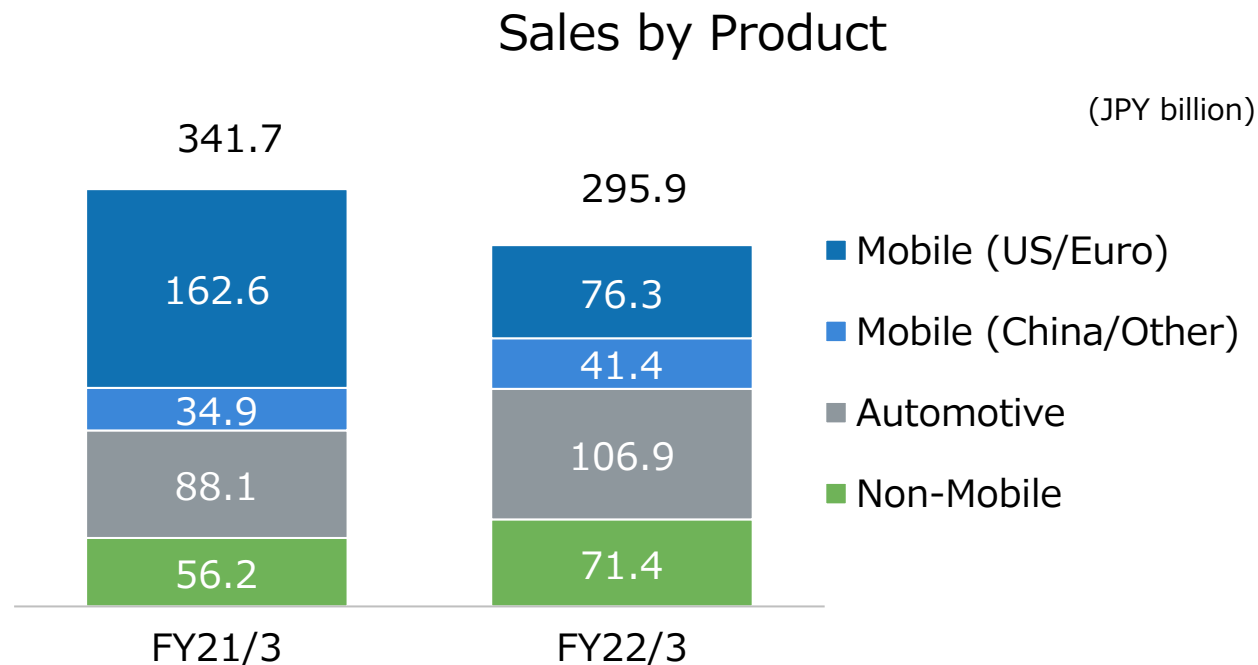


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FY22/3 Earnings Review

Managed Chip Shortages, Improved Product Mix, Reduced Costs, Increased Prices to Significantly Reduce FY22/3 Losses

	FY21/3	FY22/3	YoY
Sales	341.7	295.9	-45.7
EBITDA	-12.5	0.2	+12.7
Operating Profit	-26.2	-8.6	+17.7
Ordinary Profit	-32.7	-8.0	+24.7
Net Income	-42.7	-8.1	+34.6
Excl. parts & materials shortage impact			
Sales	341.7	321.2	-20.5
EBITDA	-12.5	9.5	+22.0
Operating Profit	-26.2	0.7	+26.9



Sales: US/Euro mobile LCD sales fell while Automotive & Non-Mobile sales increased due to strong high-value-added display demand despite the strong impact of chip shortages

Profit: While sales drop, losses shrunk with improved product mix, continued cost-reduction, price increases, & weaker yen. Non-operating & extraordinary income/loss improved

Operating Loss Shrank Significantly Due To Product Mix Improvement, Cost Reduction, Higher Pricing, & Weaker Yen

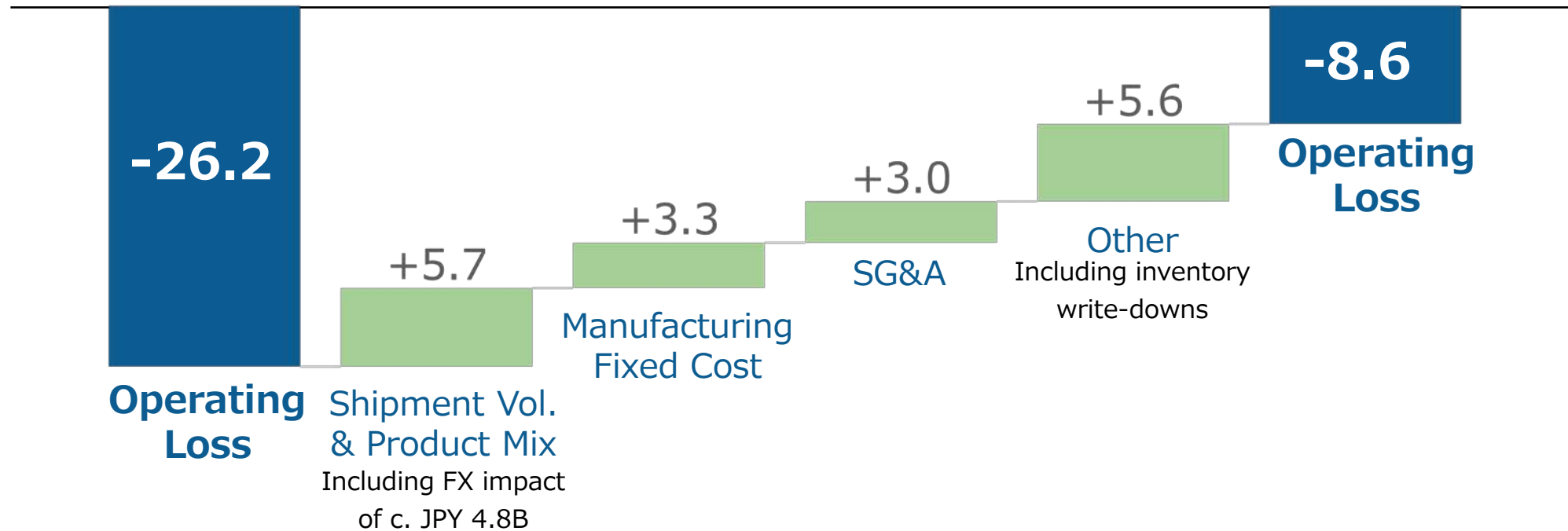
(JPY billion)

FY21/3

Sales: 341.7

FY22/3

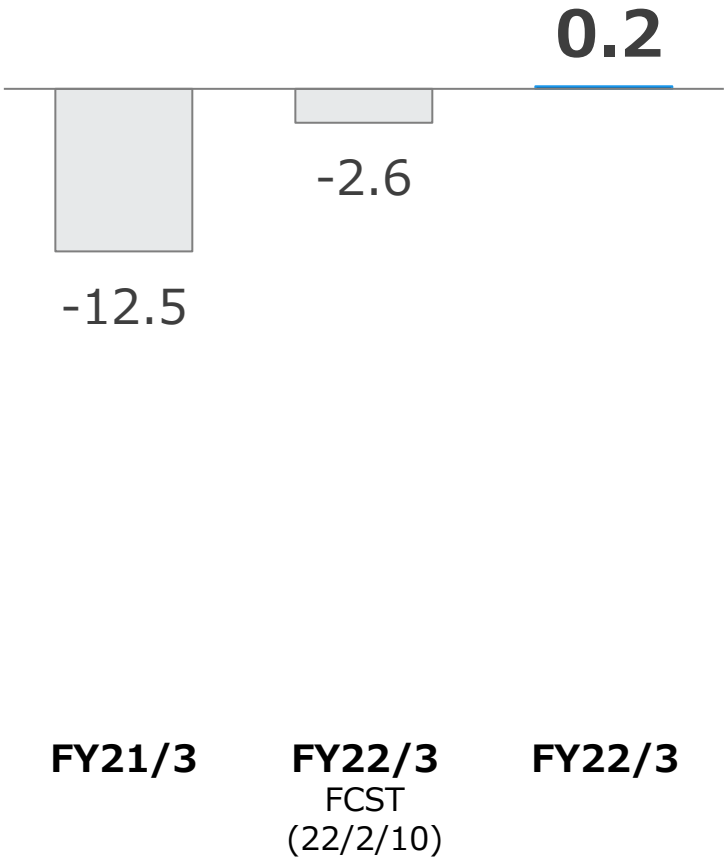
Sales: 295.9



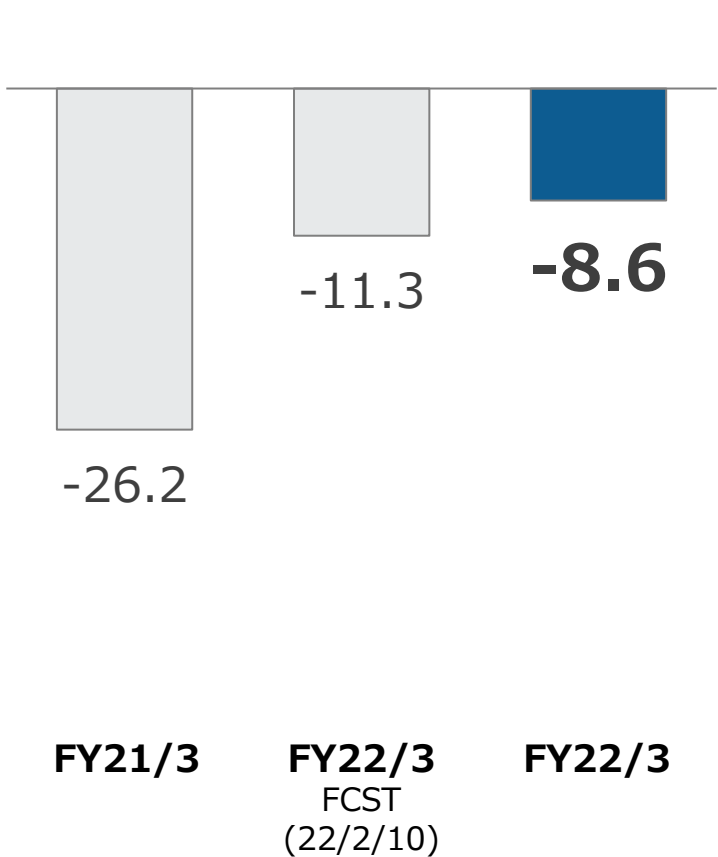
Surpassed All Profit Figures Compared To The Forecast & Significantly Improved Compared To The Same Period Last Year

(JPY billion)

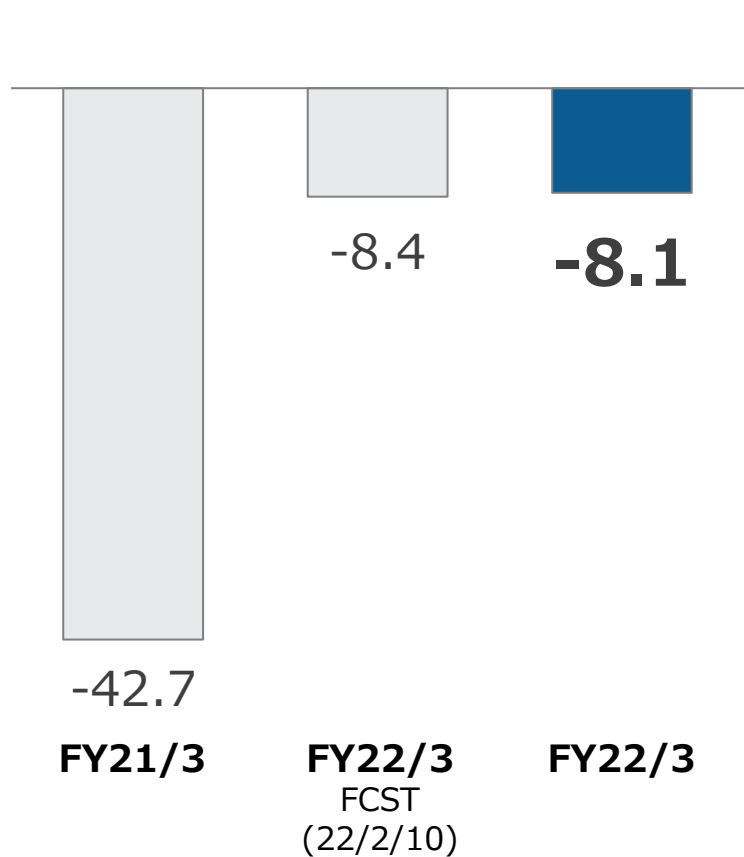
EBITDA



Operating Profit

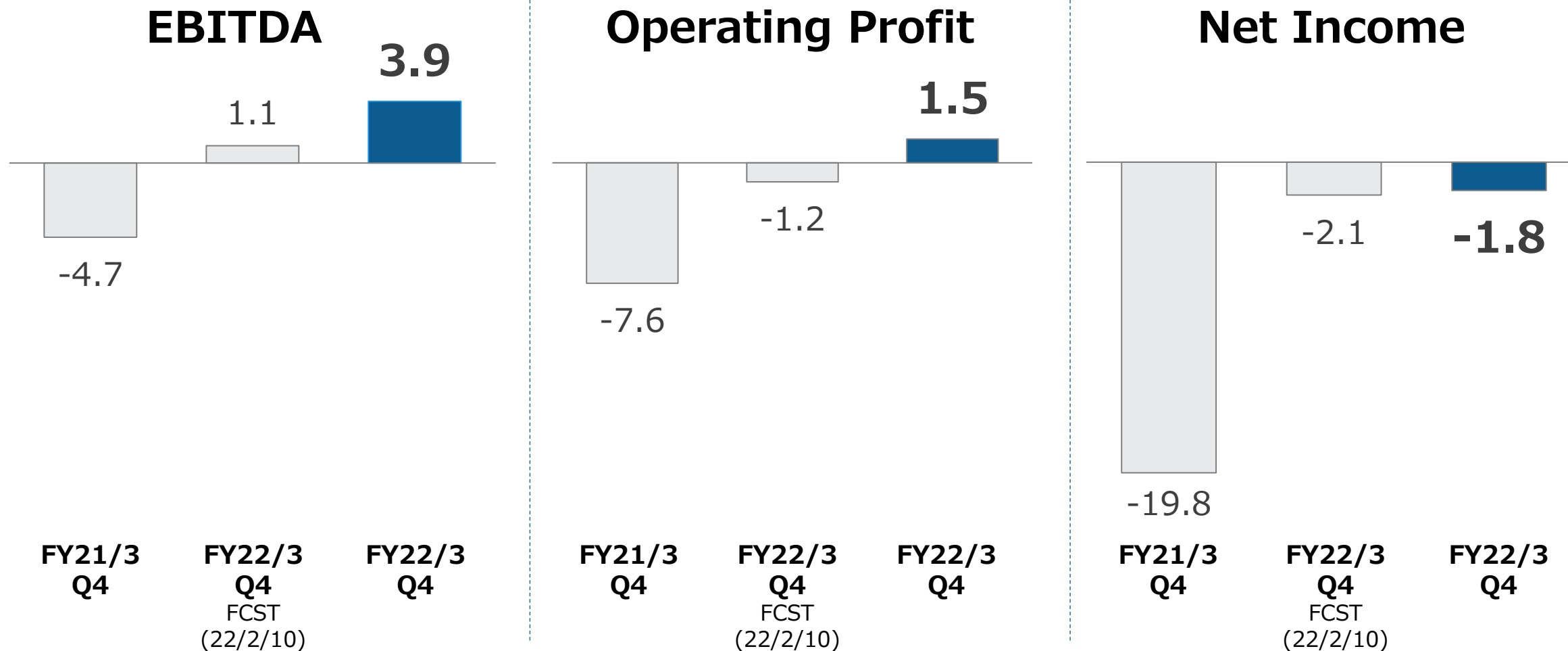


Net Income



Positive EBITDA On Better Product Mix & Cost Reductions

(JPY billion)





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FY23/3 Forecast

- Based On Conservative Estimates Of Materials Shortages, Rising Material-, Energy-, & Transportation Costs, & Consumption Decline, Full-Year Sales Are Still Expected To Increase, But Profitability Is Expected To Deteriorate
- Reflecting Shortages of Materials, Production Decline, & Lower Demand Due To The Lockdown In China In Q1, EBITDA Is Expected To Recover From Q3 Onward

(JPY billion)	FY20/3	FY21/3	FY22/3	FY23/3				
				Q1	Q2	Q3	Q4	New FCST
				New FCST	New FCST	New FCST	New FCST	
Sales	504.0	341.7	295.9	62.5	92.3	89.6	84.8	329.1
Mobile (US/Euro)	-	162.6	76.3	8.0	13.9	10.0	10.0	41.9
Mobile (China/other)	-	34.9	41.4	5.7	7.8	9.7	8.6	31.7
Automotive	-	88.1	106.9	35.8	39.7	40.7	38.5	154.8
Non-Mobile	-	56.2	71.4	13.0	30.9	29.1	27.7	100.7
EBITDA	-19.6	-12.5	0.2	-10.2	-1.7	1.4	1.3	-9.2
Operating Profit (Loss)	-38.5	-26.2	-8.6	-12.5	-4.2	-1.2	-1.5	-19.4
Recurring Profit (Loss)	-57.8	-32.7	-8.0	-12.8	-4.5	-1.6	-1.9	-20.8
Net Income (Loss)	-101.4	-42.7	-8.1	-12.3	-4.8	-1.9	-2.3	-21.4



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Appendix

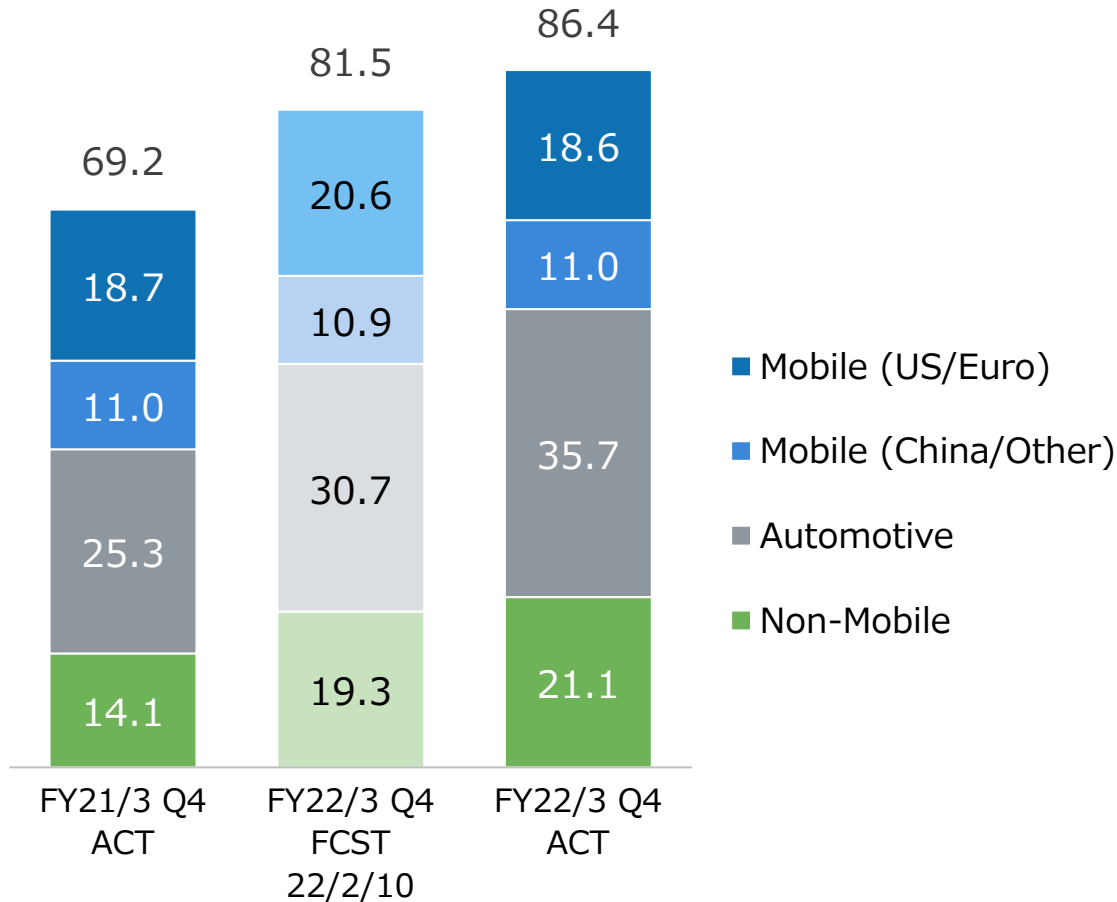
Improved Profits Significantly YoY Due To Sales Increase, Improved Product Mix Despite Parts & Materials Shortage

(JPY billion)	FY21/3 Q4	FY22/3 Q4	YoY
Sales	69.2	86.4	+17.3
EBITDA	-4.7	3.9	+8.5
Operating Profit	-7.6	1.5	+9.1
Ordinary Profit	-6.7	2.1	+8.8
Net Income	-19.8	-1.8	+18.0
Excl. parts & materials shortage impact			
Sales	69.2	91.0	+21.8
EBITDA	-4.7	5.2	+9.9
Operating Profit	-7.6	2.8	+10.4

- Increased Sales with stronger automotive & non-mobile shipments, passing on higher materials costs to selling prices, & weaker yen
- Shrank Losses with sales increase, & improved product mix. Improved quarterly net income on extraordinary income/loss improvement
- Vs. Feb 10 forecast: Actual sales & profits have come in above forecast due to actions taken to minimize production impacts, agreements with customers to pass through higher parts & materials costs into higher JDI selling prices, a tax reserve reversal as a result of JDI's capital reduction, & benefits from the weaker yen.

Quarterly Sales by Product

(JPY billion)



Q4 Sales by Product

- Mobile: YoY $\pm 0\%$, QoQ +14%
 - Almost flat YoY
 - Came in slightly below forecast due to customer inventory adjustment
- Automotive: YoY +41%, QoQ +35%
 - Despite continued chip shortage, strong demand increased sales YoY
 - Increase compared to forecast due to less severe impact of conservatively estimated semiconductor shortages and ability to pass on material to selling prices
- Non-Mobile: YoY +49%, QoQ +9%
 - Significant YoY increase due to higher IP & wearable OLED revenue. Only slight increase for VR LCD due to chip shortage
 - Above forecast sales due to minimized chip shortage impact

Operating Income Breakdown (YoY)

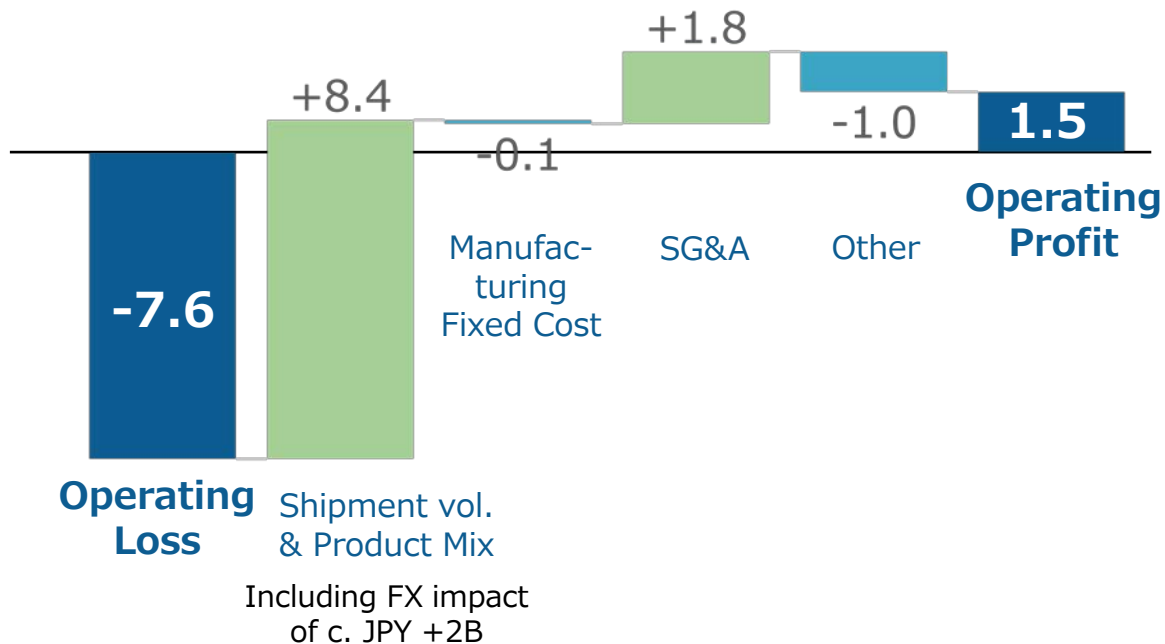
(JPY billion)

FY21/3 Q4

Sales: 69.2

FY22/3 Q4

Sales: 86.4



Operating Income Breakdown (QoQ)

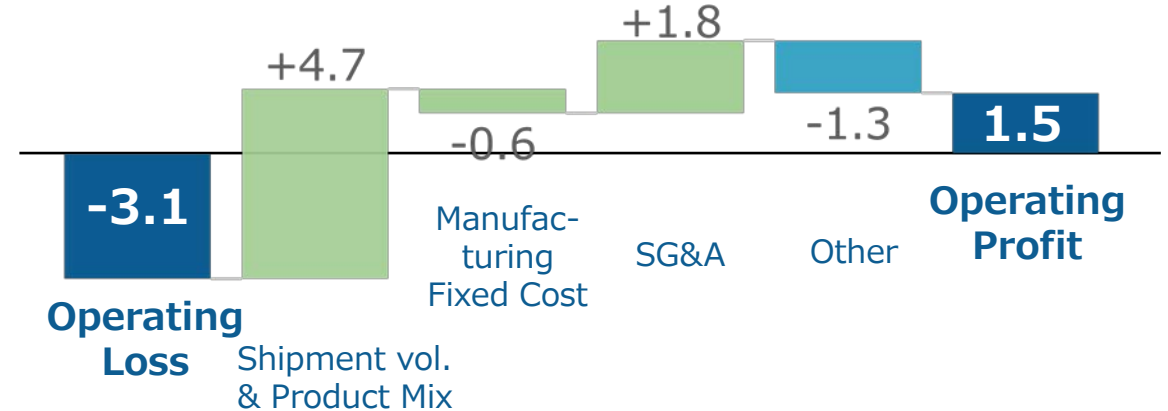
(JPY billion)

FY22/3 Q3

Sales: 71.7

FY22/3 Q4

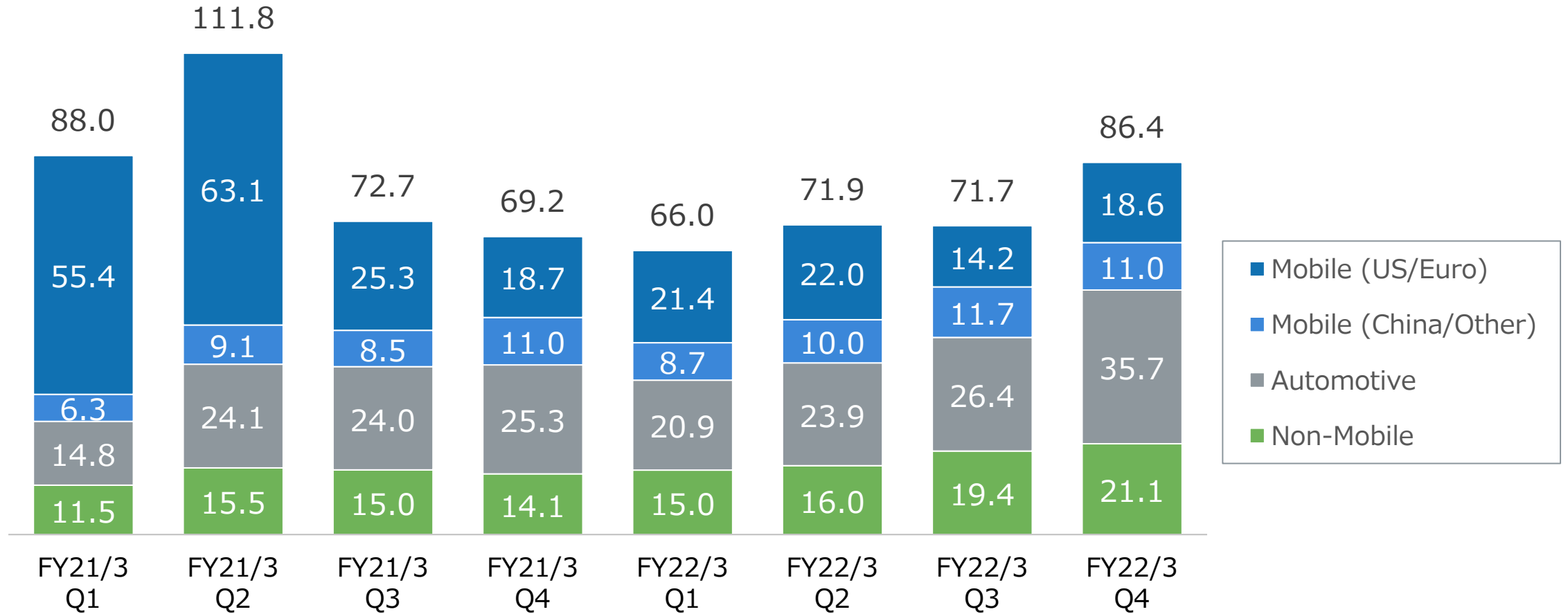
Sales: 86.4



Quarterly Sales Breakdown by Product



(JPY billion)



(JPY billion)	FY21/3	FY21/3 Q3	FY22/3	YoY	QoQ
Cash and deposits	55.7	57.8	52.2	-3.5	-5.6
Accounts receivable - trade	31.2	32.3	56.3	+25.1	+24.1
Accounts receivable - other	15.3	18.3	23.5	+8.2	+5.2
Inventories	39.7	51.0	49.1	+9.3	-1.9
Other	4.3	5.0	5.4	+1.1	+0.4
Total current assets	146.3	164.4	186.5	+40.2	+22.1
Total non-current assets	78.7	74.9	71.7	-6.9	-3.1
Total Assets	225.0	239.3	258.3	+33.3	+19.0
Accounts payable - trade	37.4	49.4	59.0	+21.5	+9.5
Interest-bearing debt	97.1	74.9	75.0	-22.2	+0.0
Advances received	1.9	5.3	3.3	+1.4	-2.0
Other liabilities	46.7	49.2	48.2	+1.5	-1.0
Total Liabilities	183.2	178.9	185.5	+2.3	+6.6
Total Net Assets	41.8	60.4	72.8	+30.9	+12.4
Shareholders Equity Ratio	17.6%	25.2%	28.2%	+10.6pts	+3.0pts

Note: Differences in balances of "cash and deposits" in B/S and cash & equivalents" in cash flow statement are "deposits"

(JPY billion)	FY21/3 Q4 (3M)	FY22/3 Q4 (3M)	FY22/3 Q4 (3M)	FY21/3 (12M)	FY22/3 (12M)	YoY
Sales	69.2	71.7	86.4	341.7	295.9	-45.7
EBITDA	-4.7	-0.9	3.9	-12.5	0.2	+12.7
Operating Profit	-7.6	-3.1	1.5	-26.2	-8.6	+17.7
Net non-op. income/expenses	0.9	0.6	0.6	-6.4	0.6	+7.0
Recurring Profit	-6.7	-2.5	2.1	-32.7	-8.0	+24.7
Net extraordinary income/losses	-13.0	5.3	-2.7	-9.1	2.2	+11.2
Income Before Income Taxes	-19.7	2.8	-0.6	-41.7	-5.8	+35.9
Net Income	-19.8	2.4	-1.8	-42.7	-8.1	+34.6
Avg. FX rate (JPY/USD)	106.1	113.7	116.3	106.1	112.4	
Q-End FX rate (JPY/USD)	110.7	115.0	122.4	110.7	122.4	

Consolidated Cash Flow Statement



(JPY billion)	FY21/3 Q4 (3M)	FY22/3 Q3 (3M)	FY22/3 Q4 (3M)	FY21/3 (12M)	FY22/3 (12M)	YoY
Income before income taxes	-19.7	2.8	-0.6	-41.7	-5.8	+35.9
Depreciation & Amortization	2.9	2.2	2.3	14.7	8.8	-5.9
Working capital	-6.2	-0.5	-14.9	20.6	-23.1	-43.7
Advances received	-0.5	-1.5	-2.1	-10.3	1.0	+11.3
Other	6.2	-2.4	-0.1	-6.4	-2.6	+3.8
Cash Flow from Operating Activities	-17.4	0.6	-15.5	-23.1	-21.7	+1.4
Fixed asset investments	-1.0	-0.4	-2.3	-7.0	-7.2	-0.1
Proceeds from subsidiary share sale	0.0	7.6	0.0	0.0	7.6	+7.6
Other	-0.4	0.5	-1.0	-2.1	-0.3	+1.8
Cash Flow from Investing Activities	-1.4	7.7	-3.3	-9.1	0.1	+9.2
Net increase / decrease in short-term borrowings	-0.2	0.0	0.0	-0.7	-20.1	-19.4
Proceeds from issuance of preferred shares	19.3	0.0	11.0	24.2	35.9	+11.6
Other	-0.1	-0.5	-0.1	-3.3	-1.0	+2.3
Cash Flow from Financing Activities	19.1	-0.5	10.9	20.2	14.8	-5.5
Ending Balance, Cash & Equiv.	55.3	57.4	50.9	55.3	50.9	-4.4
Free Cash Flow	-18.3	0.2	-17.8	-30.2	-28.8	+1.3

Free Cash Flow = Cash Flow from Operating Activities less Capex (Fixed asset investments)



Thank You!

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