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FY23/3 Q3 FX Loss, Extraordinary Gain and Loss, and Impairment Loss

In its FY23/3 Q3 earnings announced today, Japan Display Inc. (JDI) recorded a foreign exchange (FX) loss, an extraordinary gain and loss on Chinese subsidiary sale, an extraordinary loss on production end at the Higashiura Fab, and a manufacturing asset impairment.

1. FX Gain

JDI recorded a FY23/3 Q3 FX loss of JPY 1,661 million as a non-operating expense. The FX loss was the result of differences in the financial value of revenues and expenses between the time of their recording and settlement and the remeasurement of the JPY value of foreign currency-denominated monetary assets and liabilities held by JDI as of the last day of the accounting period.

2. Extraordinary Gain on Chinese Subsidiary Sale

JDI recorded a FY23/3 Q3 JPY 13,471 million extraordinary gain on the sale of the Chinese manufacturing subsidiary Suzhou JDI Electronics Inc. on December 30, 2022.

The extraordinary gain was previously forecast to be c. JPY 14,800 million in the December 30, 2022 release "Completion of Chinese Subsidiary Sale & Recording of Extraordinary Gain and Loss."

3. Extraordinary Loss on Chinese Subsidiary Sale & Higashiura Fab Production End

JDI recorded a FY23/3 Q3 JPY 3,555 million extraordinary loss on the sale of Suzhou JDI Electronics Inc. and JPY 1,623 million provision for losses on the production end at the Higashiura Fab, both as business restructuring expenses.

The extraordinary loss on the sale of the Chinese subsidiary was previously forecast to be c. JPY 3,500 million in the above December 30, 2022 release.

4. Impairment Loss

Based on the "Accounting Standard for Impairment of Fixed Assets," JDI recorded an impairment loss of JPY 763 million on some of its manufacturing assets as an extraordinary loss.

5. Earnings Impact

The FX loss, extraordinary gain, extraordinary loss, and impairment loss have been reflected in JDI's FY23/3 Q3 earnings announced today.