

[Provisional Translation Only]

This English translation of the original Japanese document is provided solely for information purposes.

Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.

February 10, 2023

Japan Display Inc. (Tokyo Stock Exchange Prime Market, 6740)

Representative: Scott Callon, Chairman & CEO

Inquiries: Akihito Okochi, CFO

Telephone: +81-3-6732-8100

www.j-display.com/english

Difference Between FY23/3 Q3 Earnings Forecast and Actual Results & Revision of Full-Year Earnings Forecast

Japan Display Inc. (JDI) is disclosing the details on the difference between its actual FY23/3 Q3 stand-alone earnings and its forecast announced on November 10, 2022. In addition, JDI is revising down its FY23/3 full-year sales, EBITDA, operating profit and recurring profit forecast and revising up its net income forecast.

1. Difference Between FY23/3 Q3 Stand-Alone Forecast and Actual Results

(1) FY23/3 Q3 Stand-Alone (October 1, 2022 to December 31, 2022)

(JPY million, except EPS)

	Sales	EBITDA	Operating Profit	Recurring Profit	Net Income	EPS (JPY)
Previous Forecast (A)	75,600	-7,000	-9,000	-9,300	-9,600	
Result (B)	69,735	-8,516	-10,600	-12,586	-5,750	-1.22
Change (B-A)	-5,865	-1,516	-1,600	-3,286	+3,850	
% Change	-7.8%	—	—	—	—	
Reference: FY22/3 Q3 Stand-Alone	71,657	-927	-3,084	-2,502	2,422	0.57

(2) FY23/3 Q3 (April 1, 2022 to December 31, 2022)

(JPY million, except EPS)

	Sales	EBITDA	Operating Profit	Recurring Profit	Net Income	EPS (JPY)
Previous Forecast (A)	213,896	△14,485	△20,779	△17,701	△21,233	
Result (B)	208,032	△16,002	△22,380	△20,988	△17,384	△3.69
Change (B-A)	-5,864	-1,517	-1,601	-3,287	+3,849	
% Change	-2.7%	—	—	—	—	
Reference: FY22/3 Q3	209,518	△3,688	△10,117	△10,073	△6,330	△1.70

(3) Reason for Difference Between FY23/3 Q3 Stand-Alone Forecast and Actual Results

Lower demand for consumer electronics caused by global inflation and the continued semiconductor shortage have meant that FY23/3 Q3 standalone sales, EBITDA, and operating income have come in below forecast. Recurring profit also fell short of forecast

due to the above factors plus a JPY 1,611 million foreign exchange loss. In addition, JDI recorded an extraordinary gain of JPY 13,471 million on the sale of its Chinese subsidiary, as announced in "Notice of Completion of Transfer of Shares in Consolidated Subsidiary and Posting of Extraordinary Income and Loss" on December 30, 2022, and an extraordinary loss of JPY 5,273 million on business restructuring expenses. As a result, FY23/3 Q3 (9M) net income came in above forecast.

Please note that the FY23/3 Q3 actual JPY/USD FX rate was 141.4, while the forecast assumption was 145.

For details of the results, please refer to today's FY23/3 Q3 earnings release.

2. FY23/3 Q4 & Full Year Forecast Revision

(1) FY23/3 Full-Year (April 1, 2022 to March 31, 2023)

(JPY million, except EPS)

	Sales	EBITDA	Operating Profit	Recurring Profit	Net Income	EPS (Yen)
Previous Forecast (A)	280,000	-26,400	-34,900	-32,000	-35,800	-7.59
Revised Forecast (B)	266,000	-39,100	-47,300	-46,400	-31,900	-6.74
Change (B-A)	-14,000	-12,700	-12,400	-14,400	+3,900	
% Change	-5.0%	—	—	—	—	
Reference: FY22/3	295,946	161	-8,576	-7,964	-8,096	-2.08

(2) Reason for Forecast Revision

JDI is revising down its FY23/3 full-year sales to reflect below-forecast Q3 results and the risk of a further decline in demand for consumer electronics displays due to global inflation and for automotive displays due to the continuing semiconductor shortage. JDI is also revising down its EBITDA, operating profit, and recurring profit forecasts due to the decline in sales, delays in passing on higher material, energy, and shipping costs, and the risk of an inventory write-down.

Net income has been revised up due to the forgiveness of JPY 15,000 million in JDI debt per today's announcement "Capital Injection to Dramatically Strengthen Financial Position & Accelerate METAGROWTH 2026 Growth Strategy," which more than offsets a provision for losses on the production end at the Higashiura Fab scheduled for March 2023.

JDI also adjusted its FY23/3 Q4 FX assumption from USD/JPY 145 to 130.

Forward-looking information such as the above earnings forecast is based on information available to JDI at the time the document was prepared and management's reasonable assumptions. This information is necessarily subject to a number of factors that may cause actual results to differ materially from this forecast.