



# Strategic Alliance with HKC & METAGROWTH 2026 Update

Japan Display Inc. April 10, 2023





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## **Strategic Alliance with HKC**



## One Team, One Goal, Global No.1

- **Significantly increase both JDI and HKC's value by combining JDI's proprietary Global No.1 technologies and manufacturing capabilities with HKC's cost competitiveness and sales strengths, while bringing together both companies' rich human capital**
- **Take major step forward in the development of a new global display ecosystem based upon JDI's proprietary Global No. 1 technologies**
- **Grow value for customers and society, while driving JDI's global display technology leadership and sustainable growth for JDI shareholders**





# **METAGROWTH 2026**

## **Six Proprietary Growth Drivers**



# METAGROWTH 2026 – Six Proprietary Growth Drivers



JDI's six proprietary growth drivers are all Global No.1 technologies that provide significant customer value & dramatically improve JDI's profitability

Customer Value

## 1 eLEAP (NextGen OLED)

- High brightness, long life, & high resolution while supporting a wide range of shapes & sizes
- Environment positive GreenTech with superior cost performance



## 2 HMO (High Mobility Oxide)

- Backplane technology with ultra-low power consumption, high resolution, & large display size capability
- Foundational technology for G8 & G10 fabs



## 3 Metaverse (Ultra High Resolution)

- Unparalleled sense of reality & immersion
- High yields & outstanding quality





JDI's six proprietary growth drivers are all Global No.1 technologies that provide significant customer value & dramatically improve JDI's profitability

Customer Value

## 4 AutoTech

- EV-focused, best-in-class integrated cockpit development
- HUD development driving safety improvements



## 5 Rælclear (Transparent Interface)

- World's highest transparency
- Social contribution by enabling more interactive & inclusive communication



## 6 New Tech, Products, & Businesses

- Expand applications of JDI proprietary technologies
- New businesses that address important social needs





## HKC Strategic Alliance with HKC eLEAP Order from Key Customer



### Alliance Partner Update:

- ✓ Signed Strategic Alliance MOU with HKC
- ✓ JDI & HKC to jointly build world-class eLEAP fabs, targeting mass production in 2025

### One Team, One Goal, Global No.1

- ✓ JDI's Global No.1 Technology
- ✓ HKC's Massive Production Capacity



### Customer Update U.S.

- Received Order from Key Customer
- Multiple Customer Negotiations Ongoing

### Europe & Asia

- Multiple Customer Negotiations Ongoing



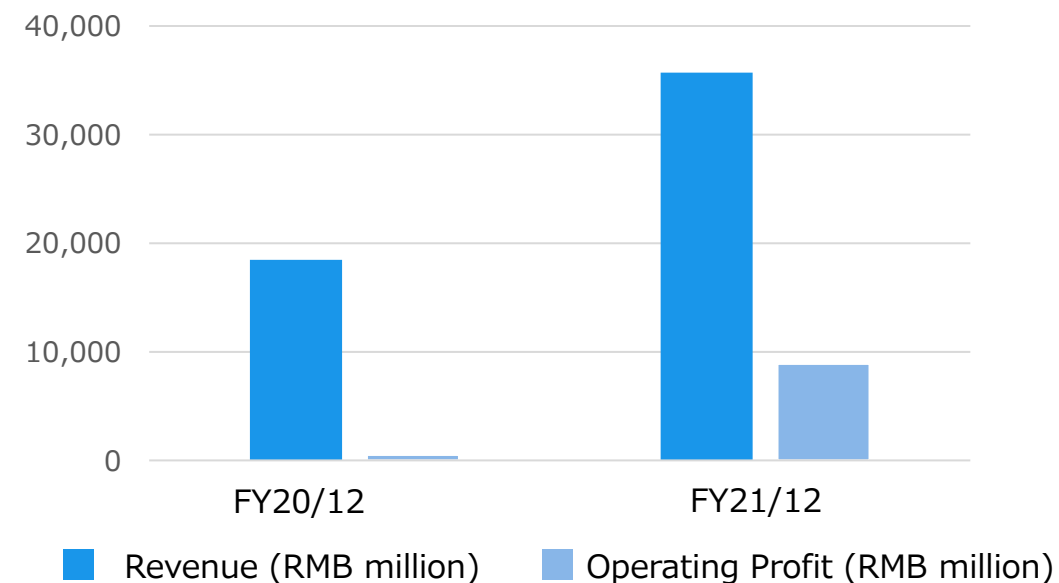


# HKC Introduction



- HKC is a highly regarded electronics manufacturer that has generated rapid growth in its large display business in recent years and is planning an IPO in China in the near future. Since 2017 HKC has launched mass production at G8.6 display fabs located in Chongqing, Chuzhou, Mianyang, and Changsha. HKC has achieved extraordinary revenue growth on the back of its powerful cost competitiveness, sales strengths, management agility, and robust financial standing.

(1) Name	HKC Corporation Limited	
(2) Headquarters	Shenzhen, Guangdong Province, China	
(3) Representative	Zhiyong Wang, Chairman/President	
(4) Business Description	Development, manufacturing, and sale of display panels, TVs, and IT peripheral equipment	
(5) Date of Incorporation	December 3, 2001	
(6) Major Shareholder and Shareholding Ratio	HKC Group 76.5% Government agencies 19.28%	
(7) Business Performance and Financial Conditions for the Last Two Years		
Fiscal Year	FY20/12	FY21/12
Net Assets (RMB million)	23,882	32,610
Total Assets (RMB million)	81,680	106,899
Revenue (RMB million)	18,464	35,709
Operating Profit (RMB million)	511	8,892
Net Income (RMB million)	467	7,851



The above figures are drawn from HKC's pre-public offering financial materials and are based upon Chinese accounting standards.





**JDI and HKC have agreed to work towards signing a final strategic alliance agreement that includes the following items by June 2023:**

- (1) JDI and HKC have agreed on a long-term, comprehensive, and collaborative global strategic partnership to work together on eLEAP, a Global Innovation and Industrialization Center, and a high-end automotive display business;**
- (2) JDI and HKC will jointly plan and build world-class eLEAP fabs, targeting mass production in 2025;**
- (3) JDI and HKC will work together to grow into the world's leading comprehensive high-end display solution provider, and have established the following long-term strategic targets for mid- to high-end displays:**
  - 1. Wearables: Global No.1 in shipments and market share by 2027;**
  - 2. Automotive: Global No.1 in shipments and market share by 2028;**
  - 3. VR: Global No.1 in shipments and market share by 2028;**
  - 4. Monitors: Global No.1 in shipments and market share by 2028;**
  - 5. Notebooks & Tablets: Global No.3 in shipments and market share by 2028.**



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## eLEAP Technology Update



## World's first OLED technology with maskless deposition & lithography

# eLEAP

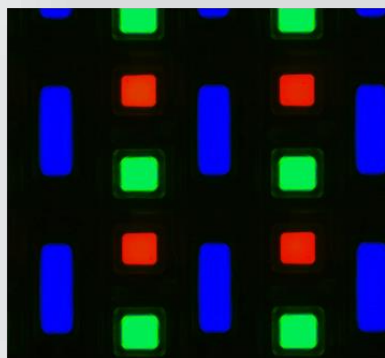
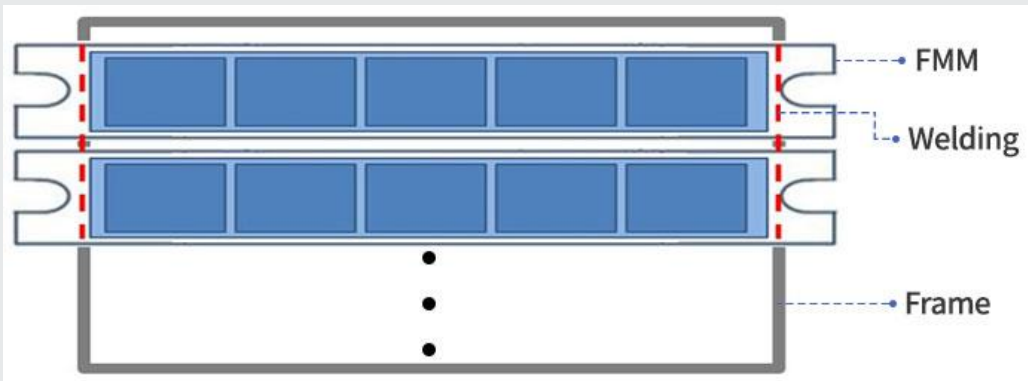
- environment positive
- Lithography with maskless deposition
- Extr<sup>e</sup>me long life, low power, & high luminance
- Any shape Patterning



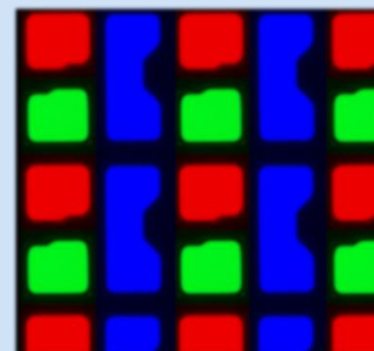
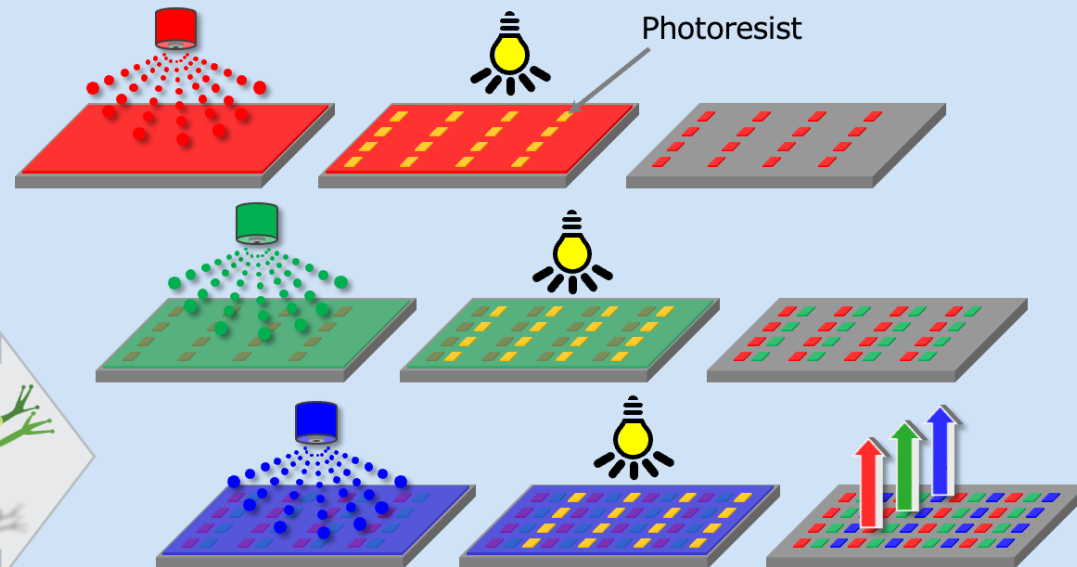




## Conventional OLED (FMM)



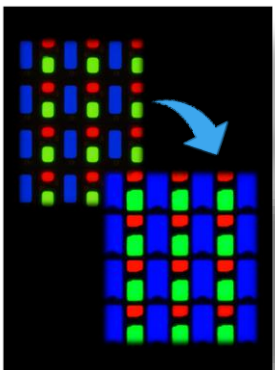
## eLEAP (Photolithography)





## NextGen OLED Delivering An Unparalleled User Experience

**High Brightness & High Resolution**



**Free Shape**



**High Reliability**



**GreenTech**



**High brightness & high resolution not achievable with conventional technologies**

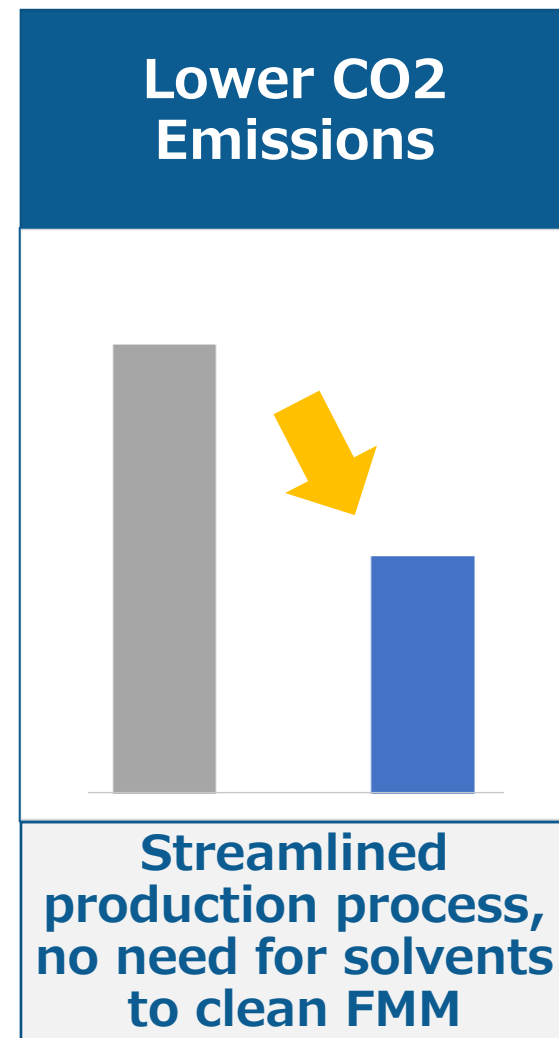
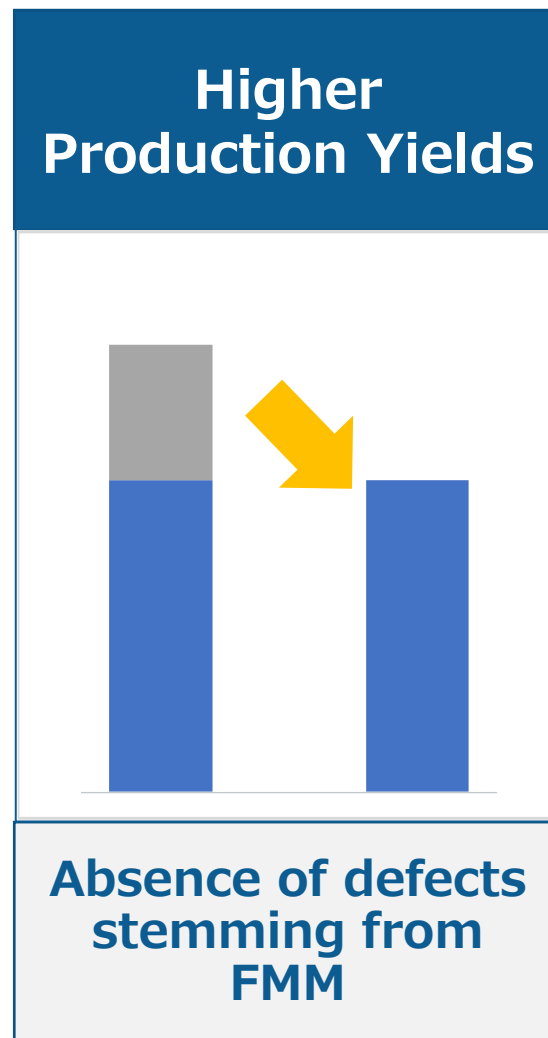
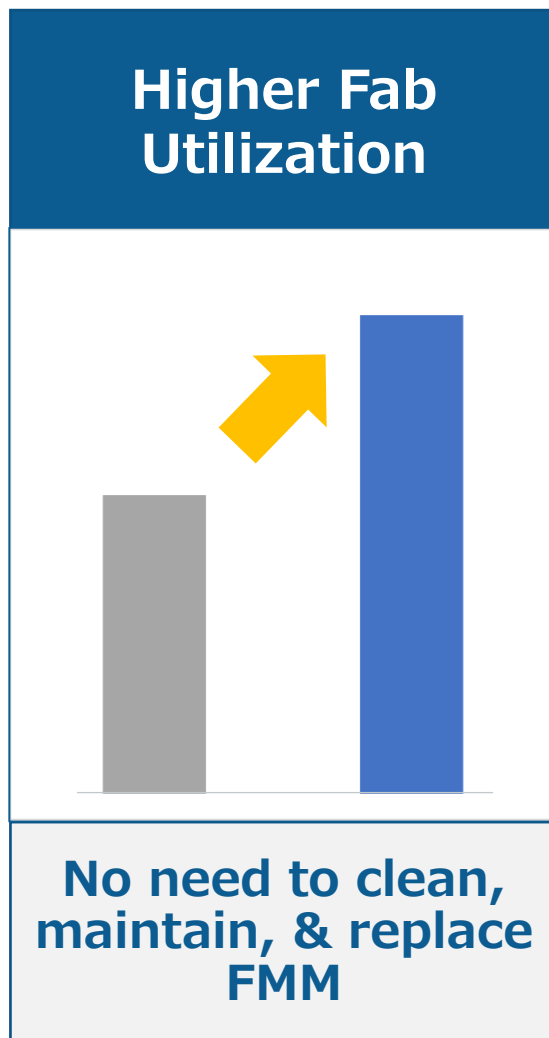
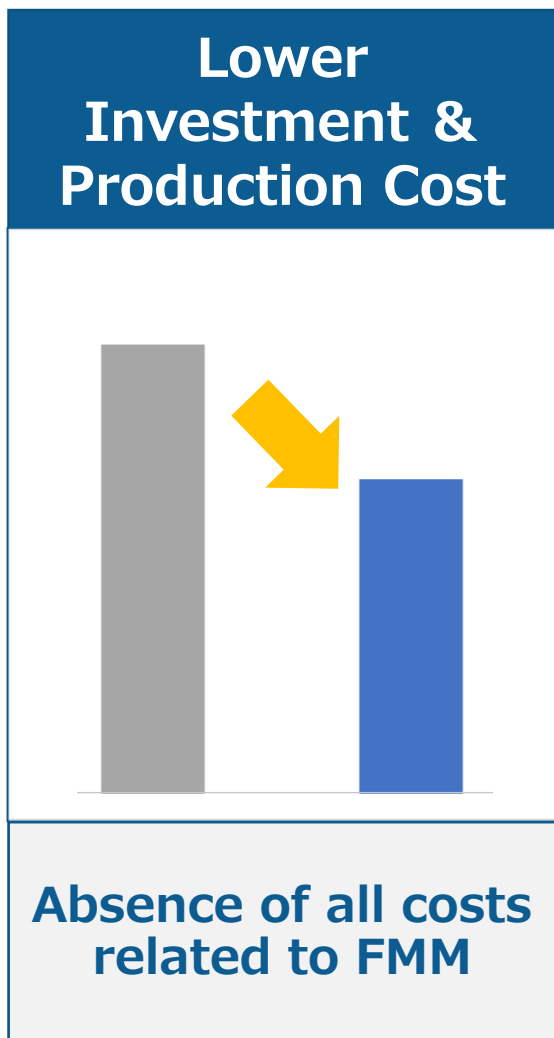
**Completely free shape due to absence of FMM limitations**

**Extremely long lifetime OLED with individually optimized pixeling**

**Breakthrough, environment positive production process**



## Significantly Higher Fab Utilization by Eliminating FMM







**eLEAP's maskless OLED deposition is a breakthrough, environment positive production process that eliminates mask cleaning chemicals & will generate 150k tons p.a. of CO2 emissions reduction**

# ECO



## 150k tons of yearly CO2 emissions =

**CO2 Absorption Volume of 900k cedar trees**

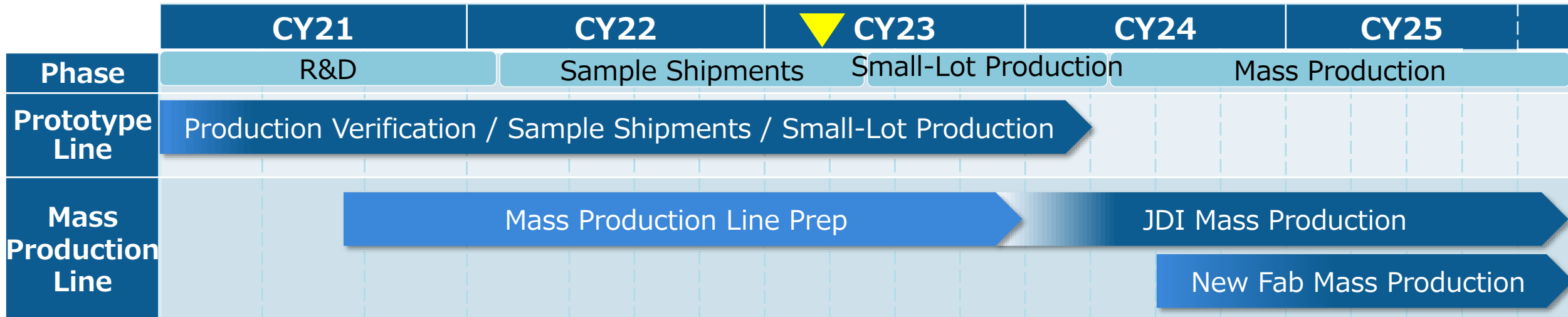


**Cedar forest the size of 3.7k Tokyo Domes**



CO2 emissions are JDI's calculations based 30k G6 sheets / month

- **Proof of Concept (POC) complete, samples being shipped to customers, received order from key customer, & readying for mass production**
  - ✓ eLEAP delivers functionality unachievable with conventional technologies – progressing multiple, highly positive customer discussions
- **Targeting JDI mass production in 2024 & HKC mass production in 2025**





## One Team One Goal Global No.1



eLEAP

World-Class Backplane Technologies: LTPO/HMO

High-End Automotive Displays



### COOPERATION **SYNERGY**

Cost Competitiveness

Massive Production Capacity

Strong Sales Force

## JDI and HKC will jointly build world-class eLEAP fabs, targeting mass production in 2025





**PersonalTech**  
**For A Better World**