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Production End and AI Data Center Conversion of Mobara Fab and Production Consolidation to Ishikawa MULTI-FAB

JDI decided today to end production at its Mobara Fab by March 2026. JDI plans to turn the Mobara Fab into an AI data center after production ends. In addition, JDI will consolidate production to its Ishikawa Fab and turn the Ishikawa Fab into a MULTI-FAB capable of simultaneously producing advanced G4.5 and G6 substrate displays, advanced sensors, and advanced semiconductor packaging via a highly flexible, productive, and cost-competitive production system that serves a broad array of customers and product needs.

1. Rationale for Mobara Fab Production End and Ishikawa MULTI-FAB Consolidation

In order to overcome the structural challenges of the global display industry and deliver robust profitability to its shareholders and all stakeholders, JDI recognizes that a major strategic shift is necessary via its BEYOND DISPLAY strategy. This transition evolves JDI from being solely a display manufacturer to harness JDI's deep technology strengths in new fields, with JDI's primary focus being the high-growth markets of advanced semiconductor packaging and sensors.

Consistent with this BEYOND DISPLAY strategy, JDI has decided it needs to radically shrink its asset base and drive significant improvements in its production efficiency to deliver profitability in its display business. As such, JDI is ending production at its higher cost Mobara Fab by March 2026, consolidating production at its Ishikawa Fab, which has lower fixed costs and higher production efficiency for advanced semiconductor packaging and sensors.

Mobara Fab

Final decisions about the status of Mobara employees will be made upon consultation with JDI's labor union. JDI's ongoing discussions with other global display companies to partner in delivering JDI's technologies to customers and drive global display industry consolidation will help shape those decisions. JDI will promptly disclose the details as soon as they are determined. JDI is also in discussions with companies that require AI data centers, focusing on the sale of the Mobara Fab assets and their conversion into an AI data center.

While JDI will end in-house OLED display production at the Mobara Fab, as part of JDI's fabless eLEAP strategy JDI is currently in discussions with foundry partners to jointly produce eLEAP displays and build a global eLEAP ecosystem. For LCD displays, which are primarily automotive applications, JDI will consolidate production at its lower-cost Ishikawa Fab to drive higher productivity and increased cost competitiveness, with a focus on leading-edge JDI technologies. JDI expects to meet customer requirements through increased production at the Mobara Fab through the production end, transferring production

to the Ishikawa Fab, and procuring JDI-designed panels from foundry partners.

Ishikawa MULTI-FAB

JDI’s Ishikawa Fab has just 1/4 of the fixed costs of the Mobara Fab. Ishikawa’s smaller G4.5 substrate size is also more efficient for the production of higher-profitability advanced semiconductor packaging and sensors. In addition, JDI plans to relocate the Mobara Fab’s G6 LCD cell process machinery to the Ishikawa Fab and source G6 array substrates from foundry partners.

Through these actions, JDI is transforming Ishikawa Fab into a MULTI-FAB capable of simultaneously producing advanced G4.5 and G6 substrate displays, advanced sensors, and advanced semiconductor packaging via a highly flexible, productive, and cost-competitive production system that serves a broad array of customers and product needs.

For the Ishikawa Fab’s production of advanced semiconductor packaging, JDI will integrate the technology of TECH EXTENSION (TEX) and Taiwan’s PanelSemi, with whom JDI announced strategic alliances today. Deploying JDI's high-precision wiring and thin-film and glass processing technology, JDI will provide unprecedented high-performance semiconductor packaging to global customers at extraordinarily low cost.

2. Overview of the Mobara Fab

Name	Mobara Fab (Gen 6 Line)
Location	3300 Hayano, Mobara City, Chiba Prefecture
Business	Development, design, and production of LCD and OLED displays
Number of Employees	1,323 (as of January 31, 2025)

3. Earnings Impact

JDI expects to record as extraordinary losses and gains any losses associated with the Mobara Fab production end and any gains from its conversion into an AI data center. JDI will promptly disclose the details as soon as they are determined.

JDI expects that the Mobara Fab production end will reduce annual fixed costs by c. JPY 25 billion.

JDI is committed to delivering a transformational improvement in its profitability and sustainable long-term growth on behalf of its shareholders and all stakeholders.