



[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 12, 2025

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

Representative: Scott Callon, Chairman, CEO

Inquiries: Ken Hirabayashi, CFO

Telephone: +81-3-6732-8100

www.j-display.com/en/

Recording of Interest Expense, Impairment Loss, and Business Restructuring Expenses, and Downward Revision of Full-Year Earnings Forecast

JDI will record the following items in its FY25/3 Q3 earnings to be announced on February 13, 2025. Due to the recording of the extraordinary losses, JDI is also revising down its FY25/3 full-year earnings forecast announced on November 13, 2024.

1. Interest Expense (Non-Operating Expense)

JDI will record FY25/3 Q3 interest expense on short-term borrowings of JPY 1,222 million as a non-operating expense. Cumulative FY25/3 Q3 interest expense on short-term borrowings amounted to JPY 3,011 million.

2. Impairment Loss (Extraordinary Loss)

As stated in today's announcement "Production End and AI Data Center Conversion of Mobara Fab and Production Consolidation to Ishikawa MULTI-FAB," JDI will end production at its low-utilization Mobara Fab by March 2026, and will record an impairment loss of JPY 20,363 million primarily related to eLEAP production equipment, as an extraordinary loss in FY25/3 Q3.

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, 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 plans to turn the Mobara Fab into an AI data center after production ends.

3. Business Restructuring Expenses (Extraordinary Loss)

As announced in "Production End at Tottori Fab and Continuation as Strategic Operating Center" on August 2, 2023, JDI plans to end production at its Tottori Fab in March 2025. JDI will record JPY 2,405 million as business restructuring expenses related to this in FY25/3 Q3.

4. FY25/3 Full Year Forecast Revision (April 1, 2024 to March 31, 2025)

Due to the recording of the extraordinary losses above, JDI is revising down the FY25/3 net income forecast announced on November 13, 2024, as follows:

(JPY million, except EPS)

	Sales	EBITDA	Operating Profit	Recurring Profit	Net Income	EPS (JPY)
Previous Forecast (A)	180,000	-26,400	-31,700	-36,800	-39,300	-6.35
Revised Forecast (B)	180,000	-26,400	-31,700	-36,800	-62,068	-10.03
Change (B-A)	0	0	0	0	-22,768	
% Change	0%	—	—	—	—	
Reference: FY24/3	239,153	-28,221	-34,145	-33,188	-44,313	-7.16