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

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Advanced Semiconductor Packaging and Sensor Strategic Alliance with PanelSemi (Taiwan)

JDI has signed an equity investment agreement and a strategic alliance MOU with PanelSemi Corporation, a Taiwanese company with world-class capabilities in advanced semiconductor packaging and sensors. JDI will finalize the investment upon receiving the foreign investment approval from the Taiwanese regulatory authorities.

1. Alliance Background and Purpose

JDI announced its BEYOND DISPLAY growth strategy in its FY25/3 H1 Corporate Presentation on November 13, 2024. BEYOND DISPLAY seeks to deploy JDI's deep technology assets from the display business in new areas, with a primary focus on advanced semiconductor packaging and sensors. Through this strategic alliance, JDI will partner with PanelSemi, a company with innovative technologies in flexible-electronics (crucial for sensors) and ceramic-based advanced semiconductor packaging (ceramic packaging is one of the key candidates for the advanced packaging) to promote the commercialization of new substrates for advanced semiconductor packaging and sensors.

2. Alliance Overview

PanelSemi owns display-derived tiling technology and TFT technology, and operates as a fabless company developing and selling advanced electrical components, including substrates for advanced semiconductor packaging.

With the rapid development of AI, the global advanced semiconductor packaging market is expected to grow into a massive market worth JPY 20 trillion annually by 2034. In AI semiconductor chips, handling large amounts of data between logic and memory is causing increased power consumption and associated heat, which exceeds the heat tolerance of existing organic substrates. Additionally, the need to accommodate larger substrate sizes due to the increase in chiplet-form semiconductors is a significant technical challenge.

JDI and PanelSemi have agreed to jointly develop and market ceramic-based substrates for semiconductor packaging and flexible substrates for sensors, deploying both companies' display-derived technology sets. This partnership will be further strengthened through JDI's investment in PanelSemi. Leveraging the combined expertise and engineering resources of both companies, JDI and PanelSemi are committed to driving rapid commercialization. Development and production activities in Japan will be conducted at JDI's Ishikawa Fab, where JDI plans to centralize its production going forward.

Together with PanelSemi, JDI is also developing organic interposers using glass as a carrier and ceramic substrates that address issues of flatness and thermal expansion differences as

core substrates. This development will leverage JDI’s high-precision wiring and thin-film and glass processing technology. Such capabilities will be further integrated onto ceramic substrates with robust material properties through innovative processes.

JDI will also maximize synergies with PanelSemi via its world-class production technology, from prototyping to mass production, and highly secure global supply chain, delivering high-quality next-generation semiconductor products at extraordinarily low cost and positioning JDI and PanelSemi as leaders in the rapidly expanding semiconductor packaging market.

3. PanelSemi Overview

(1) Name	PanelSemi Corporation	
(2) Headquarters	15F., No.207, Sec.3, Beixin Rd., Xindian Dist., New Taipei City 231632, Taiwan	
(3) Representative	Ting Chin Lung, Chairman and President	
(4) Business Description	Development and sales of Mini-LED displays, substrates for antennas, and substrates for advanced semiconductor packaging	
(5) Date of Incorporation	March 26, 2021	
(6) Relationship with JDI	Capital Relationship	N/A
	Personnel Relationship	N/A
	Business Relationship	N/A

4. Earnings Impact

The impact of this strategic alliance on FY25/3 earnings is expected to be minor, but JDI believes it will be a significant earnings and value driver over time.