



*[Provisional Translation Only]*

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May 15, 2025

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

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## **Establishment of New AutoTech Subsidiary**

JDI decided today to propose at its June 21, 2025 shareholder meeting (AGM) to transfer the rights and obligations related to its automotive display business to AutoTech Inc., which will be a newly established wholly-owned subsidiary.

### **1. Purpose of the New Subsidiary**

JDI recognizes that escaping the chronic losses of the fiercely competitive global display industry requires a significant strategic shift. In its BEYOND DISPLAY growth strategy JDI is thus executing a radical restructuring in order drive a rapid return to profitability and sustainable growth. It is substantially reducing costs across-the-board in its display business, while deploying its world-class technological capabilities to the high-growth advanced semiconductor packaging and sensors businesses.

In line with this strategy, JDI has decided to transfer its automotive business to the newly established AutoTech subsidiary. The new AutoTech subsidiary allows for more independent management decisions and rapid decision-making, expands the possibilities for external funding, and broadens its future strategic options, including joint activity with external partners.

### **2. Overview of New Subsidiary Establishment**

#### **(1) Schedule**

Board Resolution Date	May 15, 2025
AGM	June 21, 2025 (scheduled)
Effective Date	October 1, 2025 (scheduled)

#### **(2) Establishment Method**

JDI will be the splitting (parent) company, and AutoTech will be the successor company.

#### **(3) Details of New Subsidiary Share Allotment**

AutoTech will issue 1,000 common shares in conjunction with this new split, all of which will be allotted and transferred to JDI.

#### **(4) Treatment of Stock Acquisition Rights**

There will be no changes to the stock acquisition rights issued by JDI due to the newly established split.

#### **(5) Changes in Capital**

There will be no increase or decrease in JDI's capital due to the newly established subsidiary.

#### **(6) Rights and Obligations to be Transferred**

AutoTech will inherit all assets, liabilities, employment contracts, and other rights and obligations related to JDI's automotive business as stipulated in the newly established subsidiary establishment plan.

#### **(7) Fulfillment of Obligations**

JDI believes that there are no issues with respect to the fulfillment of obligations to be borne by AutoTech after its establishment.

### **3. JDI and AutoTech Overview**

#### **JDI**

(as of March 31, 2025)

(1) Company Name	Japan Display Inc. (JDI)																				
(2) Address	3-7-1 Nishi-Shimbashi, Minato-ku, Tokyo																				
(3) Representative (see Note below)	Scott Callon Chairman, CEO, and Representative Executive Officer																				
(4) Business	Development, design, manufacturing, and sales of displays and related products																				
(5) Capital	JPY 100 million																				
(6) Date of Establishment	April 1, 2012 (business start date)																				
(7) Shares Outstanding	3,880,388,022 shares																				
(8) Fiscal Year-End	March 31																				
(9) Major Shareholders, and Shareholding Ratio	<table><tr><td>Ichigo Trust</td><td>78.19%</td></tr><tr><td>The Master Trust Bank of Japan, Ltd. (Trust Account)</td><td>1.96%</td></tr><tr><td>Nichia Corporation</td><td>0.90%</td></tr><tr><td>Nomura Securities Co., Ltd.</td><td>0.52%</td></tr><tr><td>JP JPMSE LUX RE BARCLAYS CAPITAL SEC LTD EQ CO</td><td>0.34%</td></tr><tr><td>Haneda Turtle Service Co., Ltd.</td><td>0.25%</td></tr><tr><td>Akio Utsumi</td><td>0.24%</td></tr><tr><td>JP JPMSE LUX RE NOMURA INT PLC 1 EQ CO</td><td>0.21%</td></tr><tr><td>Japan Display Inc. Employee Stock Ownership Association</td><td>0.20%</td></tr><tr><td>Utsumi Seiwa Planning Co., Ltd.</td><td>0.14%</td></tr></table>	Ichigo Trust	78.19%	The Master Trust Bank of Japan, Ltd. (Trust Account)	1.96%	Nichia Corporation	0.90%	Nomura Securities Co., Ltd.	0.52%	JP JPMSE LUX RE BARCLAYS CAPITAL SEC LTD EQ CO	0.34%	Haneda Turtle Service Co., Ltd.	0.25%	Akio Utsumi	0.24%	JP JPMSE LUX RE NOMURA INT PLC 1 EQ CO	0.21%	Japan Display Inc. Employee Stock Ownership Association	0.20%	Utsumi Seiwa Planning Co., Ltd.	0.14%
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Note: At its Board of Directors meeting held today, JDI made the below change to its Representative Executive Officer, effective June 1, 2025:

Current Chairman, CEO, & Representative Executive Officer: Scott Callon

Newly Appointed President, CEO, & Representative Executive Officer: Jun Akema

#### **AutoTech Subsidiary Establishment**

(Scheduled for October 1, 2025)

(1) Company Name	AutoTech Inc.
(2) Address	3-7-1 Nishi-Shimbashi, Minato-ku, Tokyo
(3) Representative	Seiichi Fukunaga Representative Director
(4) Business	Development, design, manufacturing, and sales of automotive displays and related products
(5) Capital	JPY 50 million
(6) Date of Establishment	October 1, 2025 (scheduled)
(7) Shares Outstanding	1,000 shares
(8) Fiscal Year-End	March 31
(9) Major Shareholders, and Shareholding Ratio	Japan Display Inc. 100%

#### **JDI Consolidated Business Performance & Financial Position**

Fiscal Year	FY25/3
Net Assets (JPY M)	6,890
Total Assets (JPY M)	148,031
Net Assets per Share (JPY)	-7.88
Sales (JPY M)	188,012
Operating Profit (JPY M)	-37,068
Recurring Profit (JPY M)	-40,415
Net Income (JPY M)	-78,220
EPS (JPY)	-12.64

#### **4. Overview of the AutoTech Business Division**

##### **(1) Business**

Research, development, manufacturing, and sales of automotive displays and related products and parts

##### **(2) Sales**

JPY 120,286 million (Non-Consolidated, FY25/3 Estimate)

##### **(3) Assets and Liabilities**

JDI is currently reviewing the amount of assets and liabilities to be transferred to AutoTech, and will disclose them promptly once confirmed.

## **5. JDI Corporate Structure**

Other than the change in JDI's Representative Executive Officer described above, there will be no changes to JDI's name, location, capital, or fiscal year-end linked to the new subsidiary establishment.

## **6. Earnings Impact**

JDI is currently reviewing the impact of the new subsidiary establishment on FY26/3 earnings. If matters requiring disclosure should arise, JDI will promptly disclose them.

Through the additional operating flexibility created by this new subsidiary, the workforce reduction announced today, cost savings from ending production at the Mobara Fab and consolidating production at the lower-cost and more flexible Ishikawa MULTI-FAB, and significant improvements in product mix and profitability driven by its BEYOND DISPLAY growth strategy, JDI expects to achieve a positive consolidated operating profit from FY27/3.