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## **Progress of Compliance with TSE Prime Listing Requirement (Free-Float Ratio, Net Assets)**

On June 26, 2023, JDI announced a plan to comply with the Tokyo Stock Exchange (TSE) Prime Market's listing requirement (the "free-float requirement") to keep its free-float ratio above 35%. The progress of the plan, along with JDI's compliance with the net assets requirement, is as follows.

### **1. JDI Listing Compliance Status**

As of FY26/3 end, JDI does not meet the free-float or net assets requirements for TSE Prime listing maintenance, as shown in the table on p. 2.

JDI will continue to implement measures to meet the listing maintenance criteria, targeting to restore its net assets to a positive level by March 31, 2027 and to comply with the free-float ratio requirement by March 31, 2028.

With respect to the net assets requirement, if JDI is unable to disclose by March 31, 2027 that it is expected to meet the requirement (i.e., that its net assets will be positive), the TSE will designate JDI as a "Security Under Supervision." Subsequently, if the TSE determines based on JDI's FY27/3 financial statements that JDI does not meet the net assets requirement, JDI will be designated as a "Security to be Delisted," and its shares will be delisted on October 1, 2027.

With respect to the free-float requirement, if JDI is unable to confirm compliance by March 31, 2028, the TSE will designate JDI as a "Security Under Supervision." Subsequently, if the TSE determines based on JDI's share distribution status as of March 31, 2028 that JDI does not meet the free-float ratio requirement, JDI will be designated as a "Security to be Delisted," and its shares will be delisted on October 1, 2028.

		Number of Shareholders	Outstanding Shares (units)	Free-Float Market Cap (JPY billion)	Free-Float Ratio	Net Assets (JPY billion)
Changes in JDI's Compliance Status	As of March 31, 2026	136,487	7,816,225	31.7	20.1%	-7.4
	As of March 31, 2025	78,384	7,825,018	14.6	20.1%	6.8
	As of March 31, 2024	71,962	6,737,255	14.3	17.3%	85.6
	As of March 31, 2023	71,700	5,674,207	23.6	14.6%	124.4
Requirement		800	20,000	10.0	35.0%	Positive Net Assets
JDI Compliance Status (As of March 31, 2026)		Compliant	Compliant	Compliant	Not Compliant	Not Compliant
Compliance Plan Period		—	—	—	March-end 2028	March-end 2027

Note: Under TSE rules, JDI would have been required to comply with the free-float requirement by the end of March 2025, because JDI was listed on the TSE First Section prior to the change in market classification to Prime on April 4, 2022. However, TSE has granted JDI a special exemption to extend its compliance plan period to the end of March 2028, because JDI is receiving support from Ichigo Trust (“Ichigo”) for its turnaround.

## 2. Listing Requirement Compliance Activity (April 2025 - March 2026)

### (1) Net Assets Requirement

As of FY25/3-end, JDI's net assets totaled JPY 6,890 million, with strengthening its financial base a key management issue. In FY26/3 JDI thus implemented structural reforms to fundamentally strengthen its earnings structure.

Specifically, JDI ended production at its Mobara Fab and consolidated domestic production at its Ishikawa Fab, improving production efficiency and profitability. In addition, to align its organization with its business scale after restructuring its production base, JDI implemented voluntary retirement programs and other workforce reductions globally, resulting in 1,319 employees leaving the company in FY26/3.

Furthermore, JDI has executed non-core asset sales to strengthen its financial position. In July 2025 JDI sold to Ichigo a newly established subsidiary, to which part of JDI's intellectual property (IP) had been transferred. In addition, in March 2026 JDI concluded a definitive agreement to sell the Tottori Fab, where production had ended in March 2025. With respect to the Mobara Fab, JDI is continuing negotiations with potential buyers and is working toward the execution of a final agreement.

While these measures significantly reduced fixed costs, JDI recorded a net loss due to a decline in orders associated with the closure of the Tottori and Mobara Fabs. As a result, JDI recorded negative net assets of JPY 7,412 million at FY26/3-end and fell below the net assets requirement.

In parallel with these structural reforms, JDI is working to strengthen its earnings structure. Under its BEYOND DISPLAY growth strategy, JDI is developing new businesses, led by sensors and advanced semiconductor packaging, and is working with multiple partners to create new business opportunities and transform its business portfolio.

Through these structural reforms and growth initiatives, JDI believes that it is strengthening its earnings structure and improving its long-term profitability.

## (2) Free-Float Requirement

To comply with the free-float requirement, the primary challenge is to reduce Ichigo's 78.2% shareholding as measured in common shares outstanding. (In addition to common shares, Ichigo also holds JDI Class E Preferred Shares and warrants. If these preferred shares are converted into common shares or the warrants are exercised, JDI's free-float ratio may decline, requiring further action to increase the free-float.)

JDI Common Shares Outstanding (As of March 31, 2026)

	Total Number of Shares Outstanding	Free-Float		
		Free-Float	Ichigo	Others
Number of Shares	3,880,388,022	781,622,549	3,034,222,222	64,543,251
Share Ratio	100%	20.1%	78.2%	1.7%

Note: A maximum of 2,308,329,640 JDI common shares will be issued upon conversion of the Preferred Shares and a maximum of 3,852,444,400 JDI common shares will be issued upon exercise of the warrants. Some of the warrants were exercised on May 13, 2026 and June 19, 2026, resulting in the issuance of 577,866,660 JDI common shares. Based on the large shareholding report filed on June 26, 2026, Ichigo's share ratio as of June 19, 2026 has declined to 75.20%.

In light of the above, JDI is continuing discussions with Ichigo regarding its shareholding ratio in order to improve its free-float ratio. At the same time, JDI is working to engage and build relationships with potential investors who may become new shareholders. JDI recognizes that improving its business performance and growing shareholder value are essential to attract investor interest.

Accordingly, as described in (1), JDI has implemented widespread structural reforms and is executing its BEYOND DISPLAY growth strategy. JDI has also been proactively disclosing material information and enhancing its investor communications.

## 3. Ongoing Initiatives Towards Listing Requirement Compliance

### (1) Net Assets Requirement

JDI is implementing the following measures to meet the net assets requirement.

In the short term, JDI is working to restore its net assets as early as possible through financial measures, including further exercise of warrants and gains from the sale of the Mobara Fab. Some warrants were exercised on May 13 and June 19, 2026, raising c. JPY 14.4 billion. JDI is also proceeding with loan repayments to strengthen its financial position.

In the medium to long term, JDI is working to establish a sustainable earnings base by improving profitability through structural reforms, including the restructuring of its production base and workforce optimization, and growing new businesses under its BEYOND DISPLAY growth strategy. JDI will also continue the loan repayments to improve its financial condition and reduce interest expenses.

Via these measures, JDI aims to strengthen its financial base and eliminate its negative net assets by March 31, 2027.

## **(2) Free-Float Requirement**

JDI is prioritizing compliance with the net assets requirement, given that the deadline for this requirement is March 31, 2027.

During this process, JDI's free-float ratio may temporarily decline due to the exercise of warrants. However, JDI recognizes that strengthening its financial position and improving profitability are essential to engage with potential investors who may become new shareholders. Accordingly, as described in (1), JDI will first focus on eliminating its negative net assets and growing long-term shareholder value.

Once improvements in business performance become visible, JDI will further accelerate its engagement with potential investors and improve its free-float ratio through attracting new investors. JDI has also confirmed, based on the large shareholding report filed on June 26, 2026, that Ichigo has already sold part of its shareholdings and reduced its shareholding ratio.

In addition, via proactive disclosure and earnings and business briefings JDI will continue to enhance its investor communications in order to deepen understanding among investors and market participants. Starting from its FY26/3 earnings results, JDI has also introduced the JPX Market Innovation & Research's SCRIPTS Asia service to strengthen information dissemination to investors globally.

JDI will continue to work to meet the listing maintenance criteria and grow long-term value for its shareholders.