



Japan Display Inc.

FY25/3 Q1
Corporate Presentation

August 9, 2024

We would like to express our deepest sympathies to all those affected by the large earthquake in Kyushu yesterday, while extending our heartfelt hopes for the earliest possible recovery



PersonalTech For A Better World



Japan Display Inc.

FY25/3 Q1 Overview

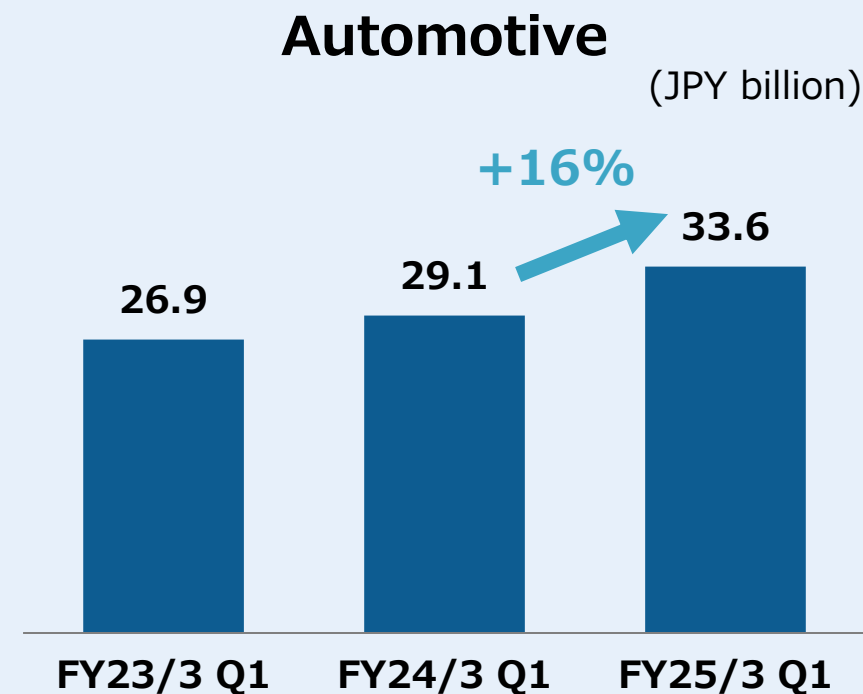
- **Rapid Progress in Game-Changing eLEAP Technology Development
Launch of Mass Production in Dec 2024**
- **Robust OLED & Automotive Demand Driving Sales Growth**
- **Strong Growth in Strategically Important OLED Business
+41% YoY**
- **Halved Losses on Core Sales Growth, Improved Product Mix, Fixed
Cost Reductions & Tighter Inventory Management
EBITDA +51%、OP +49%、Net Income +53% Improvement**
- **Amidst Challenging Operating Environment, Continuing to Drive
Radical Transformation in Profitability – EBITDA Positive in H2**
- **Continuing to Work Closely with Wuhu Government to Launch
Large-Scale eLEAP Fab**

- **JDI's Global No. 1 Technology Leadership Driving Development of Gamechanging Innovations that Extend Beyond Displays**
 - 2 Vision Display (2VD): World's first automotive grade Dual Touch 2VD
 - Ultra High-Resolution VR: World's highest resolution (>2500 ppi) VR display deploying low-cost glass substrate for unmatched cost performance
 - 5G Meta-Surface Reflector: World-leading 5G communications technology to support 5G growth & efficiency
 - ZINNSIA: World-leading high-precision sensor interface that transforms a broad range of materials into sensors & touch controls
- **Rising Geopolitical Tensions Driving Reconfiguration of Supply Chains. Increased Importance of Japan as a Strategic Manufacturing Base & Increased Importance of JDI. Surge in Friendshoring Activity by JDI Customers.**

**Long-Term Growth Driver with
Robust Stability due to Long-Term
Supply Contracts**

**Ongoing Major Customer
Engagements for eLEAP, 2VD, &
Other NextGen JDI Tech**

**Robust Customer Demand
+16% YOY Growth**

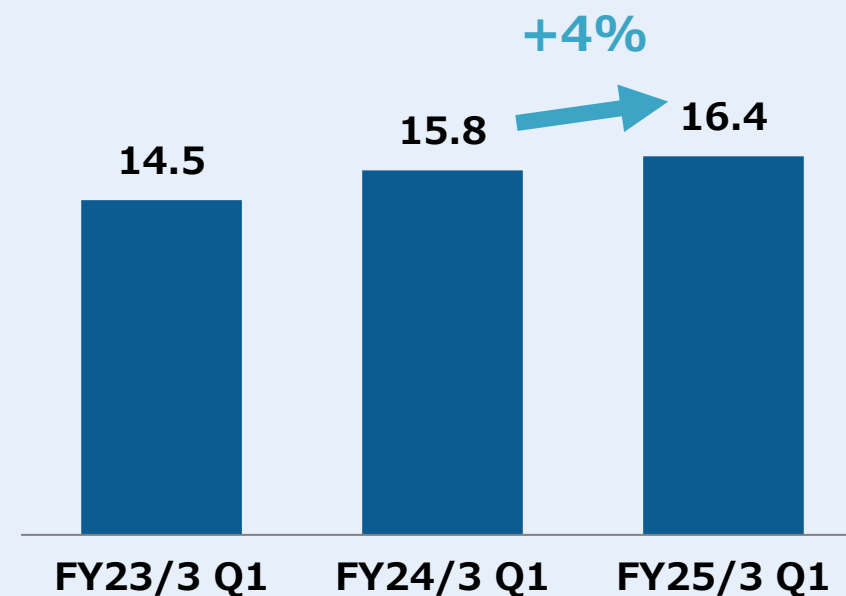


Note: To better reflect the nature of our business, JDI changed segment names from FY24/3 Q2 as follows: “Mobile” to “LCD Smartphone” and “Non-Mobile” to “Smartwatch/VR.” Please note that this is only a name change and does not impact the segment definitions themselves.

**Diverse Product Portfolio Offers Both
Ongoing Growth & Stability**

**Strong Growth in Strategically
Important OLED Business (+41%
YoY) Offsets VR Decline**

Smartwatch/VR
(JPY billion)



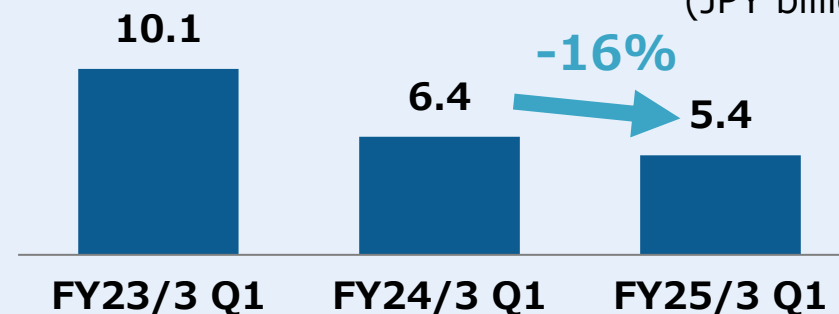
**Exiting Commoditized Smartphone
Business to Focus Engineering
Resources on JDI Proprietary
NextGen Tech**

-27% YoY

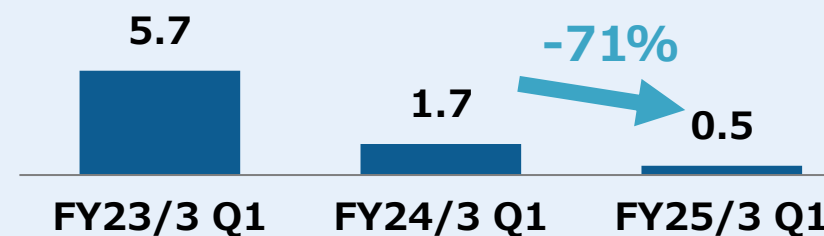
**Will Re-enter Smartphones with
Competitively Advantaged eLEAP**

LCD Smartphone US/Euro

(JPY billion)



LCD Smartphone China





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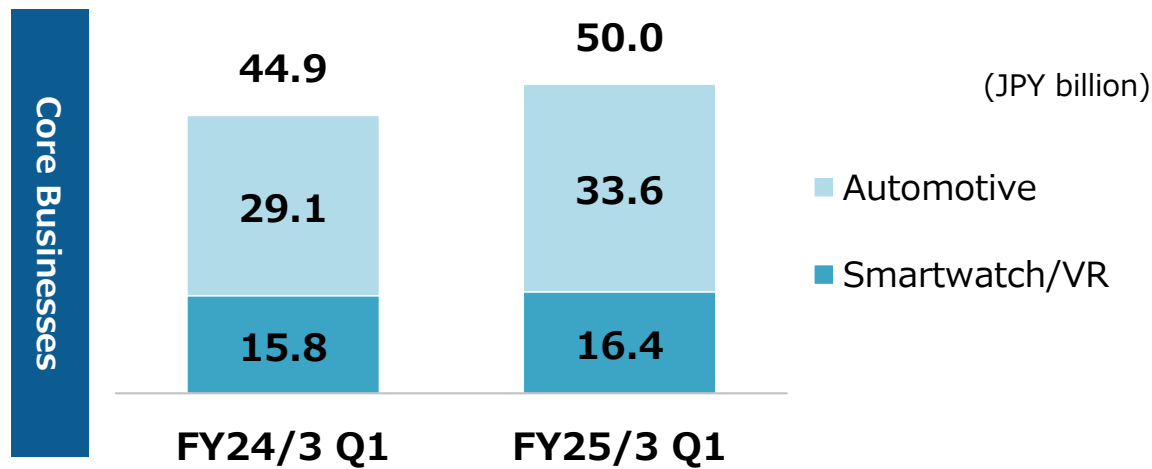
FY25/3 Q1 Earnings Review

Significantly Shrunk Losses via Core Business Growth, Improved Product Mix, Fixed Cost Reductions, & Tighter Inventory Management

EBITDA +51%, OP +49%, & NI +53% Improvement

(Units: JPY billion)	FY24/3 Q1	FY25/3 Q1	YoY	
Sales	53.0	55.9	+6%	Solid core Automotive & Smartwatch/VR business growth, while continuing to downsize non-core LCD smartphone business
Core Businesses	44.9	50.0	+11%	
Non-Core Businesses	8.1	5.9	-27%	
EBITDA	-12.2	-6.0	+6.2	Profits improved significantly on back of improved product mix, fixed cost reductions, & tighter inventory management
Operating Profit	-13.9	-7.0	+6.8	
Net Income	-12.2	-6.5	+5.7	JPY 1.7B gain on former Higashiura Fab sale

Core Business (Automotive, Smartwatch/VR) Growth Strategically Important OLED +41% YoY LCD Smartphone Down on Strategic Downsizing

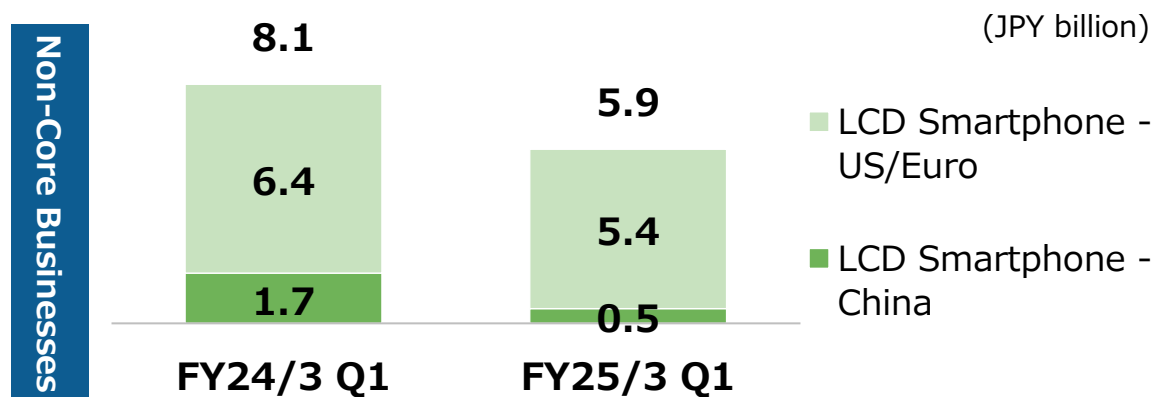


Automotive (YoY +15.5%)

Growth on back of increased customer demand and FX tailwind

Smartwatch/VR (YoY +3.6%)

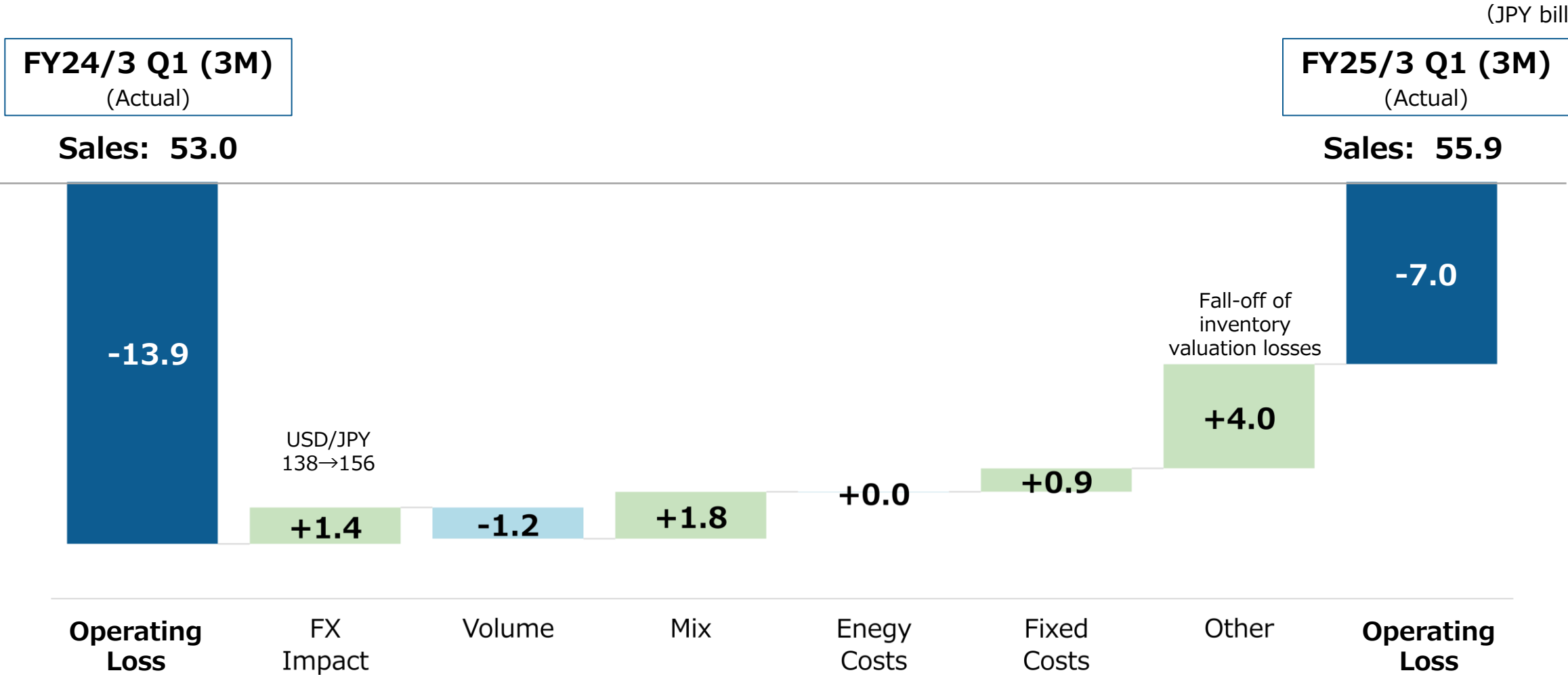
Increased OLED demand more than offset decline in VR sales



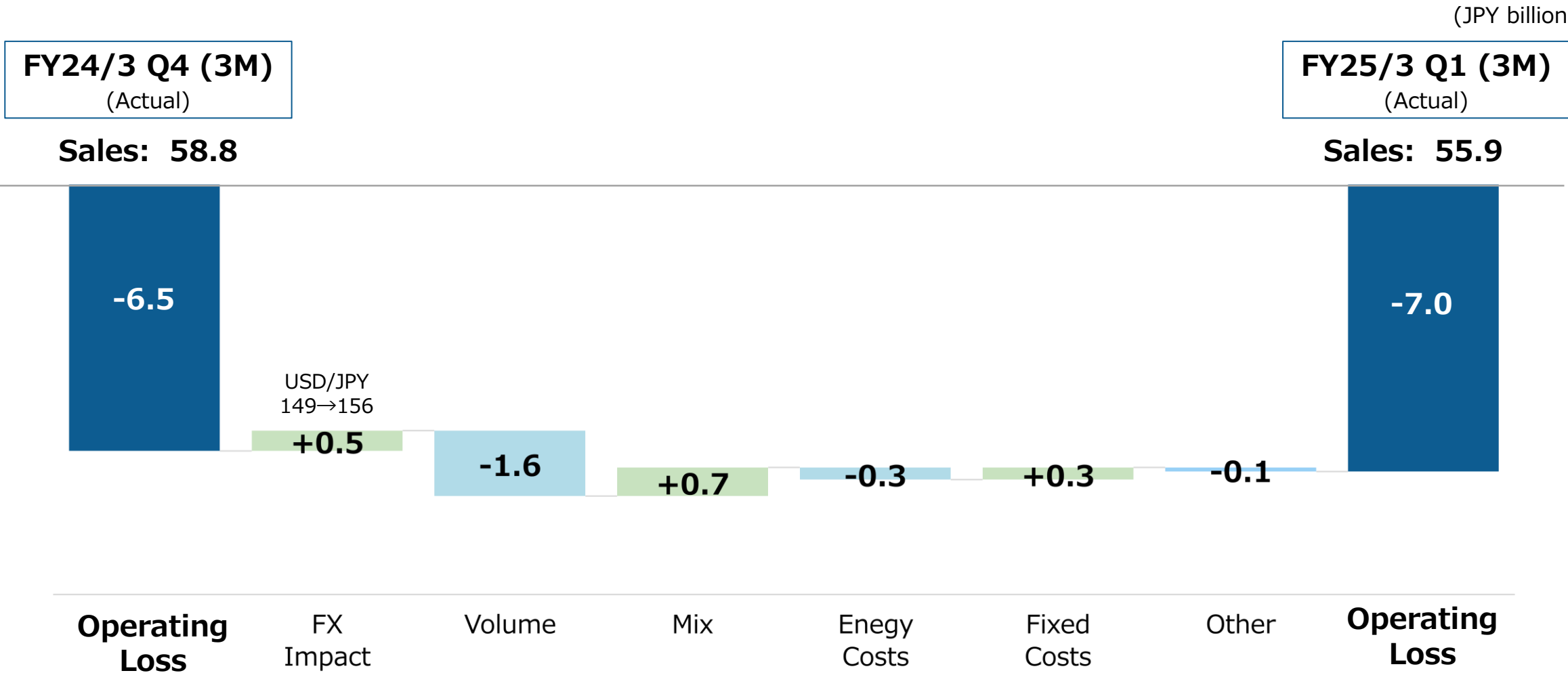
LCD Smartphone (YoY -26.9%)

Strategically exiting unprofitable non-core business to focus resources on core businesses and next-generation products

FY25/3 Q1 (3M) Operating Profit Change Breakdown (YoY)



FY25/3 Q1 (3M) Operating Profit Breakdown (QoQ)





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FY25/3 Forecast



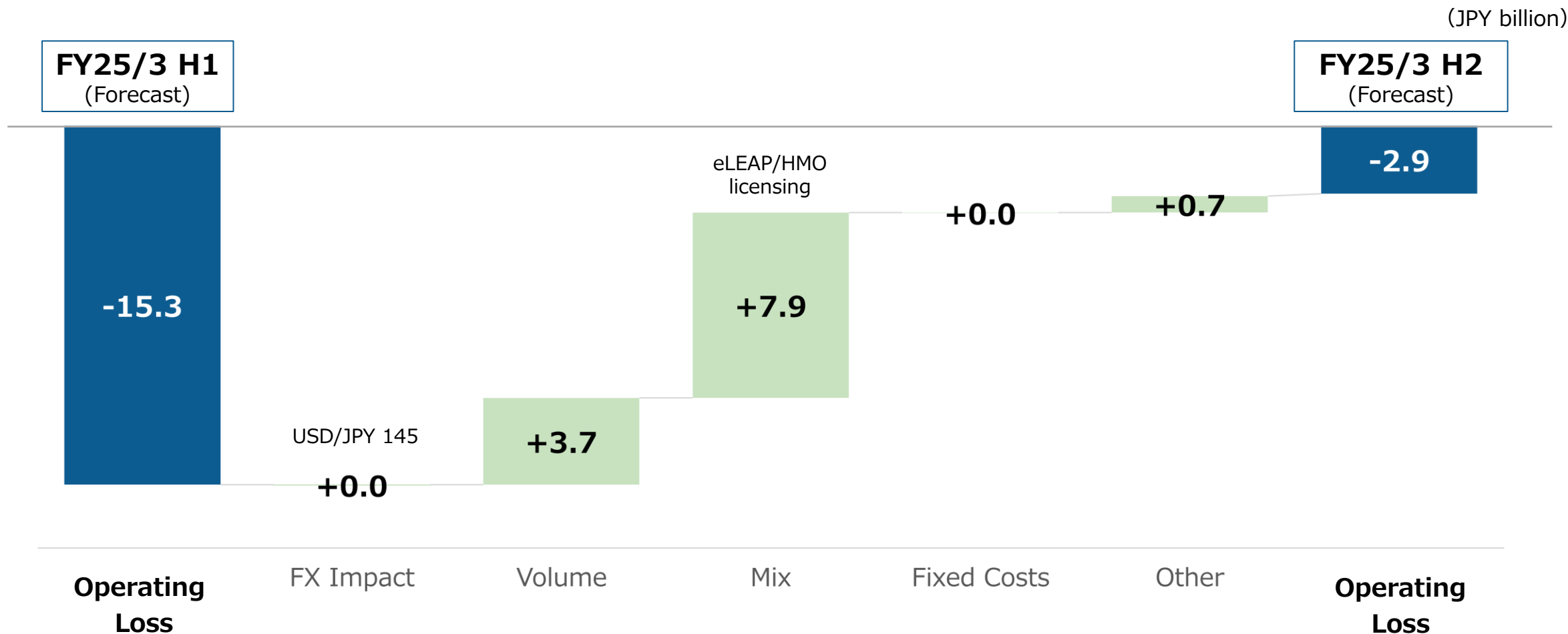
Continue to Transform Business Portfolio & Drive Higher Earnings
from Core Businesses While Shrinking Commoditized LCD
Smartphone & Unprofitable Automotive Products
EBITDA Positive in H2

(JPY billion)	FY24/3		FY25/3 FCST		FY24/3	FY25/3 FCST	YoY
	H1	H2	H1	H2	Full-Year	Full-Year	
Sales	119.9	119.3	104.5	117.3	239.2	221.8	-17.4
Automotive (Core)	63.1	70.1	65.6	66.2	133.2	131.8	-1.4
Smartwatch/VR (Core)	40.1	33.4	31.3	49.5	73.5	80.8	+7.3
LCD Smartphone - US/Euro (Non-Core)	13.7	12.4	5.9	0.0	26.1	5.9	-20.2
LCD Smartphone -China (Non-Core)	3.0	3.3	1.7	1.6	6.3	3.3	-3.0
EBITDA	-18.1	-10.1	-13.0	1.3	-28.2	-11.7	+16.5
Operating Profit	-21.4	-12.7	-15.3	-2.9	-34.1	-18.2	+15.9
Recurring Profit	-19.1	-14.1	-17.9	-6.4	-33.2	-24.3	+8.9
Net Income	-28.7	-15.6	-17.0	-9.6	-44.3	-26.6	+17.7

FY25/3 FX assumption: USD/JPY=145

FY25/3 H1 → H2 Operating Profit Breakdown

OP Improvement Driven by Higher LTPS Fab Utilization & eLEAP/HMO Licensing EBITDA Positive in H2





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Business & METAGROWTH 2026 Update

METAGROWTH 2026 Growth Strategy

**Global No. 1 Technology Leadership to
Best Serve Customers and Deliver
PersonalTech For A Better World**

METAGROWTH in Value Creation





META

**“Comprehensive, Overarching”
Underscores JDI’s Commitment to
Transformational Growth**

Metaverse Also a JDI Growth Driver



**Displays are a foundational technology for modern society
JDI has unmatched technological capabilities to deliver customer
and social value and improve people's lives**



①

**Global No. 1
Technology
Leadership**



②

**Market-Leading
Technology,
Transformational
Growth**



③

**GreenTech &
Sustainability**



①

Global No. 1
Technology Leadership

- JDI has regained technology leadership in the global display industry with its Global No. 1 proprietary technologies, including eLEAP (NextGen OLED), HMO (High Mobility Oxide), Metaverse (Ultra High Resolution), & Rælclear (Transparent Displays)
- JDI will further expand its technology leadership to dramatically increase customer & shareholder value



②

Market-Leading Technology, Transformational Growth

- The global display business is a technology industry. JDI is a technology company. So are its customers. Customers' needs are superior technology & high cost performance
- Support JDI's customers' value creation & competitive advantage by delivering proprietary Global No.1 technologies such as eLEAP, which has unparalleled cost performance
- End participation in commodity competition, leverage JDI's one-of-a-kind, innovative technology to generate radical improvements in profitability & growth

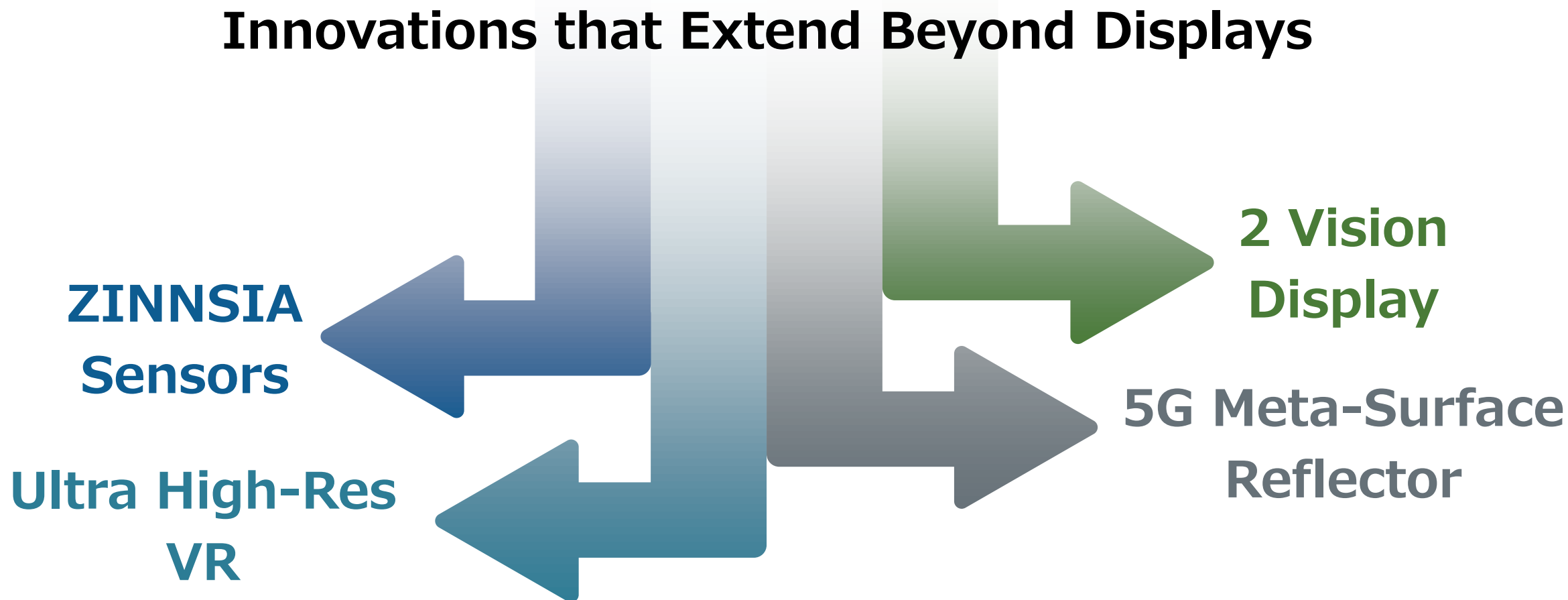


3

GreenTech & Sustainability

- Address deeply important global environmental issues via JDI environment positive GreenTech such as eLEAP & HMO, which deliver significant value to JDI's socially conscious customers
- Companies exist to serve society. JDI will always run its business to contribute to a sustainable world
- JDI is committed to an open corporate culture and supports the growth of each & every employee and their pursuit of Global No. 1 excellence

JDI's Global No. 1 Technology Leadership Driving Development of Gamechanging Innovations that Extend Beyond Displays

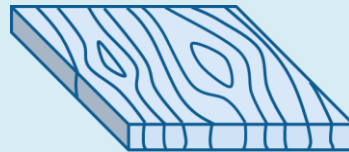


JDI's World-Leading High-Precision Sensor Interface that Transforms a Broad Range of Materials into Sensors and Touch Controls



ZINNSIA makes it possible to sense movements even on materials that were previously difficult to use as sensors

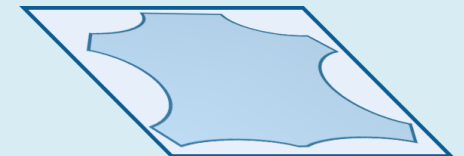
Wood



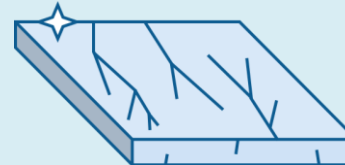
Fabric



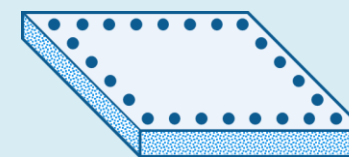
Skin



Marble



Plasterboard



Because ZINNSIA can be used across a broad range of materials, it will drive new applications of sensor & touch technology in a wide variety of new markets

World's Highest Resolution Ultra High-Resolution Display Deploying Low-Cost Glass Substrate for Unmatched Cost Performance



JDI's 2.15 inch, 2527 ppi ultra high-resolution display allows for a wide FOV within a compact 2-inch display and minimizes the "screen door effect" problem, thus providing a cleaner and more realistic visual experience

LCD IPS
Technology

3840x3840
Resolution

2.15 inch
Size

2527 ppi
Pixel Density



FOV (Field of View) = The Field of View in VR glasses is the extent of the observable environment at a given moment.

Screen Door Effect = The screen door effect in VR glasses is a grid-like pattern seen due to gaps between pixels.

World's First Automotive Grade Dual Touch 2VD that Simultaneously Displays Different Content to Driver and Passenger



JDI has developed the world's first 2 Vision Display (2VD) technology that meets automotive grade image quality requirements while simultaneously displaying different image content based on viewing direction

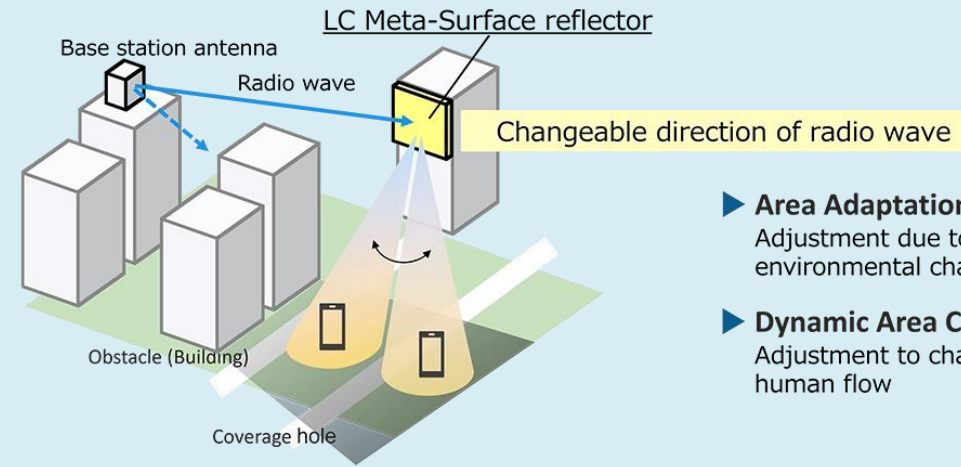


As another world first, JDI has incorporated Dual Touch into its new 2VD technology that identifies discrete touch operations from different users

World-Leading 5G Meta-Surface Reflector that Significantly Improves 5G Transmissions Infrastructure



5G Meta-Surface reflector technology applies JDI's world-leading expertise in liquid crystals to optimize and significantly improve 5G radio wave transmissions



- ▶ **Area Adaptation**
Adjustment due to environmental change
- ▶ **Dynamic Area Construction**
Adjustment to changes in human flow

Enables reflecting & controlling of high-capacity millimeter waves to optimize 5G transmission in areas with poor communication coverage

Increase Core Profitability and Capital Efficiency through Fixed Cost Reductions & Asset-Light Execution

Japan

- Mobara Fab (G6, Chiba)
- Ishikawa Fab (G4.5, Ishikawa)
- Tottori Fab (G4, Tottori)
- Hakusan Fab (G6, Ishikawa)
- Higashiura Fab (G3.5, Aichi)

→ LCD Smartphone Line Downsizing FY23 Q1

→ Production End Mar 2025

→ Sold Oct 2020

→ Sold Apr 2024

Global

- Nanox Philippines Inc. (Philippines)
- Kaohsiung Opto-Electronics Inc. (Taiwan) → Sold Dec 2021
- Suzhou JDI Electronics Inc. (China) → Sold Jan 2023



Fixed Cost Reductions JPY 43B/Year



Geopolitical Tensions Threatening Global Trade Environment & Driving Changes in Supply Chains

US & European companies particularly focused on risk mitigation

- Supply chain reconfiguration
- Friendshoring
- Deepening strategic partnerships with key suppliers

JDI Customers
Taking Significant
Action





Need to Counter Rising Geopolitical Risks
Increased Importance of Japan as a Strategic Manufacturing Base



Increased Importance of JDI
Surge in JDI Customer Friendshoring Activity



Japan Display Inc.

eLEAP Launch

eLEAP

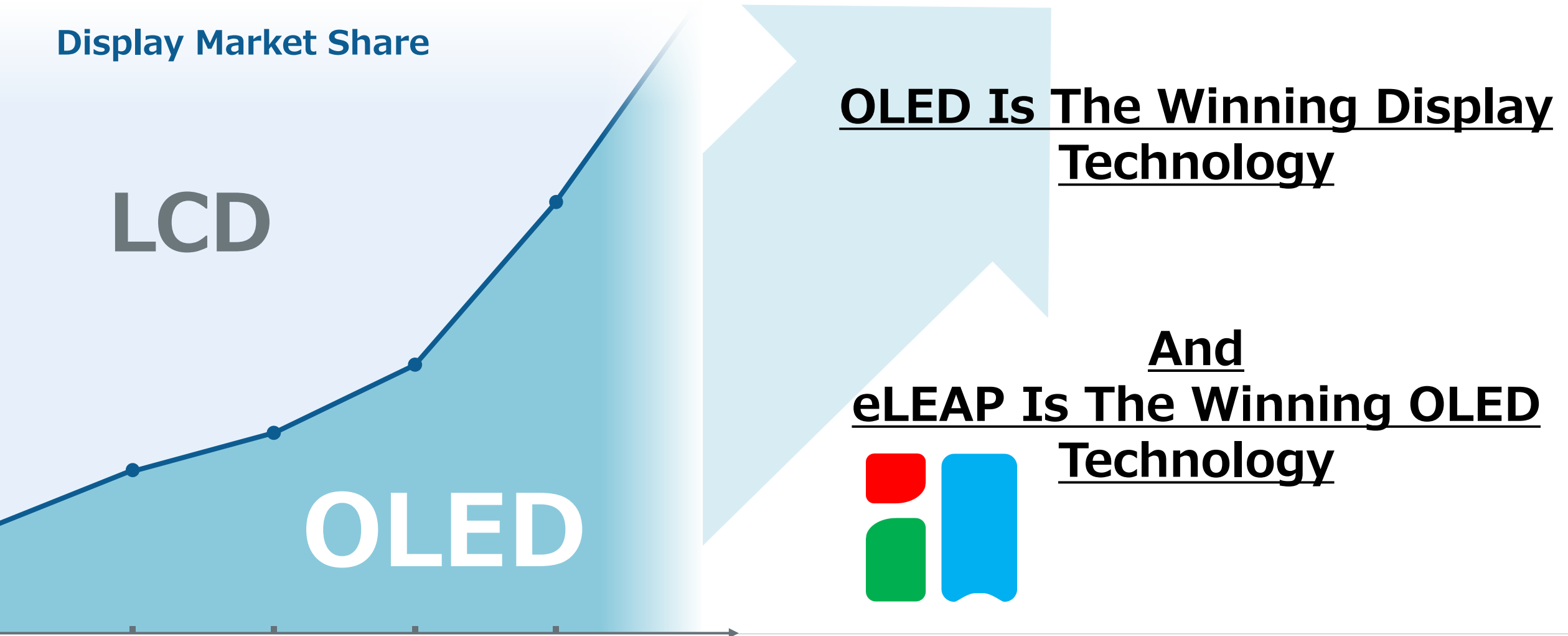
- environment positive
- Lithography with maskless deposition
- Extr^eme long life, low power, & high luminance
- Any shape Patterning



OLED Is The Winning Display Technology ①

Due to its superior performance & continuing cost reductions, OLED is positioned to become the overwhelming display market leader

Display Market Share

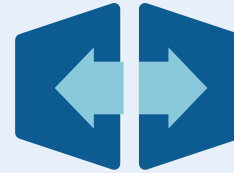


Unlike LCDs that require backlighting, OLED displays have self-illuminating, organic pixels, offering unparalleled viewing experience

**Beautiful, Fully
Natural Organic
Color Palette**



**Ultra-Wide
Viewing
Angles**



**Superb Video
Performance
(Extraordinarily
Fast Refresh
Rates)**



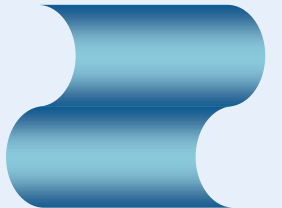
**Perfect Blacks
(No Greying
from Backlight)**



**Ultra-Thin,
Lightweight,
Low Power
(No Backlight)**



**Fully Flexible &
Customizable
(LCD = Rigid)**



Across Smartphones, Automotive, and Notebook PCs (and also other market segments), the market leaders have all begun the shift from LCD to OLED in order to deliver best-in-class display performance for their customers

The major global smartphone brands have all shifted their high-end models to OLED a number of years ago. They are continuing this OLED shift across-the-board and being joined by competitors in order to stay relevant in the highly competitive smartphone market.



Smartphones

Leading European and US brands are beginning their shift to OLED displays, especially for high-end models, while indicating that OLED is central to their future display technology roadmaps across-the-board.



Automotive

Nearly all major global top brands for notebook PCs have started including OLED as a high-end option. While OLED was originally reserved for gaming & professionals, OLED is now also being rolled out in mid-range products.



Notebook PCs

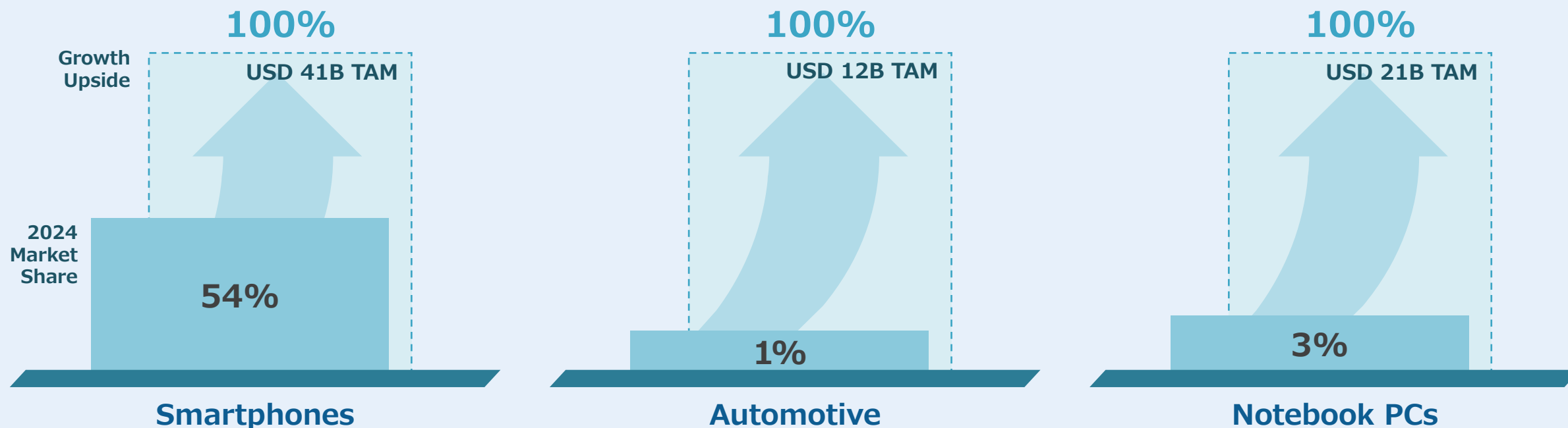
Customer product roadmaps strongly suggest that OLED will continue to prevail over MicroLED & MicroOLED as the superior display technology that best matches consumers' mass market needs for outstanding display performance at an affordable price point

OLED > MicroLED

OLED > MicroOLED

Unresolved technical issues, production yield challenges, and high costs are barriers to MicroLED & MicroOLED's mass adoption

As OLED continues to replace LCD and take market share, the growth upside is massive



Despite Its Superb Performance, OLED Has Inherent Issues

These issues make OLED dysfunctional for a wide variety of display applications



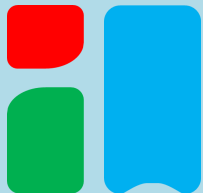
Short Lifetime



High Production Cost

eLEAP Powerfully Moves OLED Forward

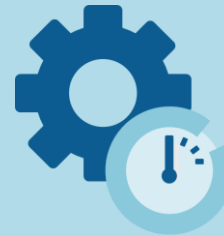
eLEAP keeps all of OLED's advantages while solving its shortcomings



eLEAP



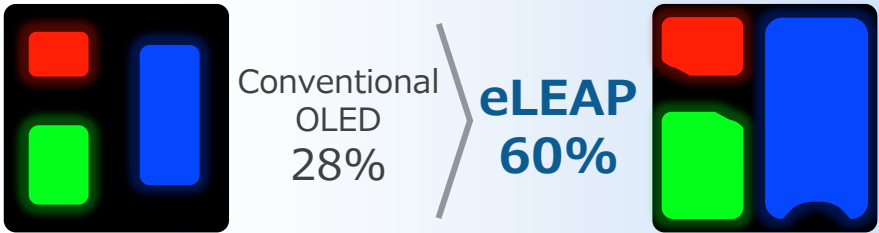
**Long
Lifetime**



Low Cost



High Brightness (2X)



Brightness, vividness & free shapes unimaginable with existing technology



Long Lifetime (3X)

Lifetime Comparison	New 0h	After 1yr 1000h	After 3yrs 3000h	After 5yrs 5000h
Conventional OLED				
eLEAP				

※ Image assuming luminance deterioration due to 3h / day lighting with brightness equivalent to 600nit

Using eLEAP's lithography with maskless deposition process instead of conventional OLED's FMM (fine metal masks) will reduce OLED production costs by c. 30%



eLEAP Panel Cost Reduction

- **No FMM purchasing costs or cleaning costs (chemical & water usage)**
- **No FMM-related production downtime for replacing & maintaining FMMs
= higher eLEAP fab utilization**
- **No FMM-related yield reduction or replacement costs**

**Maskless OLED deposition is a breakthrough, environment positive production process that eliminates mask cleaning chemicals
150k tons p.a. of CO2 emission reduction via deployment at JDI Mobara**



150k tons of yearly CO2 emissions =

**CO2
Absorption
Volume
of 17M
cedar trees**



**Cedar forest
the size of
3.7k Tokyo
Domes**



CO2 emissions are JDI's calculations based on G6 Mobara plant at 30 k sheets/month

eLEAP 14" Prototype



First Customer Samples: July 2023

Specs & performance surpass customer expectations.
At DIC2023, eLEAP wins Special Technology Prize, the highest award

Display Area

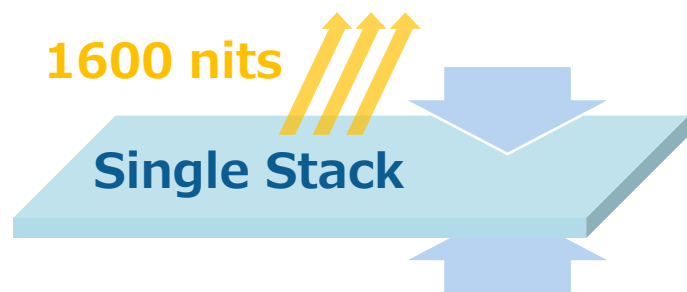
58X

eLEAP 1.4" Prototype



**First Customer
Samples: Sep 2022**

JDI has developed an ultra-high brightness 14-inch eLEAP display that achieves a peak brightness of 1600 nits using a single stack



First Customer
Samples: April 2024

- The 14-inch eLEAP display uses a **single-stack structure** to deliver **brightness of 1600 nits**
- For conventional OLED to achieve similar brightness levels requires using a double-stack tandem structure, but this makes both the product and the manufacturing process more complex and results in higher costs
- By employing a **tandem structure**, eLEAP can achieve brightness levels exceeding **3000 nits**
- **Awarded the Display Device Innovation Gold Award at DIC2024**

400 nits OLED



1600 nits eLEAP



400 nits OLED



1600 nits eLEAP



eLEAP 2024

A color calibration bar featuring three colored squares: red, green, and blue, arranged vertically.

The World's Most Advanced OLED

Current Production Yield: >70%

**JDI Mass Production Launch:
December 2024**

1st

Revolution

Cathode Ray Tube (CRT)

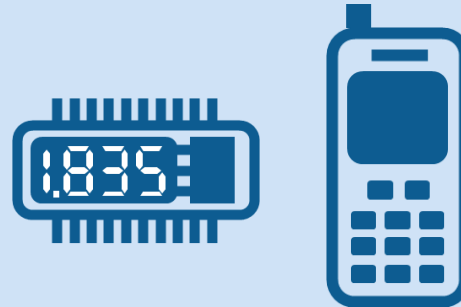


Moving images for
every household

1930~

2nd Revolution

Liquid Crystal (LCD)



Compact, energy-efficient &
high-resolution screens at
home or on the go

1970~

OLED The 2.5 Evolution

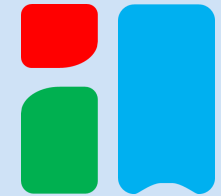


Gorgeous, fast, &
light-weight displays
but high cost &
short lifetimes

2010~

3rd Revolution

eLEAP



World's First
Maskless Deposition
+ Lithographic OLED

Higher Performance
OLED at lower cost &
with longer lifetimes

2024~

- **eLEAP is a Gamechanger for Global Display Tech**
- **eLEAP Combines Unmatched Performance, Low Cost, & the Ability to Scale Across All Display Sizes & Applications**
- **eLEAP's Total Addressable Market (TAM) is thus the total Global Display Market, with a Total Market Size of USD 133 Billion in 2024**
- **With eLEAP, JDI is Committed to Delivering Unprecedented Customer Value & Completing the 3rd Display Revolution**

Source: TAM is from "Worldwide Flat Panel Display Market (Active Matrix)", OMDIA, April 2024



Japan Display Inc.

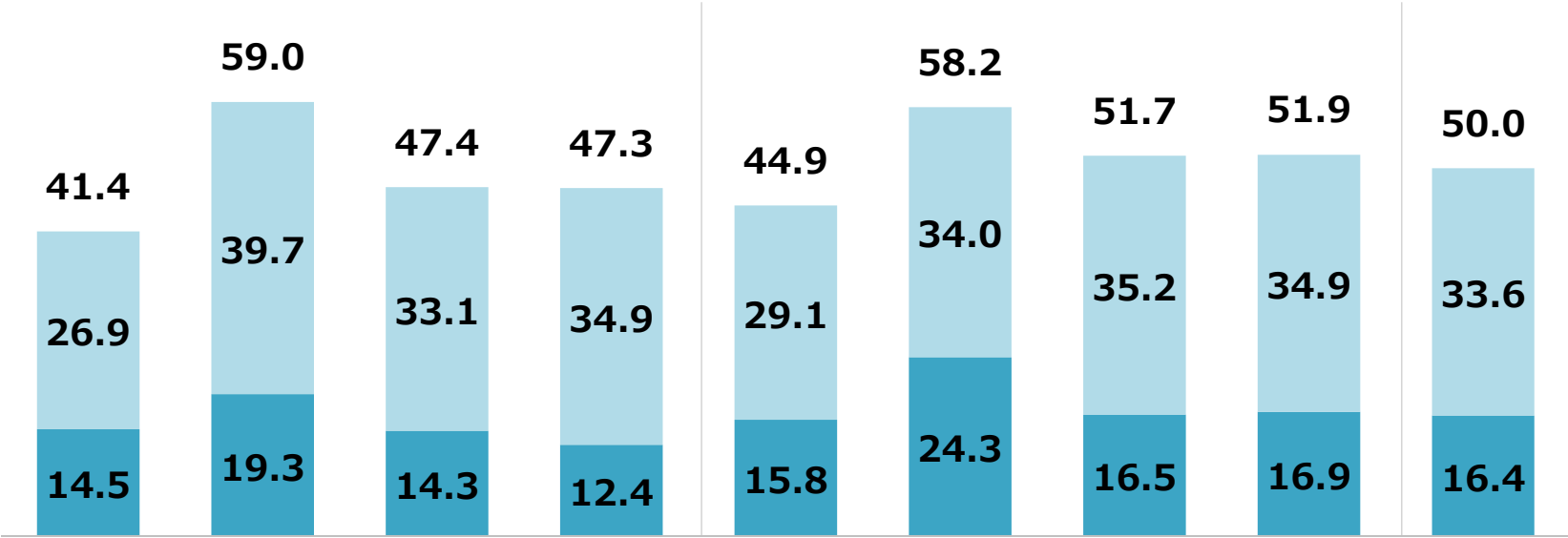
Appendix

Quarterly Sales Breakdown by Segments



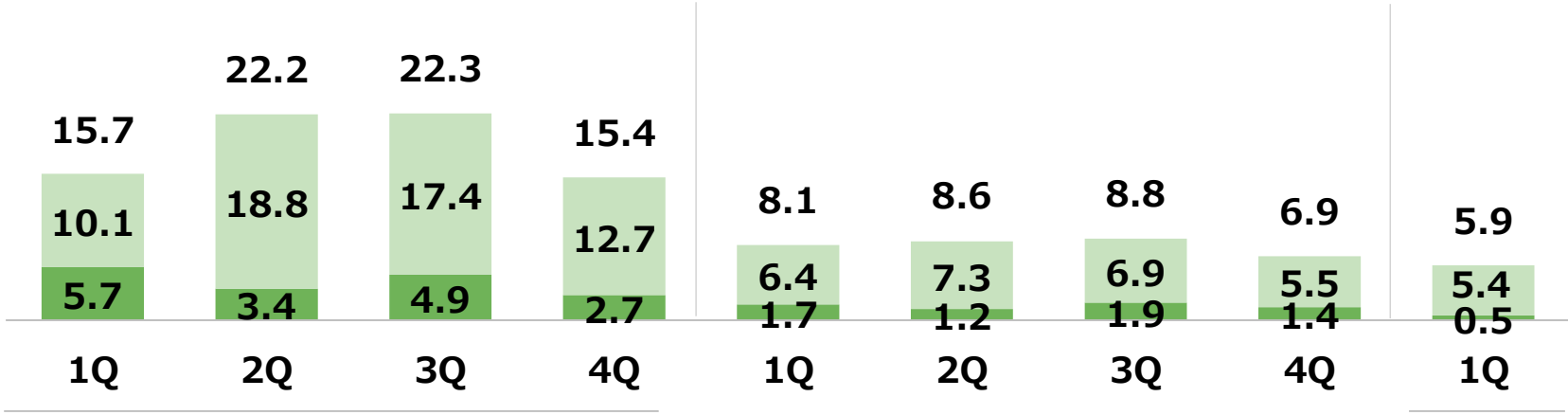
(JPY billion)

Core Businesses



- Automotive
- Smartwatch/VR

Non-Core Businesses



- LCD Smartphone - US/Euro
- LCD Smartphone - China

FY23/3

FY24/3

FY25/3

(JPY billion)	FY24/3	FY25/3 Q1	vs. FY24/3
Cash and deposits	29.3	33.9	+4.6
Accounts receivable	29.3	25.9	-3.3
Accounts receivable (EMS)	17.9	14.3	-3.7
Inventories	64.0	61.4	-2.6
Other	11.5	9.3	-2.2
Total Current Assets	152.0	144.8	-7.2
Total Fixed Assets	72.0	67.2	-4.8
Total Assets	224.0	212.0	-12.0
Accounts payable	46.3	44.3	-2.0
Interest-bearing debt	34.8	34.7	-0.1
Equipment payables	18.1	15.9	-2.1
Other liabilities	39.2	36.4	-2.7
Total Liabilities	138.3	131.3	-7.0
Total Net Assets	85.7	80.7	-5.0
Shareholders Equity Ratio	38.1%	37.9%	-0.2pts

Note: The difference between the amount of "Cash and Deposits" in the Balance Sheet & "Cash & Equivalents" in the Cash Flow Statement is Deposits.

(JPY billion)	FY24/3 Q1	FY25/3 Q1	YoY
Sales	53.0	55.9	+2.9
EBITDA	-12.2	-6.0	+6.2
Operating Profit	-13.9	-7.0	+6.8
Non-Operating Income	2.7	0.6	-2.1
Non-Operating Expenses	-0.9	-1.4	-0.5
Recurring Profit	-12.1	-7.9	+4.2
Extraordinary Income	0.0	1.7	+1.7
Extraordinary Losses	0.0	-0.1	-0.1
Income Before Income Taxes	-12.1	-6.2	+5.9
Net Income	-12.2	-6.5	+5.7
Avg. FX rate (USD/JPY)	137.5	155.9	
Q-End FX rate (USD/JPY)	145.0	161.1	

Consolidated Cash Flow Statement



(JPY billion)	FY24/3 Q1	FY25/3 Q1	YoY
Income before income taxes	-12.1	-6.2	+5.9
Depreciation & amortization	1.7	1.0	-0.7
Change in working capital	3.2	8.3	+5.2
Other	-2.5	-3.3	-0.8
Cash Flow from Operating Activities	-9.7	-0.1	+9.6
Purchase of fixed assets	-7.0	-1.9	+5.1
Proceeds from sale of fixed assets	0.0	5.9	+5.8
Other	-0.2	-0.6	-0.4
Cash Flow from Investing Activities	-7.2	3.4	+10.6
Net increase / decrease in short-term borrowings	12.0	0.0	-12.0
Other	-0.2	-0.1	+0.0
Cash Flow from Financing Activities	11.8	-0.1	-12.0
Ending Balance, Cash & Equiv.	21.9	33.3	+11.4
Free Cash Flow	-16.7	-2.0	+14.7

Note: Free Cash Flow = Cash Flow from Operating Activities less Capex



Thank You!

Any information related to market trends or industries mentioned in this document is based on information available at present and JDI does not guarantee that this information is accurate or complete.

Any plan, estimation, calculation, quotation, evaluation, prediction, expectation or other forward-looking information in this document is based on the current assumptions and beliefs of JDI in light of the information currently available to it, and involves known and unknown risks, uncertainties, and other factors. Such risks, uncertainties and other factors may cause JDI's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include, without limitation: economic conditions and individual consumption trends in Japan and overseas, currency exchange rate movements, trends in the market for electronic equipment with displays, the management policies of our major business partners and fluctuations in the price of raw materials.