



Japan Display Inc.

FY26/3 Q1
Corporate Presentation

August 8, 2025



PersonalTech For A Better World

- **Secured critical working capital through IP sale to Ichigo**
- **Expecting recovery of financial health through gains from IP and Mobara Fab sale**
- **Steadily advancing structural reforms aimed at significantly reducing fixed costs and enhancing operational efficiency. Reconstruction of business portfolio is also progressing well**
- **Committed to achieving profitability in FY27/3 and establishing a foundation for sustainable growth**



Japan Display Inc.

FY26/3 Q1 Earnings Review

FY26/3 Q1 (3M) Earnings Summary

	FY25/3 Q1 (3M)	FY26/3 Q1 (3M)	YoY
(JPY billion)			
Sales	55.9	32.4	-23.5
Consumer/Industrial	22.3	6.3	-16.0
Automotive	33.6	26.2	-7.5
EBITDA	-6.0	-8.1	-2.1
Operating Profit	-7.0	-9.2	-2.1
Non-Operating Income	0.6	0.2	-0.4
Non-Operating Expenses	-1.4	-3.1	-1.6
Recurring Profit	-7.9	-12.0	-4.1
Extraordinary Income	1.7	0.0	-1.7
Extraordinary Losses	-0.1	-8.0	-7.9
Income Before Income Taxes	-6.2	-20.0	-13.7
Net Income	-6.5	-20.3	-13.8
(Reference)			
Avg. FX rate (USD/JPY)	155.9	144.6	

■ Sales

Down due to production adjustments ahead of the Mobara Fab closure and production end at the Tottori Fab

■ Operating Profit/EBITDA

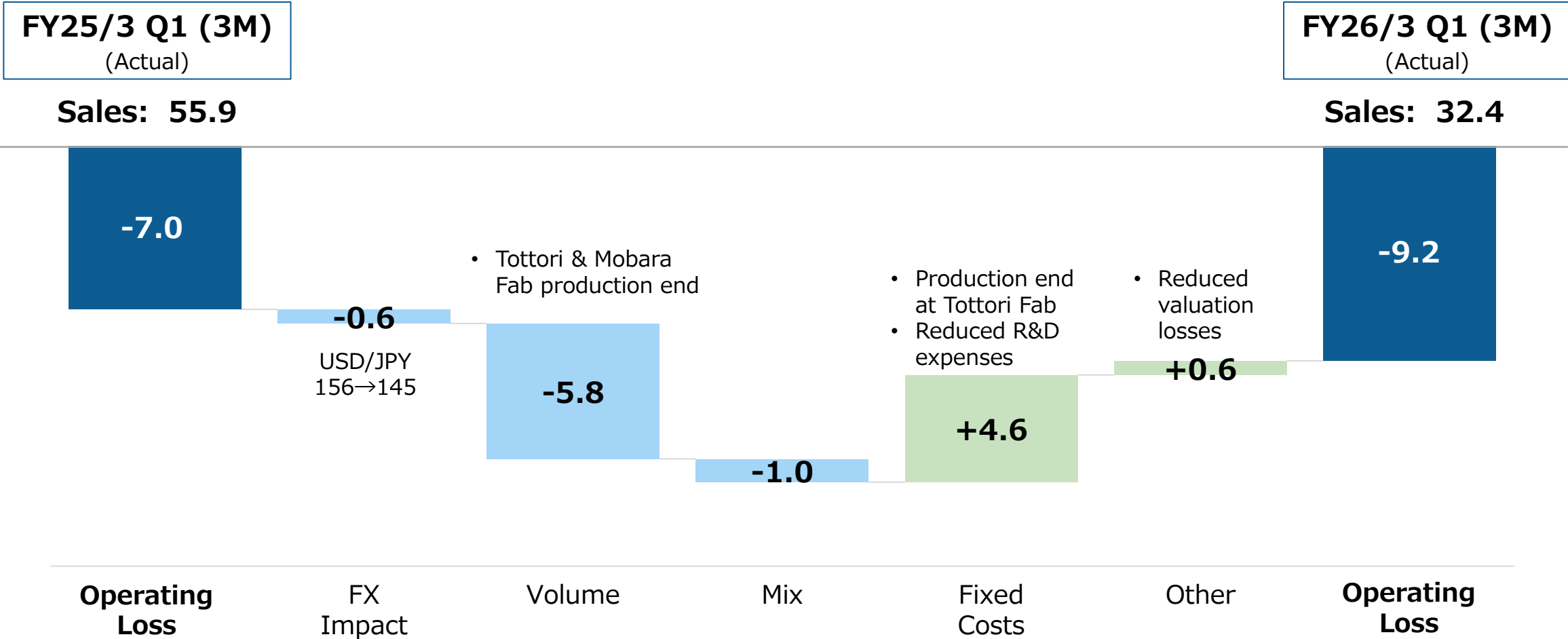
Despite cost cuts from Tottori Fab production end and R&D review, losses widened due to a sharp drop in sales

■ Net Income

Extraordinary losses of JPY 7.6 billion from partial costs related to Mobara Fab production end and voluntary retirement

Year-on-Year

(JPY billion)



FY26/3 Q1 Consolidated B/S

(JPY billion)	FY25/3	FY26/3 Q1	vs. FY25/3
Cash and deposits	21.1	28.2	+7.1
Accounts receivable	22.8	16.5	-6.4
Inventories	44.1	39.1	-5.0
Other	12.2	11.2	-1.0
Total Current Assets	100.2	94.9	-5.2
Total Fixed Assets	47.9	46.5	-1.4
Total Assets	148.0	141.4	-6.6
Accounts payable	28.2	22.0	-6.2
Interest-bearing debt	61.0	66.4	+5.4
Advances received	7.2	19.5	+12.3
Other liabilities	44.7	46.4	+1.7
Total Liabilities	141.1	154.4	+13.2
Total Net Assets	6.9	-13.0	-19.9

■ Assets

Decline in accounts receivable and inventories due to Tottori Fab closure and Mobara Fab production reduction

■ Liabilities

Trade payables down due to Tottori Fab closure. Advances received rose due to IP sale and Mobara Fab equipment sale. Restructuring provisions and short-term borrowings also increased

■ Net Assets

Negative equity due to quarterly net loss, with recovery expected from gains on asset sales

Asset Sales & Capital Alliance with Ichigo

Action	Purpose & Outcome
1 JDI 14th Warrant Issuance to Ichigo (Amount: JPY 96.4B, Exercise Price: JPY 25) <ul style="list-style-type: none">- Agreement Signing: 2025/6/25, Allotment Date : 2025/7/15- Ichigo surrenders 13th Warrants at Zero Value	Bolster working capital & secure funds to finance BEYOND DISPLAY growth strategy
2 JDI Intellectual Property (IP) Sale <ul style="list-style-type: none">- Agreement Signing: 2025/6/25- Transaction Execution: 2025/7/30	Bolster working capital and capital base via extraordinary gain (timing under review due to related-party transaction)
3 JDI Mobara Fab Sale <ul style="list-style-type: none">- Agreement Signing & Transaction Execution: After late September 2025	Secure funds for loan repayment (gain recognition expected later than asset sale due to related-party transaction)
4 JDI Repayment of Ichigo JPY 65B Loans with Above Proceeds	Eliminate debt & interest payments

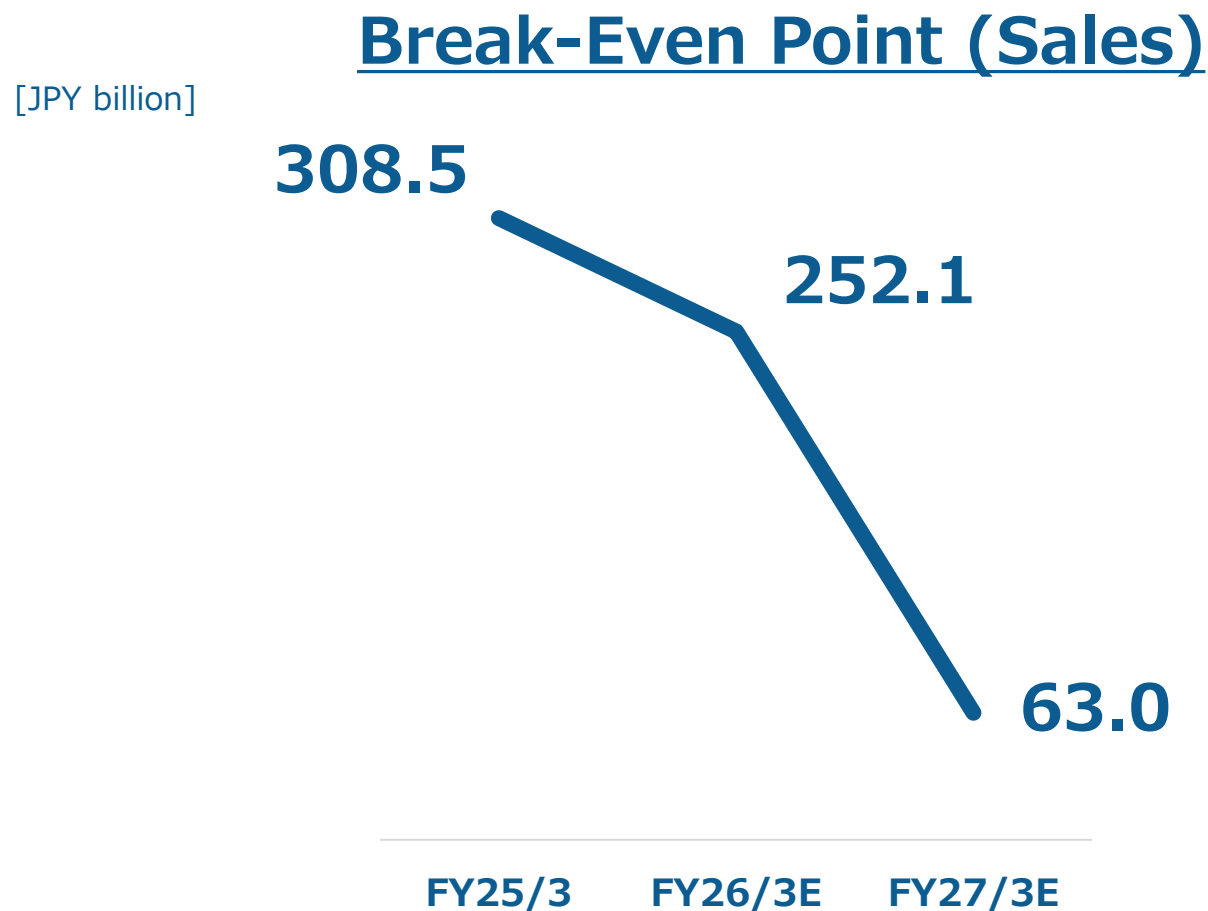
- **Due to the significant earnings impact from the actions JDI is taking this year to execute a major transformation in its business model, earnings structure, and profitability, JDI is not disclosing an FY26/3 earnings forecast at this time**
- **JDI will promptly disclose its FY26/3 forecast once there is heightened visibility on the details of these actions' earnings outcomes this year, including:**
 - **Sale of Mobara Fab to Ichigo to Repay Borrowings**
 - **Establishment of New AutoTech Subsidiary**
 - **Workforce Reduction**
 - **BEYOND DISPLAY Growth Strategy Execution**



Japan Display Inc.

Progress Towards the New JDI

Working to achieve profitability by reducing the break-even point significantly through cost-cutting & revenue initiatives



JDI is accelerating structural reforms to strengthen its financial base & optimize its operations and organization

Focus Topics:

① Production end at Mobara Fab

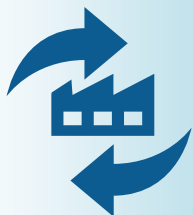
② Workforce Reduction

③ Establishment of New AutoTech Subsidiary

Mobara Fab production-end will beat forecast timing, delivering improved profitability & strengthening JDI finances



Production will be carried out systematically and efficiently, with the end of production moved up from the originally planned March 2026 to within this year



Advancing the production end date will enable cost reductions and an early repurposing for AI data center



R&D equipment will be relocated to the Ishikawa Fab to accelerate the shift to a MULTI-FAB setup

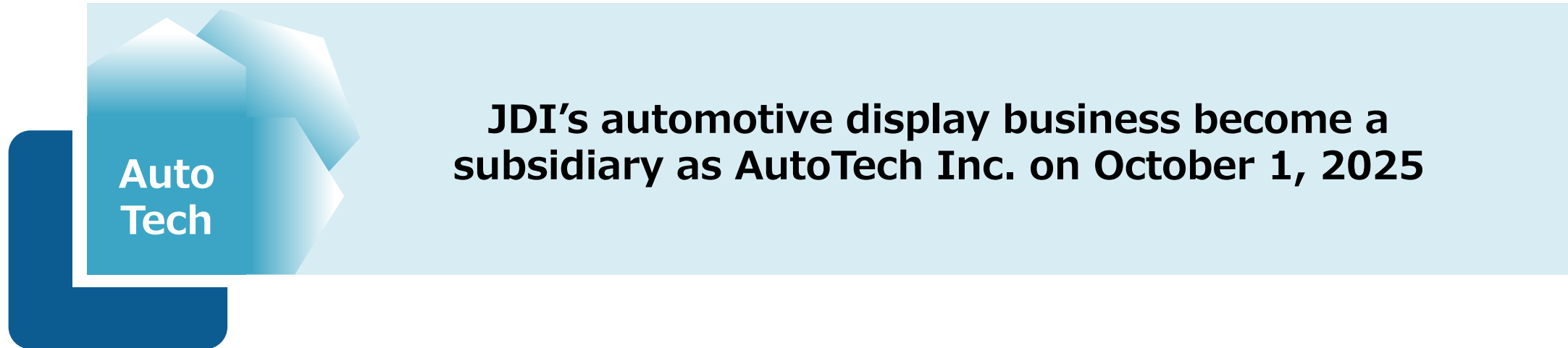
Retirement applications expected to meet 1,500 target. Major organizational restructuring to take effect October 1, 2025

Outline of Workforce Reduction

Voluntary Retirement Program in Japan

① Target Number of Employees	c. 1,500 (Total number of employees as of March 31, 2025: 2,639)
② Eligible Applicants	All JDI Japan employees
③ Enrollment Period	From June 16, 2025 to August 25, 2025 (scheduled)

BEYOND DISPLAY strategy execution is delivering more speed & flexibility



This will support JDI AutoTech to achieve:



Independent management decisions and rapid decision-making



Expand possibilities for external funding



Increased future strategic options, including collaboration with external partners

Executing on strategy development, restructuring, supply chain optimization, and governance for new AutoTech



Establishment of new subsidiary AutoTech Inc. approved at June 2025 AGM

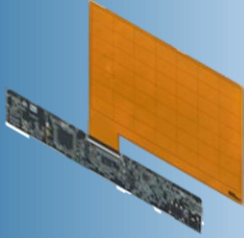


Accelerating internal preparations and external coordination for the subsidiary launch scheduled for October 1, 2025

Cost Reductions & Earnings Growth to Drive Profitability from FY27/3

Actions	Breakdown	Earnings Contribution
BEYOND DISPLAY Strategy Execution	<ul style="list-style-type: none">• Improved display product mix• Sensor sale growth• Advanced semiconductor packaging business launch	JPY +12.4B
Fixed Cost Reductions (Fabs & Workforce)	<ul style="list-style-type: none">• Production end at Mobara Fab• Production end at Tottori Fab• Workforce reduction	JPY +46.4B
Fixed Cost Reductions (Logistics & SG&A)	<ul style="list-style-type: none">• Lower logistics costs• Lower SG&A	JPY +10.0B
Total		JPY +68.8B

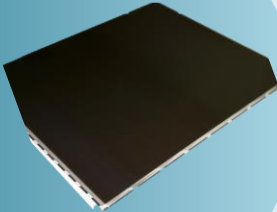
ZINNSIA Input·IoT Sensor



- ✓ Advancing amusement sector deals to secure sales within FY26/3
- ✓ launched global market promotion at a U.S. sensor exhibition



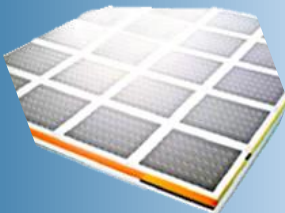
Medical X-Ray Sensor Life Science Sensor



- ✓ Completed development at the Ishikawa fab of high-sensitivity X-ray sensors by switching from conventional α -Si to oxide semiconductors (OS)



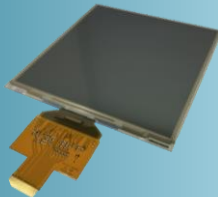
Fingerprint Sensor Security·IOT Sensor



- ✓ Started mass production of FAP50-compliant fingerprint products, expanding the lineup beyond FAP10, 20, and 30



SOLTIMO Life Science Sensor

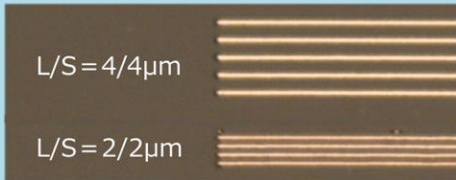


- ✓ Production has begun on sensors to streamline culture testing on petri dishes
- ✓ Services including analysis software are now available



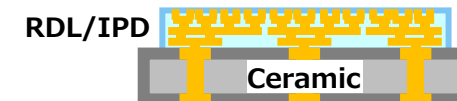
Advancing technology development to establish a position in the rapidly growing advanced semiconductor packaging market

Collaborating with Taiwan's PanelSemi to develop advanced semiconductor packaging



Achieved the world's first high-precision copper wiring with Line & Space of 2μm/2μm on a ceramic substrate

By creating high-precision RDL wiring on various materials, we tackle heat generation issues in semiconductor packages, addressing market growth and high-density integration needs driven by generative AI





FTSE Index

FTSE Blossom Japan Index and **FTSE Blossom Japan Sector Relative Index**

JDI was again selected for inclusion in the index. URL: [JDI release](#)



Healthcare & Security Contributions via Sensor Technology

X-Ray Sensor

Advancing medical technology with low-exposure X-ray imaging via highly sensitive sensors

Fingerprint Sensor

Enhancing security with FAP10, 30, 50 products to prevent fraud and identify missing persons



Universal Communication Support

Ræclear

Sponsoring Tokyo 2025 DEAFLYMPICS with Ræclear to aid hearing-impaired and multilingual communication



Reducing power consumption in semiconductor packages (Green Tech)

Developing high-precision wiring tech required for semiconductor packages

Supporting lower power use in semiconductor packages amid rising AI-driven electricity demand

JDI

BEYOND DISPLAY



Japan Display Inc.

Appendix

Consolidated Cash Flow Statement

(JPY billion)	FY25/3 Q1	FY26/3 Q1	YoY
Income before income taxes	-6.2	-20.0	-13.7
Depreciation & amortization	1.0	1.1	+0.0
Change in working capital	8.3	6.9	-1.5
Other	-3.3	2.0	+5.3
Cash Flow from Operating Activities	-0.1	-10.0	-9.9
Purchase of fixed assets	-1.9	-0.1	+1.8
Proceeds from sale of fixed assets	5.9	0.0	-5.8
Advance proceeds from sale of assets	0.0	11.8	+11.8
Other	-0.6	0.1	+0.7
Cash Flow from Investing Activities	3.4	11.8	+8.4
Net increase / decrease in short-term borrowings	0.0	5.5	+5.5
Other	-0.1	-0.1	+0.1
Cash Flow from Financing Activities	-0.1	5.4	+5.6
Ending Balance, Cash & Equivalents	33.3	27.7	-5.6
Free Cash Flow	-2.0	-10.1	-8.1

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

Date		IR Releases
July	30	<u>(Disclosure Update) Completion of Intellectual Property Rights Transfer</u>
	18	<u>Consecutive JDI Inclusion in FTSE Blossom Japan Index and FTSE Blossom Japan Sector Relative Index</u>
June	30	<u>Progress of Compliance with TSE Prime Listing Requirement (Free-Float Ratio)</u>
	30	<u>Controlling Shareholder Disclosure</u>
	26	<u>Capital Alliance with Ichigo Trust and Issuance of 14th Stock Acquisition Rights</u>
	26	<u>(Disclosure Update) Transfer of Intellectual Property Rights to Newly Established Subsidiaries and Subsidiaries Share Sale to Ichigo Trust</u>
	16	<u>JDI Receives Gentex “Supplier of the Year” Award</u>
May	2	<u>Exhibition of Advanced Semiconductor Packaging Substrates at JPCA Show 2025</u>
	15	<u>JDI Voluntary Retirement Program and Workforce Reduction</u>
	15	<u>Establishment of New AutoTech Subsidiary</u>
	15	<u>Change in CEO & Directors and Amendments to Articles of Incorporation</u>
	15	<u>MOU with Ichigo Trust to Strengthen JDI Financial Position</u>

Please note : For other news releases, please visit the news release list on our website. (<https://www.j-display.com/en/news/>)

JDI is the first-ever display supplier to receive this distinguished award during the Gentex 2025 Supplier Conference in May

Gentex Corporation:

A technology company that leverages its core competencies, strategic partnerships, acquisitions, and ongoing research to create market-leading positions in a variety of verticals.

Reason for the award:

- ✓ JDI demonstrated exceptional partnership through outstanding service, technical support, consistent quality, and reliable delivery
- ✓ In a highly competitive market, JDI met key financial targets, while contributing to product development alongside Gentex' R&D team





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.

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