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Difference Between FY23/3 Q1 Earnings Forecast and Actual Results (Sales Below Forecast, Earnings Above Forecast)

Japan Display Inc.'s (JDI) FY23/3 Q1 sales came in below the May 13 forecast, while earnings came in above forecast.

1. Difference Between FY23/3 Q1 Forecast and Actual Results

FY23/3 Q1 (April 1, 2022 to June 30, 2022)

(JPY million, except EPS)

	Sales	EBITDA	Operating Profit	Recurring Profit	Net Income	EPS
Forecast (A)	62,450	-10,200	-12,500	-12,800	-12,350	
Result (B)	57,099	-4,711	-6,872	-4,324	-5,074	-1.08
Difference (B-A)	-5,350	+5,488	+5,627	+8,475	+7,275	
% Difference	-8.57%	—	—	—	—	
Reference: Previous FY22/3 Q1	65,961	-3,716	-5,872	-6,358	-6,992	-2.68

2. Reason for Difference Between FY23/3 Q1 Forecast and Actual Results

In FY23/3 Q1, the Shanghai lockdown made it difficult for JDI to procure automotive display components, resulting in reduced production. In addition, automobile manufacturers' production was disrupted due to continuing chip shortages, as well as lack of wire harnesses caused by Russia's invasion of Ukraine, resulting in reduced orders from automotive display customers. Accordingly, sales came in below forecast.

While sales declined, EBITDA and operating profit outperformed the forecast due to JDI cost reductions, inventory growth to meet increasing shipments in Q2 and onward, and the weaker yen. Recurring profit and net income also came in above forecast, supported by the above factors plus a JPY 2,773 million foreign exchange gain.

Please note that the FY23/3 Q1 actual JPY/USD FX rate was 129.7, while the forecast assumption was 123.