



[Provisional Translation Only]

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Japan Display Inc. (Tokyo Stock Exchange Prime Market, 6740)
Representative: Scott Callon, Chairman & CEO
Inquiries: Akihito Okochi, CFO
Telephone: +81-3-6732-8100
www.j-display.com/english

Completion of Chinese Subsidiary Sale & Recording of Extraordinary Gain and Loss

In its October 28, 2022 release “Signing of Share Purchase Agreement for Chinese Subsidiary Sale,” Japan Display Inc. (JDI) announced that the execution date for the sale of Suzhou JDI Electronics Inc. (SE) to Suzhou Dongshan Precision Manufacturing Co., Ltd. (DSBJ) was expected to be January to March 2023.

JDI was able to satisfy all conditions for the sale on an accelerated basis and today completed the sale.

With the execution of the sale, SE will no longer be a consolidated subsidiary of JDI. However, JDI has contractually agreed with DSBJ to continue outsourcing display module manufacturing to SE.

JDI expects the sale to generate an extraordinary gain and loss in FY23/3 Q3 .

1. Sale Date

December 30, 2022

2. Sale Price

At the time of the October 28, 2022 announcement, JDI expected the sale price to be c. JPY 20.5 billion. However, upon finalization of SE’s books and records, the final sale price is JPY 26.73 billion.

JDI expects to receive the net sale proceeds in January 2023.

3. Recording of Extraordinary Gain and Loss

JDI expects to record an extraordinary gain (gain on sale of subsidiary) of c. JPY 14.8 billion and an extraordinary loss (business restructuring expense) of c. JPY 3.5 billion in FY23/3 Q3. The extraordinary gain and loss are current estimates and subject to change.

4. Earnings Impact

JDI is currently reviewing the impact of the sale and current operating conditions on JDI’s FY23/3 consolidated financial results, and will promptly update its forecast should it be appropriate to do so.