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## FY23/3 Q3 Earnings

February 10, 2023

**Japan Display Inc.** (Tokyo Stock Exchange Prime Market, 6740)

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Supplemental Explanatory Materials for Earnings Results: Available

Earnings Results Briefing: February 10, 2023 (for institutional investors and analysts)

### 1. FY23/3 Q3 Consolidated Financial Results (April 1, 2022 to December 31, 2022)

#### (1) Consolidated Financial Results

	Sales (JPY M) YoY		EBITDA (JPY M) YoY		Operating Profit (JPY M) YoY		Recurring Profit (JPY M) YoY		Net Income (JPY M) YoY	
FY23/3 Q3	208,032	-0.7%	-16,002	-	-22,380	-	-20,988	-	-17,384	-
FY22/3 Q3	209,518	-23.1%	-3,688	-	-10,117	-	-10,073	-	-6,330	-

EBITDA = Operating Profit + Depreciation + Goodwill amortization

(Reference) Comprehensive Income FY23/3 Q3: JPY -27,274M FY22/3 Q3: JPY -5,001M

	EPS (Basic, JPY)	EPS (Diluted, JPY)
FY23/3 Q3	-3.69	-
FY22/3 Q3	-1.70	-

#### (2) Consolidated Financial Position

	Total Assets (JPY M)	Net Assets (JPY M)	Shareholders' Equity Ratio
FY23/3 Q3	261,123	45,493	17.4%
FY22/3	258,275	72,768	28.2%

(Reference) Shareholders' Equity FY23/3 Q3: JPY 45,452M FY22/3: JPY 72,727M

#### (3) Consolidated Cash Flows

	Cash Flows from Operations (JPY M)	Cash Flows from Investments (JPY M)	Cash Flows from Financing (JPY M)	Cash and Cash Equivalents at Period-End (JPY M)
FY23/3 Q3	-37,568	-11,573	27,650	32,213
FY22/3 Q3	-6,209	3,427	3,870	57,445

## 2. Dividends

	Dividend per Share (JPY)				
	Q1	Q2	Q3	Q4	Total
FY22/3	–	0.00	–	0.00	0.00
FY23/3	–	0.00	–		
FY23/3 (Forecast)				0.00	0.00

Note 1 Changes from the most recently announced dividend forecast: None

2 The above shows dividends for common shares. For preferred shares, please see "4. Other Information (5) Dividends for Preferred Shares" below.

## 3. FY23/3 Full-Year Consolidated Earnings Forecast (April 1, 2022 to March 31, 2023)

	Sales (JPY M)	EBITDA (JPY M)	Operating Profit (JPY M)	Recurring Profit (JPY M)	Net Income (JPY M)	EPS (JPY)
FY23/3	266,000	-39,100	-47,300	-46,400	-31,900	-6.74
YoY	-10.1%	–	–	–	–	–

Note Changes from the most recently announced financial forecast: Yes

As a result of reviewing FY23/3 Q3 results and the Q4 outlook, JDI has revised down its full-year sales and earnings forecasts announced on November 10, 2022. For details, please see "Difference Between FY23/3 Q3 Earnings Forecast and Actual Results & Revision of Full-Year Earnings Forecast" announced today.

## 4. Other Information

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

– Newly included: None

– Excluded: Yes (Suzhou JDI Electronics Inc.)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatements

(i) Accounting policy changes based on amendments to accounting standards: None

(ii) Accounting policy changes other than (i) above: None

(iii) Accounting estimate changes: None

(iv) Restatements: None

(4) Number of shares outstanding

(i) Number of shares outstanding (including treasury shares) at period-end

FY23/3 Q3: 2,688,171,840

FY22/3: 2,688,171,840

(ii) Number of treasury shares at period-end

FY23/3 Q3: 67

FY22/3: 67

(iii) Average number of shares outstanding (excluding treasury shares) during the period

FY23/3 Q3: 4,715,379,062

FY22/3 Q3: 3,732,448,770

Note All preferred shares outstanding have the same rights as common shares in regard to rights to receive dividends, and are therefore included in the number of shares

outstanding at the end of periods and the average number of shares outstanding during the periods.

(5) Dividends for Preferred Shares

Class A Preferred Shares	Dividend per Share (JPY)				
	Q1	Q2	Q3	Q4	Total
FY22/3	–	0.00	–	0.00	0.00
FY23/3	–	0.00	–		
FY23/3 (Forecast)				0.00	0.00

Class B Preferred Shares	Dividend per Share (JPY)				
	Q1	Q2	Q3	Q4	Total
FY22/3	–	0.00	–	0.00	0.00
FY23/3	–	0.00	–		
FY23/3 (Forecast)				0.00	0.00

Class D Preferred Shares	Dividend per Share (JPY)				
	Q1	Q2	Q3	Q4	Total
FY22/3	–	0.00	–	0.00	0.00
FY23/3	–	0.00	–		
FY23/3 (Forecast)				0.00	0.00

Class E Preferred Shares	Dividend per Share (JPY)				
	Q1	Q2	Q3	Q4	Total
FY22/3	–	0.00	–	0.00	0.00
FY23/3	–	0.00	–		
FY23/3 (Forecast)				0.00	0.00

(6) Note on Appropriate Use of Forecasts

Forward-looking statements contained in these materials are based on judgements regarding information available to JDI as of the announcement date. However, these statements involve risk and uncertainties, and actual earnings may differ significantly from the indicated forecasts.

## 1. Consolidated Financial Statements

### (1) Consolidated Balance Sheet (FY23/3 Q3)

(JPY million)

	FY22/3 (Mar 31, 2022)	FY23/3 Q3 (Dec 31, 2022)
<b>Assets</b>		
<b>Current Assets</b>		
Cash and deposits	52,247	32,639
Accounts receivable – trade	56,341	38,446
Accounts receivable – other	23,508	39,439
Finished products and goods	19,418	30,872
Work in process	13,218	14,498
Raw materials and supplies	16,415	26,844
Other	5,472	5,339
Allowance for doubtful accounts	-92	-92
<b>Total Current Assets</b>	<b>186,529</b>	<b>187,986</b>
<b>Non-Current Assets</b>		
<b>Property, Plant, and Equipment</b>		
Buildings and structures, net	42,710	40,327
Machinery, equipment, and vehicles, net	8,326	4,800
Land	6,663	6,553
Lease assets, net	536	823
Construction in progress	1,836	5,505
Other, net	2,105	1,082
<b>Total Property, Plant, and Equipment</b>	<b>62,179</b>	<b>59,092</b>
<b>Intangible assets</b>		
Goodwill	412	309
Other	1,016	647
<b>Total Intangible Assets</b>	<b>1,429</b>	<b>957</b>
<b>Investments and Other Assets</b>		
Other	8,138	13,088
Allowance for doubtful accounts	-2	-1
<b>Total Investments and Other Assets</b>	<b>8,136</b>	<b>13,087</b>
<b>Total Non-Current Assets</b>	<b>71,745</b>	<b>73,137</b>
<b>Total Assets</b>	<b>258,275</b>	<b>261,123</b>

(JPY million)

	FY22/3 (Mar 31, 2022)	FY23/3 Q3 (Dec 31, 2022)
<b><u>Liabilities</u></b>		
<b>Current Liabilities</b>		
Accounts payable – trade	58,266	62,275
Electronically recorded obligations – operating	691	783
Short-term loans payable	—	28,000
Current portion of long-term loans payable	20,000	23,680
Income taxes payable	764	131
Provision for bonuses	2,906	1,512
Advances received	3,330	1,640
Other	28,851	32,213
<b>Total Current Liabilities</b>	<b>114,811</b>	<b>150,236</b>
<b>Non-Current Liabilities</b>		
Long-term loans payable	53,680	50,000
Net defined benefit pension liability	10,060	9,234
Other	6,954	6,159
<b>Total Non-Current Liabilities</b>	<b>70,695</b>	<b>65,393</b>
<b>Total Liabilities</b>	<b>185,507</b>	<b>215,630</b>
<b><u>Net Assets</u></b>		
<b>Shareholders' Equity</b>		
Capital	100	100
Capital reserve	54,525	54,525
Retained earnings	3,688	-13,695
Treasury shares	-0	-0
<b>Total Shareholders' Equity</b>	<b>58,314</b>	<b>40,929</b>
<b>Accumulated Other Comprehensive Income</b>		
Valuation difference on available-for-sale securities	0	0
Foreign currency translation adjustment	13,552	3,494
Adjusted value of defined benefit pension	859	1,028
<b>Total Accumulated Other Comprehensive Income</b>	<b>14,413</b>	<b>4,522</b>
<b>Share Acquisition Rights</b>	<b>40</b>	<b>40</b>
<b>Total Net Assets</b>	<b>72,768</b>	<b>45,493</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>258,275</b>	<b>261,123</b>

**(2) Consolidated Income Statement (FY23/3 Q3)**

(JPY million)

	FY22/3 Q3 (Apr 1, 2021 to Dec 31, 2021)	FY23/3 Q3 (Apr 1, 2022 to Dec 31, 2022)
<b>Sales</b>	<b>209,518</b>	<b>208,032</b>
<b>Cost of Goods Sold</b>	<b>197,369</b>	<b>208,173</b>
<b>Gross Profit (Loss)</b>	<b>12,148</b>	<b>-141</b>
<b>SG&amp;A</b>	<b>22,266</b>	<b>22,238</b>
<b>Operating Profit (Loss)</b>	<b>-10,117</b>	<b>-22,380</b>
<b>Non-Operating Income</b>		
Interest income	47	65
Foreign exchange gains	616	2,527
Rental income	392	435
Income from provision of business services	339	419
Subsidy income	104	74
Recoveries of written-off receivables	391	—
Other	504	425
<b>Total Non-Operating Income</b>	<b>2,397</b>	<b>3,948</b>
<b>Non-Operating Expenses</b>		
Interest expenses	990	1,032
Depreciation	41	55
Other	1,320	1,469
<b>Total Non-Operating Expenses</b>	<b>2,352</b>	<b>2,557</b>
<b>Recurring Profit (Loss)</b>	<b>-10,073</b>	<b>-20,988</b>
<b>Extraordinary Income</b>		
Gain on sale of non-current assets	417	7
Gain on sale of subsidiary shares	5,378	13,471
Reversal of business restructuring expenses	—	1,041
<b>Total Extraordinary Income</b>	<b>5,796</b>	<b>14,520</b>
<b>Extraordinary Losses</b>		
Impairment loss	882	1,969
Business restructuring expenses	—	5,273
Other	13	—
<b>Total Extraordinary Losses</b>	<b>895</b>	<b>7,243</b>
<b>Pre-Tax Income (Loss)</b>	<b>-5,173</b>	<b>-13,711</b>
<b>Income Taxes</b>	<b>999</b>	<b>3,672</b>
<b>Pre-Minority Interest Net Income (Loss)</b>	<b>-6,172</b>	<b>-17,384</b>
<b>Net Income Attributable to Minority Interests</b>	<b>157</b>	<b>—</b>
<b>Net Income (Loss)</b>	<b>-6,330</b>	<b>-17,384</b>

## Consolidated Statement of Income (FY23/3 Q3 Stand-Alone)

(JPY million)

	FY22/3 Q3 (Oct 1, 2021 to Dec 31, 2021)	FY23/3 Q3 (Oct 1, 2022 to Dec 31, 2022)
<b>Sales</b>	<b>71,657</b>	<b>69,735</b>
<b>Cost of Goods Sold</b>	<b>66,981</b>	<b>72,690</b>
<b>Gross Profit (Loss)</b>	<b>4,676</b>	<b>-2,955</b>
<b>SG&amp;A</b>	<b>7,761</b>	<b>7,645</b>
<b>Operating Profit (Loss)</b>	<b>-3,084</b>	<b>-10,600</b>
<b>Non-Operating Income</b>		
Interest income	24	27
Foreign exchange gains	376	—
Rental income	133	152
Income from provision of business services	118	186
Subsidy income	82	34
Recoveries of written-off receivables	391	—
Other	289	163
<b>Total Non-Operating Income</b>	<b>1,416</b>	<b>563</b>
<b>Non-Operating Expenses</b>		
Interest expenses	300	441
Foreign exchange losses	—	1,611
Depreciation	12	25
Other	521	471
<b>Total Non-Operating Expenses</b>	<b>835</b>	<b>2,549</b>
<b>Recurring Profit (Loss)</b>	<b>-2,502</b>	<b>-12,586</b>
<b>Extraordinary Income</b>		
Gain on sale of non-current assets	380	2
Gain on sale of subsidiary shares	5,378	13,471
<b>Total Extraordinary Income</b>	<b>5,759</b>	<b>13,473</b>
<b>Extraordinary Losses</b>		
Impairment loss	406	763
Business restructuring expenses	—	5,273
Other	13	—
<b>Total Extraordinary Losses</b>	<b>420</b>	<b>6,036</b>
<b>Pre-Tax Income (Loss)</b>	<b>2,835</b>	<b>-5,149</b>
<b>Income Taxes</b>	<b>413</b>	<b>600</b>
<b>Pre-Minority Interest Net Income (Loss)</b>	<b>2,422</b>	<b>-5,750</b>
<b>Net Income (Loss)</b>	<b>2,422</b>	<b>-5,750</b>

### Consolidated Statement of Comprehensive Income (FY23/3 Q3)

	(JPY million)	
	FY22/3 Q3 (Apr 1, 2021 to Dec 31, 2021)	FY23/3 Q3 (Apr 1, 2022 to Dec 31, 2022)
<b>Net Income (Loss)</b>	<b>-6,172</b>	<b>-17,384</b>
<b>Other Comprehensive Income</b>		
Valuation difference on available-for-sale securities	-2	0
Foreign currency translation adjustment	675	-10,058
Adjusted value of defined benefit pension, net of tax	497	168
<b>Total Other Comprehensive Income</b>	<b>1,170</b>	<b>-9,890</b>
<b>Comprehensive Income</b>	<b>-5,001</b>	<b>-27,274</b>
of which, Comprehensive income attributable to owners of the parent	-5,159	-27,274
of which, Comprehensive income attributable to minority interests	157	—

### Consolidated Statement of Comprehensive Income (FY23/3 Q3 Stand-Alone)

	(JPY million)	
	FY22/3 Q3 (Oct 1, 2021 to Dec 31, 2021)	FY23/3 Q3 (Oct 1, 2022 to Dec 31, 2022)
<b>Net Income (Loss)</b>	<b>2,422</b>	<b>-5,750</b>
<b>Other Comprehensive Income</b>		
Valuation difference on available-for-sale securities	-2	-0
Foreign currency translation adjustment	73	-13,818
Adjusted value of defined benefit pension, net of tax	364	56
<b>Total Other Comprehensive Income</b>	<b>435</b>	<b>-13,763</b>
<b>Comprehensive Income</b>	<b>2,858</b>	<b>-19,513</b>
of which, Comprehensive income attributable to owners of the parent	2,858	-19,513



### (3) Consolidated Cash Flow Statement (FY23/3 Q3)

	(JPY million)	
	FY22/3 Q3 (Apr 1, 2021 to Dec 31, 2021)	FY23/3 Q3 (Apr 1, 2022 to Dec 31, 2022)
<b>Cash Flows from Operations</b>		
Pre-Tax Income (loss)	-5,173	-13,711
Depreciation	6,367	6,329
Goodwill amortization	103	103
Impairment loss	882	1,969
Increase (decrease) in allowance for doubtful accounts	49	-2
Interest expenses	990	1,032
Foreign exchange losses (gains)	136	-1,115
Subsidies received	-104	-74
Loss (gain) on sale of non-current assets	-409	-3
Loss (gain) on sale of subsidiary shares	-5,378	-13,471
Reversal of business restructuring expenses	—	-1,041
Business restructuring expenses	—	5,273
Decrease (increase) in trade receivables	-5,255	5,088
Decrease (increase) in inventories	-17,101	-28,935
Increase (decrease) in trade payable	17,396	5,206
Decrease (increase) in accounts receivable – other	-3,192	6,553
Decrease (increase) in consumption tax refunds receivable	-458	-582
Increase (decrease) in accounts payable – other	2,643	406
Increase (decrease) in accrued expenses	-2,992	-164
Increase (decrease) in advances received	3,147	-1,923
Increase (decrease) in retirement benefit liability	-651	-658
Other	4,941	644
<b>Subtotal</b>	<b>-4,059</b>	<b>-29,076</b>
Interest and dividends received	48	65
Interest paid	-988	-1,078
Income taxes paid	-1,209	-3,923
Business restructuring expenses paid	—	-3,555
<b>Net Cash from (Used for) Operations</b>	<b>-6,209</b>	<b>-37,568</b>

	(JPY million)	
	FY22/3 Q3 (Apr 1, 2021 to Dec 31, 2021)	FY23/3 Q3 (Apr 1, 2022 to Dec 31, 2022)
<b>Cash Flows from Investments</b>		
Purchase of non-current assets	-4,858	-7,474
Proceeds from sale of non-current assets	434	16
Decrease (increase) in time deposit	—	882
Payments of leasehold and guarantee deposits	-26	-1,443
Payments for sale of subsidiary shares resulting in the change in scope of consolidation	—	-3,677
Proceeds from sale of subsidiary shares resulting in change in scope of consolidation	7,630	—
Subsidies received	104	74
Other	143	49
<b>Net Cash from (Used for) Investments</b>	<b>3,427</b>	<b>-11,573</b>
<b>Cash Flows from Financing</b>		
Net increase (decrease) in short-term borrowings	-20,136	28,000
Proceeds from issuance of preferred stock	24,842	—
Purchase of subsidiary shares not resulting in change in scope of consolidation	-380	—
Repayments of lease obligations	-455	-349
Other	-0	—
<b>Net Cash from (Used for) Financing</b>	<b>3,870</b>	<b>27,650</b>
<b>Effect of Exchange Rate change on Cash &amp; Cash Equivalents</b>	<b>1,010</b>	<b>2,765</b>
<b>Net Increase (Decrease) in Cash &amp; Cash Equivalents</b>	<b>2,098</b>	<b>-18,725</b>
<b>Cash &amp; Cash Equivalents at Beginning of Period</b>	<b>55,347</b>	<b>50,939</b>
<b>Cash &amp; Cash Equivalents at End of Period</b>	<b>57,445</b>	<b>32,213</b>

## Consolidated Cash Flow Statement (FY23/3 Q3 Stand-Alone)

	(JPY million)	
	FY22/3 Q3 (Oct 1, 2021 to Dec 31, 2021)	FY23/3 Q3 (Oct 1, 2022 to Dec 31, 2022)
<b>Cash Flows from Operations</b>		
Pre-Tax Income (loss)	2,835	-5,149
Depreciation	2,134	2,075
Goodwill amortization	34	34
Impairment loss	406	763
Increase (decrease) in allowance for doubtful accounts	54	-0
Interest expenses	300	441
Foreign exchange losses (gains)	146	371
Subsidies received	-82	-34
Loss (gain) on sale of non-current assets	-371	1
Loss (gain) on sale of subsidiary shares	-5,378	-13,471
Business restructuring expenses	—	5,273
Decrease (increase) in trade receivables	-6,802	-7,272
Decrease (increase) in inventories	-6,735	-9,067
Increase (decrease) in trade payable	11,807	3,651
Decrease (increase) in accounts receivable – other	1,184	9,107
Decrease (increase) in consumption tax refunds receivable	-616	-226
Increase (decrease) in accounts payable - other	3,099	838
Increase (decrease) in accrued expenses	-666	-236
Increase (decrease) in advances received	-1,500	-2,267
Increase (decrease) in retirement benefit liability	-217	-223
Other	1,627	-1,727
<b>Subtotal</b>	<b>1,260</b>	<b>-17,117</b>
Interest and dividends received	24	27
Interest paid	-374	-492
Income taxes paid	-316	-2,221
Business restructuring expenses paid	—	-3,555
<b>Net Cash from (Used for) Operations</b>	<b>593</b>	<b>-23,359</b>

(JPY million)

	FY22/3 Q3 (Oct 1, 2021 to Dec 31, 2021)	FY23/3 Q3 (Oct 1, 2022 to Dec 31, 2022)
<b>Cash Flows from Investments</b>		
Purchase of non-current assets	-415	-1,691
Proceeds from sale of non-current assets	395	9
Decrease (increase) in time deposit	—	31
Payments of leasehold and guarantee deposits	-6	-0
Payments for sale of subsidiary shares resulting in the change in scope of consolidation	—	-3,677
Proceeds from sale of subsidiary shares resulting in change in scope of consolidation	7,630	—
Subsidies received	82	34
Other	23	49
<b>Net Cash from (Used for) Investments</b>	<b>7,709</b>	<b>-5,245</b>
<b>Cash Flows from Financing</b>		
Net increase (decrease) in short-term borrowings	—	15,000
Purchase of subsidiary shares not resulting in change in scope of consolidation	-380	—
Repayments of lease obligations	-125	-119
<b>Net Cash from (Used for) Financing</b>	<b>-505</b>	<b>14,880</b>
<b>Effect of Exchange Rate change on Cash &amp; Cash Equivalents</b>	<b>662</b>	<b>-1,293</b>
<b>Net Increase (Decrease) in Cash &amp; Cash Equivalents</b>	<b>8,459</b>	<b>-15,019</b>
<b>Cash &amp; Cash Equivalents at Beginning of Period</b>	<b>48,986</b>	<b>47,232</b>
<b>Cash &amp; Cash Equivalents at End of Period</b>	<b>57,445</b>	<b>32,213</b>

## Supplemental Information (Quarterly Consolidated Data)

### (1) Consolidated Earnings

(JPY million)	FY22/3				FY23/3			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Mobile	30,107	32,054	25,870	29,599	15,728	22,227	22,345	
Automotive	20,881	23,874	26,424	35,738	26,878	39,659	33,074	
Non-Mobile	14,972	15,969	19,362	21,089	14,492	19,309	14,315	
Sales	65,961	71,898	71,657	86,427	57,099	81,196	69,735	
EBITDA <sup>1</sup>	-3,716	955	-927	3,850	-4,711	-2,774	-8,516	
Operating Profit	-5,872	-1,160	-3,084	1,540	-6,872	-4,906	-10,600	
Recurring Profit	-6,358	-1,212	-2,502	2,109	-4,324	-4,077	-12,586	
Net Income	-6,992	-1,760	2,422	-1,765	-5,074	-6,559	-5,750	
EPS (Basic)	-2.68	-0.47	0.57	-0.40	-1.08	-1.39	-1.22	
JPY/USD (Avg)	109.5	110.1	113.7	116.3	129.7	138.3	141.38	
JPY/USD (Q-End)	110.6	111.9	115.0	122.4	136.7	144.8	132.70	

<sup>1</sup> EBITDA = Operating Profit + Depreciation + Goodwill amortization

### (2) Financial Position

(JPY million)	FY22/3				FY23/3			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Assets	223,167	230,045	239,281	258,275	238,541	277,551	261,123	
Liabilities	188,742	172,154	178,911	185,507	167,507	212,544	215,630	
Net Assets	34,425	57,890	60,369	72,768	71,034	65,006	45,493	
Shareholder Equity Ratio	14.3%	24.1%	25.2%	28.2%	29.8%	23.4%	17.4%	
Operating CF	-8,688	1,884	593	-15,463	-11,355	-2,854	-23,359	
Investing CF	-2,172	-2,108	7,709	-3,331	-3,249	-3,078	-5,245	
Financing CF	-322	4,699	-505	10,898	-106	12,877	14,880	
Ending Cash Bal.	44,385	48,986	57,445	50,939	39,375	47,232	32,213	
Free Cash Flow	-11,017	-228	178	-17,768	-14,073	-5,918	-25,051	

### (3) R&D, Capex, & Depreciation

(JPY million)	FY22/3				FY23/3			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
R&D	2,350	2,458	2,528	2,292	2,275	2,377	2,344	
Capex	2,132	723	3,380	1,264	2,647	3,611	1,056	
Depreciation	2,172	2,128	2,169	2,321	2,176	2,147	2,109	