



*[Provisional Translation Only]*

*This English translation of the original Japanese document is provided solely for information purposes.*

*Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.*

March 27, 2023

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](http://www.j-display.com/english)

## **Signing of Basic Agreement for JOLED Sponsor Support**

Japan Display Inc. (JDI) today signed a basic agreement for sponsor support with OLED display maker JOLED Inc. JOLED filed a petition for commencement of civil rehabilitation proceedings with the Tokyo District Court today.

### **1. Background and Reason for Agreement**

JOLED was established in 2015 to develop and commercialize low-cost, high-resolution OLED displays using an efficient printing method. In 2017 JOLED became the world's first company to commercialize printed OLED displays, and in 2021 began full-scale mass production. During this period, JOLED accumulated significant intellectual property rights (IP) and know-how related to OLED displays.

In turn, JDI has been working to deliver Global No. 1 technology leadership, unique customer value through JDI proprietary technologies, and robust, ongoing profitability based on its METAGROWTH 2026 growth strategy announced in May 2022. One key METAGROWTH 2026 growth driver is eLEAP, JDI's next-generation OLED technology. eLEAP is the world's first maskless OLED deposition and lithography technology, which JDI is scheduled to bring into mass production next year.

JDI has thus signed this agreement to acquire JOLED talent and OLED IP and know-how in order to expand and accelerate METAGROWTH 2026 and drive JDI customer and shareholder value growth. JDI will carry out JOLED due diligence in order to reach a definitive agreement. JDI will not be inheriting JOLED's loss-generating product manufacturing and sales businesses, which JOLED has decided to exit – these are outside the scope of today's agreement.

With respect to JDI's capital relationship with JOLED, JDI acquired 15% of JOLED shares at the time of JOLED's establishment. However, JDI sold all the shares in March 2020 as part of JDI's portfolio restructuring and currently holds no JOLED shares.

### **2. Agreement Overview**

JDI has agreed with JOLED to drive OLED technology development through inheriting JOLED's OLED display technologies and IP, while providing employment to JOLED employees. JDI also has agreed to support the smooth termination and liquidation of JOLED businesses that JDI does not inherit, thereby alleviating the impact and burden on local communities.

### 3. JOLED Overview

(1) Name	JOLED Inc.		
(2) Address	3-23 Kandnishiki-cho, Chiyoda-ku, Tokyo		
(3) Representative	Representative Director and President: Tadashi Ishibashi		
(4) Business Description	Research, development, manufacturing, and sales activities for OLED displays.		
(5) Capital	JPY 5,150 million		
(6) Date of Incorporation	January 5, 2015		
(7) Major Shareholders and Shareholding Ratio	INCJ, Ltd. 56.8% DENSO Corporation 16.1% CSOT-JAPAN 10.8%		
(8) Relationship with JDI	Capital Relationship	N/A	
	Personnel Relationship	Two (2) JDI directors serve concurrently as JOLED directors.	
	Business Relationship	JDI has a contract with JOLED to sell JOLED products overseas.	
(9) Business Performance and Financial Conditions for the Last Three Years (JPY million)			
Fiscal Year	FY20/3	FY21/3	FY22/3
Net Assets	72,010	4,226	-19,702
Total Assets	100,539	43,650	29,621
Sales	1,857	5,908	5,655
Operating Profit	-28,407	-31,065	-21,118
Recurring Profit	-36,844	-32,036	-20,257
Net Income	-37,253	-87,785	-23,926

### 4. Schedule

(1) JDI Board Resolution Date	March 27, 2023
(2) JOLED's Filing Date for Civil Rehabilitation Proceedings	March 27, 2023
(3) Signing Date of Basic Agreement	March 27, 2023

### 5. Earnings Impact

The agreement's impact on JDI's current FY23/3 consolidated financial results is minimal. If matters requiring disclosure should arise during JOLED's civil rehabilitation proceedings, JDI will promptly disclose them.