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Difference Between FY24/3 H1 Earnings Forecast and Results (Above Forecast), Recording of Business Services Income, and Impairment Loss

JDI is disclosing the details on the difference between its above-forecast FY24/3 H1 earnings and its forecast announced on May 12, 2023. In addition, JDI recorded business services income and an impairment loss.

1. Difference Between FY24/3 H1 Forecast & Actual Results

(1) FY24/3 H1 (April 1, 2023 to September 30, 2023)

(JPY million, except EPS)

| | Sales | EBITDA | Operating Profit | Recurring Profit | Net Income | EPS (JPY) |
|-----------------------|---------|---------|------------------|------------------|------------|-----------|
| Previous Forecast (A) | 111,400 | -26,100 | -29,100 | -29,900 | -32,200 | -5.20 |
| Result (B) | 119,882 | -18,096 | -21,441 | -19,113 | -28,707 | -4.64 |
| Change (B-A) | +8,482 | +8,004 | +7,659 | +10,787 | +3,493 | +0.56 |
| % Change | +7.6% | — | — | — | — | — |
| Reference: FY23/3 H1 | 138,296 | -7,485 | -11,779 | -8,401 | -11,633 | -2.47 |

(2) Reason for Difference Between FY24/3 H1 Forecast and Actual Results

Sales came in 7.6% above forecast due to the positive effects of the weak yen. The forecasted JPY/USD FX rate was 130.0, but the actual rate was 141.1. The H2 FX assumption has been set at JPY/USD 140.

EBITDA, operating profit, recurring profit, and net income also came in above forecast by +30.7%, +26.3%, +36.1% and +10.8%, respectively, on the effects of the weak yen, improved panel yields and fab productivity, fixed cost reductions from ending production at the older, less cost competitive Higashiura Fab, and a breakthrough to structural profitability in JDI's OLED business, a strategic growth area.

2. Business Services Income

JDI recorded FY24/3 Q2 business services income of JPY 879 million as non-operating income. The income is based on an outsourcing agreement from April 1, 2023 to March 31, 2024 between JDI and the buyer of the Higashiura Fab facilities. JDI ended production at the Higashiura Fab in March 2023.

JDI also recorded FY24/3 Q2 property maintenance expenses of JPY 611 million for the Higashiura Fab facilities as non-operating expenses.

3. Impairment Loss

JDI recorded an FY24/3 Q2 extraordinary loss on an impairment of JPY 9,175 million on some assets (primarily intangible) related to its LCD display business.