



*[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.*

June 24, 2024

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

Representative: Scott Callon, Chairman, CEO

Inquiries: Haruhiko Sakaguchi, CFO

Telephone: +81-3-6732-8100

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

## **Progress of Compliance with TSE Prime Listing Requirement (Free-Float Ratio)**

On June 26, 2023 JDI announced a plan to comply with the Tokyo Stock Exchange (TSE) Prime Market's listing requirement (the "free-float requirement") to keep its free-float ratio above 35%. The progress of the plan is as follows.

### **1. JDI Listing Compliance Status**

As of FY24/3 end, JDI meets all of the TSE Prime listing requirements other than the free-float ratio. JDI will continue to pursue its initiatives to meet the free-float listing requirement.

		Number of Shareholders	Outstanding Shares (units)	Free-Float Market Cap (JPY billion)	Free-Float Ratio (%)	Net Assets (JPY billion)
Changes in JDI's Compliance Status	As of March 31, 2024	71,962	6,737,255	14.3	17.3	85.6
	As of March 31, 2023	71,700	5,674,207	23.6	14.6	124.4
Requirement		800	20,000	10.0	35.0	Positive Net Assets
JDI Compliance Status (As of March 31, 2024)		Compliant	Compliant	Compliant	Not Compliant	Compliant
Compliance Plan Period		—	—	—	March-end 2028	—

Note: Under TSE rules, JDI would have been required to comply with the free-float requirement by the end of March 2025, because JDI was listed on the TSE First Section prior to the change in market classification to Prime on April 4, 2022. However, TSE has granted JDI a special exemption to extend its compliance plan period to the end of March 2028, because JDI is receiving support from Ichigo Trust for its turnaround.

### **2. Free-Float Requirement Compliance Activity (April 2023 - March 2024)**

To comply with the free-float requirement, the primary challenge is to reduce Ichigo Trust's 78.2% common shareholding. In addition to common shares, Ichigo Trust also holds JDI Class E Preferred Shares (the "Preferred Shares") and the 13th Stock Acquisition Rights (the "Warrants"). If Ichigo Trust were to convert the Preferred Shares into common shares and exercise the Warrants prior to it disposing of its common shares, then the maximum

ratio of shares held by Ichigo Trust would become 91.6%, and JDI's free-float ratio will further decrease from the current 17.3%.

JDI's second largest shareholder INCJ, Ltd. (INCJ) sold a portion of its stake in JDI during FY24/3, resulting in a decrease in its shareholding ratio from 5.5% as of March 31, 2023 to 2.8% as of March 31, 2024. INCJ was established through an incorporation-type divestiture from the former Innovation Network Corporation of Japan (now Japan Investment Corporation), which was approved by the Minister of Economy, Trade and Industry under the Industrial Competitiveness Enhancement Act prior to its amendment by the Act to Partially Amend the Industrial Competitiveness Enhancement Act (Act No. 26 of 2018). As a condition for approval pursuant to notification (No. 4 of 20180913) regarding such approval, INCJ must dispose of all shares it holds by March 2025.

JDI Common Shares Outstanding (As of March 31, 2024)

	Total Number of Shares Outstanding				
	Free-Float	Ichigo Trust	INCJ	Others	
Number of Shares	3,880,388,022	673,725,518	3,034,222,222	107,000,000	65,440,282
Share Ratio	100%	17.3%	78.2%	2.8%	1.7%

Note: A maximum of 2,308,329,640 JDI common shares will be issued upon conversion of the Class E Preferred Shares, and a maximum of 3,852,444,400 JDI common shares will be issued upon exercise of the 13th Stock Acquisition Rights.

JDI recognizes the need for rapid improvement in its operating performance as well as continuous engagement with investors that may be potential holders of JDI shares to promote the liquidity of its shares held by Ichigo Trust.

With respect to improving its operating performance, based on its METAGROWTH 2026 growth strategy announced in May 2022, JDI is working to dramatically improve its profitability and drive significant growth by leveraging its Global No. 1 technologies, such as JDI's next-generation OLED eLEAP and high-mobility oxide HMO backplane technology.

While FY24/3 earnings were severely impacted by the harsh competitive environment and continued high energy, materials, and manufacturing costs, JDI generated a significant earnings improvement YOY via fixed cost reductions and productivity improvements. Most critically, JDI significantly increased sales in its strategically important OLED business by 74% YoY, breaking through to structural profitability. In FY25/3 JDI is continuing to execute on its radical business transformation in order to drive further earnings improvements. (For details, please refer to JDI's FY24/3 earnings materials released on May 13, 2024.)

JDI is also actively contacting and negotiating with potential investors who may become its shareholders. A number of investors have shown great interest in JDI's growth strategy, centered on its next-generation eLEAP technology. In addition, to improve its appeal to shareholders and investors, JDI renewed its corporate website in February 2024 to expand the information content and improve accessibility.

### 3. Ongoing Initiatives Towards Full Float Ratio Compliance

JDI will continue to work towards rapid performance improvement based on the METAGROWTH 2026 growth strategy, recognizing it is important in its ongoing discussions with Ichigo Trust pertaining to a reduction in their shareholding ratio. In particular, JDI will further strengthen its efforts to secure production capacity for its eLEAP business expansion and continue to engage with potential shareholders. As JDI's initiatives

generate sustainable improvements in earnings and cash flows, JDI will accelerate its engagement with investors with respect to the sale of JDI shares held by Ichigo Trust.

JDI also recognizes that it is essential not only to deliver on improved earnings but also to deepen investors' and market participants' understanding of its initiatives, progress, and future prospects. Towards this end, in addition to appropriate and timely disclosure of information, JDI will continue to engage with both domestic and overseas investors via earnings or other presentations (live and via video), investor roadshows, English language disclosures, and work to further expand opportunities for dialogue with investors.

Regarding the METAGROWTH 2026 KPIs announced in the "FY23/3 Full-Year Corporate Presentation" on May 12, 2023, JDI intends to revise them after thoroughly evaluating the impacts of the significantly changing business environment and ongoing strategic initiatives, including the ongoing discussions with Wuhu Economic and Technical Development Zone in Anhui Province, China for the large-scale eLEAP fab launch.