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

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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 FY25/3 end, JDI meets all of the TSE Prime listing requirements other than the free-float ratio. JDI will continue its initiatives towards complying with the free-float listing requirement. If JDI does not comply with the free-float requirement by March 31, 2028, the TSE will designate JDI as a "Security Under Supervision (Confirmation Pending)." Subsequently, if the TSE determines that JDI still does not meet the free-float ratio requirement based on JDI's March 31, 2028 share distribution status report, JDI will be designated as a "Security to be Delisted," and its shares may be delisted on October 1, 2028.

		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, 2025	78,384	7,825,018	14.6	20.1%	6.8
	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, 2025)		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 (“Ichigo”) for its turnaround.

The free-float ratio increased from 17.3% as of March 31, 2024 to 20.1% as of March 31, 2025, primarily due to INCJ, Ltd. selling all of its 2.8% holding (as of March 31, 2024) of JDI common shares.

2. Free-Float Requirement Compliance Activity (April 2024 - March 2025)

To comply with the free-float requirement, the primary challenge is to reduce Ichigo's 78.2% common shareholding. In addition to common shares, Ichigo also holds JDI Class E Preferred Shares and warrants¹. If Ichigo 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 would become 91.6%, and JDI's free-float ratio will further decrease from the current 20.1%.

Note 1: As stated in the June 26, 2025 release “Capital Alliance with Ichigo Trust and Issuance of 14th Stock Acquisition Rights,” JDI and Ichigo entered into a capital alliance agreement in which JDI will issue to Ichigo the 14th Stock Acquisition Rights through a third-party allotment in return for Ichigo surrendering all of the 13th Stock Acquisition Rights it holds at zero value.

JDI Common Shares Outstanding (As of March 31, 2025)

	Total Number of Shares Outstanding			
	Free-Float	Ichigo	Others	
Number of Shares (units)	3,880,388,022	782,501,819	3,034,222,222	63,663,981
Share Ratio	100%	20.1%	78.2%	1.7%

Note: A maximum of 2,308,329,640 JDI common shares will be issued upon conversion of the Preferred Shares, and a maximum of 3,852,444,400 JDI common shares will be issued upon exercise of the warrants.

In light of this situation, JDI continues discussions with Ichigo to address the key challenge of reducing Ichigo's shareholding ratio, which is essential for meeting the free-float requirement. At the same time, JDI is actively engaging with potential investors to build relationships with those who could become new shareholders. JDI recognizes that improving its financial performance and enhancing corporate value are essential to increasing investor interest.

To achieve these goals, JDI is implementing fundamental structural reforms while ensuring proactive and transparent disclosure of information. JDI also remains committed to sharing updates through domestic and international briefings and other communication channels.

In November 2024 JDI announced its BEYOND DISPLAY growth strategy to drive a rapid return to profitability and sustainable growth by deploying its world-class technological capabilities to the high-growth advanced semiconductor packaging and sensors businesses. To deliver profitability to JDI's loss-making display business, JDI is shedding capital intensive assets and streamlining its production system. JDI has decided to end production at its high fixed-cost Mobara Fab by March 2026 and consolidate production at its lower-cost Ishikawa MULTI-FAB

As part of its growth strategy, JDI had been working to achieve mass production of the next-generation OLED "eLEAP" at the Mobara Fab. However, with the decision to end production at the Mobara Fab, JDI has stopped in-house production of eLEAP and is now

advancing discussions with foundry partners to develop a fabless business model towards the build-out of an eLEAP global ecosystem.

While JDI has yet to achieve clear results in improving the free-float ratio or financial performance, JDI is steadily executing structural reforms and growth initiatives. JDI believes these efforts will contribute towards a strong foundation to attract interest from potential investors who may become new shareholders.

3. Ongoing Initiatives Towards Full-Float Ratio Compliance

JDI will continue to take decisive steps to significantly reduce fixed costs, including production end at the Mobara Fab, implementing workforce reductions at domestic and international locations, and reducing executive compensation, bonuses, and employee bonuses. These measures are critical towards driving profitability and sustainable growth.

Under its BEYOND DISPLAY growth strategy, JDI is focused on improving performance and strengthening profitability, while continuing to engage and negotiate with potential investors who could become new 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.

To help investors and market participants better understand its progress and outlook, JDI will actively disclose information and expand opportunities for investor dialogue via presentations and other communication channels.

JDI remains fully committed to addressing the challenges required to maintain its listing and will continue to work diligently towards enhancing corporate value.