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Recording of Non-Operating Expense and Extraordinary Gain/Loss

JDI recorded the following items in its FY27/3 H1 earnings announced today.

1. Interest Expense (Non-Operating Expense)

JDI recorded a FY27/3 Q2 interest expense on short-term borrowings of JPY 1,905 million. The H1 interest expense totaled JPY 4,162 million.

2. Gain on Sale of Fixed Assets & Reversal of Business Restructuring Expenses (Extraordinary Gain)

On August 24, 2026 JDI completed the sale of its Tottori Fab. As a result, JDI recorded a Q2 gain on sale of fixed assets of JPY 509 million. The H1 gain on sale of fixed assets totaled JPY 518 million.

JDI also recorded a Q2 gain on reversal of business restructuring expenses of JPY 660 million, primarily due to a decrease in estimated equipment removal costs associated with the sale of its Mobara Fab. The H1 reversal of business restructuring expenses totaled JPY 994 million.

3. Impairment Loss, Business Restructuring Expense & Provision for Litigation Losses (Extraordinary Loss)

JDI recorded a Q2 impairment loss of JPY 280 million related to display manufacturing equipment. The H1 impairment loss totaled JPY 417 million.

JDI also recorded a Q2 business restructuring expense of JPY 154 million for workforce reductions and additional costs related to the sale of the Tottori Fab.

Furthermore, JDI recorded a Q2 litigation loss provision of JPY 300 million related to a shareholder lawsuit filed on July 16, 2020 related to improper accounting in earlier fiscal years.

4. Earnings Impact

These non-operating expenses and extraordinary gains and loss are reflected in JDI's FY27/3 H1 earnings announced today.