

August 27, 2019

[English Translation]

(Update and Progress of a Disclosure Matter)
Notice Concerning Transfer of Shares of Equity Method Affiliate

Japan Display Inc. ("JDI") announces that it has resolved, at its board of directors meeting held on August 27, 2019, to enter into a definitive agreement (the "Substitute Performance Agreement") with INCJ, Ltd. ("INCJ"), under which JDI will transfer all of the shares of JOLED, Inc. ("JOLED") held by JDI (the "Transferred Shares") to INCJ as substitute performance (such transfer of shares, the "Share Transfer").

The Substitute Performance Agreement is based on an agreement entered into with INCJ on May 30, 2019 (the "Agreement"), which was announced in the press release dated May 30, 2019, titled "Notice Concerning Transfer of Shares of Equity Method Affiliate" (the "Disclosure as of May 30, 2019").

Along with the Share Transfer, JOLED will be excluded from the scope of JDI's equity method affiliates. In addition, extraordinary profit is expected to be accrued due to the Share Transfer.

1. Reason for the Share Transfer

Under the Agreement, JDI agreed to the transfer of the Transferred Shares to INCJ (as substitute performance for part of the debt owed to INCJ) at the same time as the payment concerning the new shares and the 2nd series bonds with stock acquisition rights to be issued to Suwa Investment Holdings, LLC through third-party allotment (the "Sponsor Third-party Allotment"), in order to secure JDI's middle- to long-term stabilization of funds. Today, JDI's board of directors meeting resolved to enter into the Substitute Performance Agreement based on the Agreement, in order to provide for the details of the Share Transfer. The debts to be repaid by the Share Transfer will be (i) the total amount of borrowings (the principal amount of which is JPY 20 billion; the "Bridge Loan Debt") under the loan agreement dated April 18, 2019, and (ii) JPY 26,320,000,000, part of the borrowing (the principal amount of which is JPY 30 billion; the "Subordinated Loan Debt") under the loan agreement dated December 21, 2016. Prior to the Share Transfer, JDI will additionally subscribe for 20,312 common shares to be issued by JOLED. Since these common shares will be also included in the Transferred Shares, the transfer price of the Transferred Shares and the total amount of borrowings subject to the substitute performance have been changed from JPY 44,695,040,000 (as announced in the Disclosure as of May 30, 2019) to JPY 46,320,000,000.

2. Outline of the Equity Method Affiliate to Be Changed

(1) Name	JOLED Inc.
(2) Registered address	3-23, Kandanishiki-cho, Chiyoda-ku, Tokyo
(3) Title and name of representative	Representative Director & President: Tadashi Ishibashi
(4) Description of business	Research, development, manufacturing, and sales of OLED displays and their parts, materials, manufacturing equipment, and relevant products
(5) Capital	JPY 76,912,540,000
(6) Date of incorporation	January 5, 2015

3. Outline of the Transferee of the Share Transfer

(1) Name	INCJ, Ltd.	
(2) Registered address	1-4-1, Marunouchi, Chiyoda-ku, Tokyo	
(3) Title and name of representative	Representative Director and Chairman (CEO): Toshiyuki Shiga Representative Director and President (COO): Mikihide Katsumata	
(4) Description of business	Support for specific business activities under a similar framework based on the Industrial Competitiveness Enhancement Act before amendments (Law No. 98 of 2013)	
(5) Capital	JPY 500 million	
(6) Date of incorporation	September 21, 2018	
(7) Net assets	JPY 590,723 million (as of the end of March 2019)	
(8) Total assets	JPY 771,214 million (as of the end of March 2019)	
(9) Major shareholder and its shareholding ratio (as of August 27, 2019)	Japan Investment Corporation 100.0%	
(10) Relationship with JDI	Capital relationship	As of today, INCJ holds 214,000,000 shares of the Company (25.29% of JDI's issued and outstanding shares).
	Personnel relationship	One employee (the executive officer) of INCJ serves concurrently as JDI's outside director.
	Transaction relationship	INCJ provides JDI with support of funds, loan guarantee, and security.
	Status as a related party	N/A

4. Number and Price of the Shares to Be Transferred, and Status of Owned Shares before and after the Share Transfer

(1)	Number of owned shares before the change	579,000 shares (Note 1) (The number of voting rights: 579,000) (The ownership ratio of voting rights: 27.9%)
(2)	Number of shares to be transferred	579,000 shares (The number of voting rights: 579,000)
(3)	Transfer price	JPY 46,320,000,000 (Note 2)
(4)	Number of owned shares after the change	0 shares (Note 1)

(Note 1) The Disclosure as of May 30, 2019 includes a statement that JDI will additionally subscribe for 20,312 common shares to be issued by JOLED (the total payment amount of which is JPY 1,624,960,000) on June 28, 2019 as the payment date under the Share Subscription Agreement dated June 29, 2018 and Memorandum of the Share Subscription Agreement dated January 28, 2019 between JDI and JOLED. However, the Substitute Performance Agreement provides that such additional subscription will be implemented prior to the Share Transfer, and on (i) September 27, 2019 or (ii) any other date (as JDI and JOLED separately agree) before the payment concerning the Sponsor Third-party Allotment has been made, pursuant to the relevant provisions under the Memorandum of the Share Subscription Agreement entered into with JOLED on July 29, 2019. Therefore, the table above includes such common shares to be subscribed for by JDI through such additional subscription.

(Note 2) The digits after the first decimal place have been cut.

(Note 3) The Share Transfer will be implemented as substitute performance for the Bridge Loan Debt in the amount of JPY 20 billion, and the Subordinated Loan Debt in the amount of JPY 26,320,000,000.

5. Schedule

(1)	Date of the execution of the Agreement	May 30, 2019
(2)	Date of the execution of the Substitute Performance Agreement	August 27, 2019
(3)	Closing date of the Share Transfer	Any date from September 27, 2019 to August 28, 2020 (scheduled)

(Note) The Share Transfer will be implemented on the date on which the payment concerning the Sponsor Third-party Allotment has been made.

6. Future Outlook

Along with the Share Transfer, JDI will record extraordinary profits in its financial results for March 2020 or 2021, matching the difference between the book value and the transfer price as of the closing of the Share Transfer. Regarding the effect on the consolidated business performance of JDI by the Share Transfer, JDI is assuming approximately JPY 20 billion as such extraordinary profit. JDI will promptly announce the details, once they have been confirmed.

JDI continues to maintain a collaboration and cooperation system established between JDI and JOLED related to the development, manufacturing, and sales pursuant to each relevant agreement with JOLED.

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The information contained in the press release is as of the date of the announcement and is subject to change without prior notice. Of the information contained in this press release, our forecasts, plans and other forward-looking statements are based on our analysis and judgments subject to the information available to us as of the date of announcement, and actual results may differ materially from those expressed or implied by such forward-looking statements.