

[English Translation]

(Delayed) Notice Concerning the Recording of Non-Operating Expenses (Equity in Losses of Affiliates) and Extraordinary Loss (Business Restructuring Expenses)

Japan Display, Inc. ("JDI") today announced that it recorded non-operating expenses (equity in losses of affiliates) and an extraordinary loss (business restructuring expenses) in the consolidated first quarter of FY 2019 (April 1 – June 30, 2019). Details are described below.

* * *

1. Non-operating expenses (equity in losses of affiliates)

JDI recorded a share of loss of entities accounted for using the equity method of ¥2,031 million as a non-operating expense in the first quarter of FY 2019 based on the financial results reported by the equity-method affiliate JOLED Inc.

2. Extraordinary loss (business restructuring expenses)

The press release issued on June 12, 2019 titled "Notice Concerning Implementation of Structural Reforms through Downsizing of Mobile Business, Employee Reduction, Reduction of Executive Compensation, etc., and Renovation of Executive Officer Structure" stated that JDI would downsize the mobile business, which has no prospect of a significant recovery in demand in the future, and would suspend operations at the Hakusan Plant and close down the back-end production line at the company's Mobara Plant. Also, the release stated that JDI had decided to reduce the number of employees and lower executive compensation and employee salaries, along with other measures.

A recent follow-up action in regard to the June 12 release is that in the first quarter of FY 2019, the book value of business assets for certain manufacturing facilities (mainly the Hakusan Plant) was reduced to the recoverable amount due to a decline in the profitability of these assets and recorded as an impairment loss. Also, the removal cost for these facility assets, which is also part of the restructuring, was recognized in the first quarter. As a result, JDI recorded ¥51,693 million of business structure improvement expenses as an extraordinary loss in the first quarter of FY 2019.

3. Outlook

The above-described recording of non-operating expenses and an extraordinary loss are reflected in the "Consolidated Financial Results for the Three Months of Fiscal Year 2019 (Japanese GAAP)" released today (August 9, 2019) by JDI.

###