



Notice Concerning Japan Display's Earnings Results and Forecasts in Connection with Listing on the 1st Section of the Tokyo Stock Exchange

TOKYO, Japan, March 19, 2014 – Japan Display Inc. (“JDI”) was listed today on the first section of the Tokyo Stock Exchange with the stock code 6740. JDI welcomes the continued encouragement and guidance of all who support the company.

JDI’s financial forecasts for FY2013 are presented below. Recent financial results information appears in an accompanying document.

Consolidated (Units: %, million yen except per share amounts)

Financial Item \ Fiscal Year	FY 2013 (ending March 2014) (Forecast)			Cumulative 9 months of FY 2013 (Actual)		FY 2012 (Actual)	
		% of sales	YoY Chg. (%)		% of sales		% of sales
Net Sales	623,400	100.0	377.5	482,742	100.0	165,144	100.0
Operating Profit	30,400	4.9	300.8	22,122	4.6	10,106	6.1
Recurring Profit	22,600	3.6	264.4	18,636	3.9	8,549	5.2
Net income	36,600	5.9	—	33,483	6.9	3,555	2.2
Net income per share	145.55 yen			167.05 yen		29.61 yen	
Dividend per share	0.0 yen			—		0.0 yen	

Notes:

1. The calculation of net income per share for FY2012 (actual) and nine months of FY2013 ended December 31, 2013 (actual) is based on the average number of shares outstanding during the fiscal accounting period. The calculation of net income per share (forecast) for full FY2013 is based on the expected average number of shares outstanding during the fiscal year that includes a public offering (140,000,000 shares) but excludes the shares to be issued in connection with the exercise of an over-allotment option (up to 18,000,000 shares). While JDI implemented a stock split on January 28, 2014 in which each share was split into 100 shares, the company has calculated the above net income per share on the premise that the share split was implemented at the beginning of FY2012. Further, on January 27, 2014 class A preferred shares (260,000,000 shares) were converted to common shares.
2. On April 1, 2013, Japan Display Inc. was merged with its wholly-owned subsidiaries Japan Display East Inc. (“JDE”), Japan Display West Inc., Japan Display Central Inc., and Japan Display East Products, Co., Ltd. JDE was the surviving entity, and all other entities merged into JDE were dissolved after the merger. JDE subsequently changed its name to Japan Display, Inc. (“JDI”). The financial results for FY2012 noted above are the consolidated financial results of the pre-merger Japan Display East, not the results of former JDI. The FY2012 financial results for former JDI are shown on the following page.

Reference:

Below are key consolidated financial results and EBITDA for former JDI, the effective pre-merger managing company, for FY2012, FY2013 (forecast) and nine months of FY2013 ended December 31, 2013.

Consolidated

(Units: %, million yen except per share amounts)

Fiscal Year Financial Item	FY 2013 (ending March 2014) (Forecast)			Cumulative 9 months of FY 2013 (Actual)		FY 2012 (Actual)	
		% of sales	YoY Chg. (%)		% of sales		% of sales
Net Sales	623,400	100.0	136.3	482,742	100.0	457,378	100.0
Operating Profit	30,400	4.9	—	22,122	4.6	1,783	0.4
Recurring Profit	22,600	3.6	407.8	18,636	3.9	5,542	1.2
Net Income	36,600	5.9	941.1	33,483	6.9	3,889	0.9
Net income per share	145.55 yen			167.05 yen		19.44 yen	
EBITDA	93,000	14.9	240.3	66,838	13.8	38,705	8.5
EBITDA per share	370.17 yen			333.46 yen		193.52 yen	

Notes:

1. EBITDA is calculated as the aggregate of (i) operating income, (ii) depreciation and amortization (operating) and (iii) amortization of goodwill. Further, EBITDA is not one of the subjects audited (quarterly review) pursuant to Article 193-2, paragraph (1) of the Financial Instruments and Exchange Act.
2. The calculation of net income per share for FY2012 (actual) and nine months of FY2013 ended December 31, 2013 (actual) is based on the average number of shares outstanding during the fiscal accounting period. The calculation of net income per share (forecast) for full FY2013 is based on the expected average number of shares outstanding during the fiscal year that includes a public offering (140,000,000 shares) but excludes the shares to be issued in connection with the exercise of an over-allotment option (up to 18,000,000 shares). While JDI implemented a stock split on January 28, 2014 in which each share was split into 100 shares, the company has calculated the above net income per share on the premise that the share split was implemented at the beginning of FY2012. Further, on January 27, 2014 class A preferred shares (260,000,000 shares) were converted to common shares.
3. The year-on-year (YoY) data included in FY2013 is based on a comparison with the FY2012 consolidated financial results of the former JDI.

About JDI

Japan Display Inc. (JDI) is the leading global manufacturer of advanced small- and medium-sized LTPS LCD panels. By leveraging its advanced technologies and the world's largest LTPS production capacity, JDI provides high resolution, low power consumption and ultrathin displays for smartphones, tablets, automotive electronics, digital cameras, medical equipment and other electronic devices. JDI, which commenced operations in April 2012, was formed through the consolidation of the display panel businesses of Sony, Hitachi and Toshiba. The company listed its stock on the First Section of Tokyo Stock Exchange today under the trading code of 6740. For more information, visit <http://www.j-display.com/english/>.

March 19, 2014

Japan Display Inc.

Consolidated Financial Results for Nine Months of Fiscal Year 2013 (Japanese GAAP)

(This is an English translation of an original Japanese-language document.)

Company name: Japan Display Inc. ("JDI")
 Security code: 6740
 Listing: Tokyo Stock Exchange (First Section)
 Website: <http://www.j-display.com/english/>
 Representative: Shuichi Otsuka, President and Chief Executive Officer
 Contact: Yasuhiro Nishi, Chief Financial Officer
 Phone: +81-3-6732-8100

Filing of 3Q-FY2013 quarterly securities report: Not scheduled
 Commencement of dividend payments: -
 Supplementary materials for the 3Q-FY2013 earnings results: Not available
 Briefing for 3Q-FY2013 results: Not scheduled

(Figures in this earnings report are rounded down to the nearest million yen.)

1. Consolidated results of operations for the nine month ended December 31, 2013

(1) Results of operations		(Millions yen, except per share amounts)			
	9 mo. ended Dec 31, 2013	Change (%)	9 mo. ended Dec 31, 2012	Change (%)	
Net sales.....	482,742	-	-	-	
Operating income.....	22,122	-	-	-	
Ordinary income.....	18,636	-	-	-	
Net income	33,483	-	-	-	
Net income per share					
-Basic.....	167.05	-	-	-	
-Diluted.....	-	-	-	-	
(Reference) Comprehensive income	40,138	-	-	-	

Notes:

1. Japan Display Inc., (hereafter, "the Company" and JDI are used interchangeably) has not prepared quarterly consolidated financial statements for the nine months ended December 31, 2012.
2. On January 28, 2014, the Company split its common stock based on the ratio of 100 shares per one share. The calculations of net income per share are based on the assumption that the share split occurred as of the beginning of each period presented.

(2) Financial position (Million yen, except per share amounts)

	Dec 31, 2013	Dec 31, 2012
Total assets.....	689,445	-
Net assets	292,556	-
Shareholders' equity ratio (%)	42.4%	-
Net assets per share.....	1,456.29	-
(Reference) Shareholders' equity.....	292,080	-

Notes:

1. On January 28, 2014, the Company split its common stock based on the ratio of 100 shares per one share. The calculations of net income per share are based on the assumption that the share split occurred as of the beginning of each period presented.
2. Since Japan Display East Inc. merged with former JDI, Japan Display Central Inc., Japan Display West Inc. and Japan Display East Products Co., Ltd. on April 1, 2013 (and on the merger date Japan Display East Inc. changed its corporate name to the current name of Japan Display Inc.) information about the Company's consolidated financial position in FY2012 has been omitted.

2. Dividends

	June 30	Sep 30	Dec 31	FY-end	Total
Year ended Mar. 31, 2013	-	-	-	-	-
Year ending Mar. 31, 2014	-	-	-		
Year ending Mar. 31, 2014 (forecast)				-	-

Note:

Changes from the most recently announced dividend forecast: None

3. Earnings forecast for the fiscal year ending March 31, 2014

(Billion yen, except per share amounts)

	FY ending Mar 31, 2014	Change from previous year (%)
Net sales.....	623.4	-
Operating income.....	30.4	-
Ordinary income	22.6	-
Net income.....	36.6	-
Net income per share.....	145.55	-

Notes:

1. Changes from the most recently announced earnings forecast: None
2. On January 27, 2014 the Company's class A preferred shares were converted to shares of common stock at a ratio of 1:1 and on January 28, 2014 the Company implemented a stock split in which each share of common stock was split into 100 shares. Also, as a result of a global offering in March 2014, the Company has total shares outstanding in the amount of 601,387,900 as of the date hereof. The earnings forecast for "net income per share" was calculated using the average number of outstanding shares in the fiscal year following the previously described stock split and global offering (not including the shares to be issued in connection with the exercise of an over-allotment option) but does not include treasury stock.

Notes:

- (1) Changes to scope of consolidation: None
- (2) Adoption of special accounting practices for quarterly consolidated financial statements: Yes
- (3) Accounting changes in consolidated financial statements.
- a) Changes in accounting policy in accordance with amendments to accounting standards: None
 - b) Changes in accounting policy other than (a) above: None
 - c) Changes in accounting estimates: None
 - d) Retrospective restatement: None

(4) Number of shares outstanding (common shares)

	Dec 31, 2013	Mar 31, 2013
Number of shares outstanding (including treasury shares)	201,387,900	-
Number of treasury shares	823,500	-
	9 mo. ended Dec 31, 2013	FY ended Mar 31, 2013
Average number of shares outstanding	200,437,624	-

* Disclosure related to implementation of quarterly review procedures

This quarterly earnings report is exempt from the quarterly consolidated financial statements review procedures set forth in Japan's Financial Instruments and Exchange Law. However, at the time this quarterly earnings report was disclosed quarterly consolidated financial statements review procedures pursuant to the Financial Instruments and Exchange Law had been completed.

Proper use of earnings forecasts and other matters warranting special mention

Forward-looking information such as earnings forecasts in this document is based on information available to the Company at the time the document was prepared and management's reasonable assumptions. Such information should not be interpreted as a guarantee of future performance or results. Furthermore, forward-looking information is necessarily subject to a number of factors that may cause actual results to differ materially from those results implied by the expectations suggested by such information.

ADDITIONAL INFORMATION**1. Quarterly results information**

Since the Company has not prepared quarterly consolidated financial statements for the consolidated accounting period of nine months ended December 31, 2012, a comparison with year-ago quarterly results is not presented.

(1) Overview of business results

Consolidated results for nine months of FY 2013 (April 1, 2013 to December 31, 2013)

(Million yen)

	1Q-FY13	2Q-FY13	3Q-FY13	Accumulated
Net Sales	145,372	175,592	161,778	482,742
Mobile device	113,632	136,720	126,670	377,022
Automotive electronics, C&I and other	31,740	38,872	35,108	105,720
Gross Profit	17,452	18,760	19,413	55,625
Operating Income	6,313	7,612	8,196	22,122
Ordinary Income	4,739	4,918	8,979	18,636
Income before income taxes	4,739	2,588	8,979	16,306
Net income	24,361	2,174	6,948	33,483

During the nine months ended December 31, 2013 the small- to medium-sized LCD display panel market remained strong due to continued growth in the markets for smartphones and tablets. The smartphone market saw higher demand for large-size high-resolution LTPS (low temperature polycrystalline silicon) displays such as 5-inch Full HD (1920 x 1080 pixels). In China, where the market for low-price smartphones is currently experiencing rapid growth, these large-size high-resolution displays have also been adopted for use in flagship models produced by domestic Chinese smartphone makers. Also in China, smartphones in the middle price range have started to use HD720 (1280 x 720 pixels) display panels which can be effectively produced with LTPS technology. Further, tablets have started to use higher resolution displays following smartphones, with the market entry of a 7-inch high-resolution display with over 300 ppi as an example.

JDI saw steady shipments of LCD display panels for smartphones and automotive electronics, and in the second quarter began inaugural shipments of tablet displays. Also, in response to greater demand for high-resolution displays, in June 2013 the Company began mass production on the newest 6th-generation LCD production line at its Mobara Plant and started shipments based on this production in the second quarter.

As a result of the foregoing, net sales for the nine-month period were 482,742 million yen, operating profit was 22,122 million yen and ordinary profit was 18,636 million yen. Because we recognized an income tax benefit of 17,340 million yen due mainly to recognizing deferred tax assets related to tax losses carried forward, net income was 33,483 million yen.

JDI has no operating segments, as that term is defined under Japanese GAAP. The Company instead announces sales categories by product applications as shown below.

Mobile device category

The mobile device category includes display panels for smartphones, tablets and mobile phones. Cumulative consolidated sales in this category for the nine months ended December 31, 2013 were 377,022 million yen, accounting for 78.1% of total sales.

Over the nine-month period smartphone displays reached higher levels of resolution. This resulted in strong sales of high-resolution LCD panels that utilize our advanced LTPS technology, such as 5-inch Full HD (1920 x 1080 pixels) and HD720 (1280 x 720 pixels) resolution panels. Also, we began shipments of tablet displays in the second quarter.

Automotive electronics, C&I and other category

The automotive electronics, C&I and other category includes display panels for automotive electronics, consumer electronics devices such as digital cameras and game consoles and industrial equipment such as medical devices. Income from patents is also included. Cumulative consolidated sales in this category for the nine months ended December 31, 2013 were 105,720 million yen, accounting for 21.9% of total sales.

For the nine-month consolidated accounting period ended December 31, 2013 strong sales of automobiles in the US and China led to favorable sales of automotive electronics displays. On the other hand, downsizing of the markets for digital cameras and game consoles due to expansion of the smartphone market resulted in weak sales of C&I displays.

(2) Financial Position

Total assets, liabilities and net assets

The Company's consolidated financial position as of December 31, 2013 is the consolidated financial position of Japan Display Inc., which is the company resulting from the April 1, 2013 merger of Japan Display East Inc. (the surviving company) with the former JDI, Japan Display Central Inc., Japan Display West Inc. and Japan Display East Products Co., Ltd. As of December 31, 2013 total assets were 689,445 million yen (an increase of 574,410 million yen compared with the year-ago consolidated accounting period), total liabilities were 396,889 million yen (an increase of 278,372 million yen) and net assets were 292,556 million yen (an increase of 296,037 million yen).

2. Summary information (notes)

(1) Changes to major subsidiaries in the cumulative consolidated nine months ended December 31, 2013

In the consolidated first quarter the Company acquired an ownership interest in Nanox Philippines Inc. on June 1, 2014. As a result Nanox Philippines became a consolidated subsidiary included in the scope of the Company's consolidated accounting. Further, as of the date of the acquisition of the ownership interest Nanox Philippines operations were included in the Company's income statement. Also, in the consolidated third quarter, a new subsidiary named Taiwan Display Inc. was created and included in the scope of the Company's consolidated accounting.

(2) Application of special accounting practices to the preparation of quarterly consolidated financial statements

(Calculation of tax expenses)

Income taxes are calculated by multiplying quarterly income before income taxes by a reasonable estimate of the effective tax rate, after application of tax effect accounting, for estimated income before income taxes in the consolidated fiscal year, including the third quarter.

- (3) Changes in accounting policies, changes in accounting estimates, retrospective restatements:

Not applicable

3. Quarterly Financial Statements
(1) Consolidated Balance Sheets
March 31, 2013 and December 31, 2013

	Millions of Yen	
	March 31, 2013	December 31, 2013
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	23,524	40,175
Notes and accounts receivable	27,199	120,096
Merchandise and finished goods	4,051	33,133
Work in process	7,702	32,309
Raw materials and supplies	4,863	16,558
Other current assets	4,008	65,925
Allowance for doubtful accounts	(16)	(204)
Total current assets	<u>71,333</u>	<u>307,993</u>
Noncurrent assets:		
Property, plant and equipment		
Building and structures, net	17,871	90,895
Machinery, equipment and vehicles, net	10,380	129,666
Land	2,986	11,145
Lease assets, net	6,036	74,759
Construction in progress	539	23,324
Production supplies, tools and other, net	3,469	12,822
Total property, plant and equipment	<u>41,284</u>	<u>342,611</u>
Intangible assets		
Goodwill, net	-	22,632
Other intangible assets, net	1,775	13,326
Total intangible assets	<u>1,775</u>	<u>35,958</u>
Investments and other assets		
Other assets	645	2,884
Allowance for doubtful accounts	(3)	(3)
Total investments and other assets	<u>641</u>	<u>2,881</u>
Total noncurrent assets	<u>43,701</u>	<u>381,451</u>
Total assets	<u><u>115,034</u></u>	<u><u>689,445</u></u>

(1) Consolidated Balance Sheets
March 31, 2013 and December 31, 2013

	Millions of Yen	
	March 31, 2013	December 31, 2013
<u>Liabilities</u>		
Current liabilities:		
Notes and accounts payable	30,050	132,718
Short-term borrowings	-	8,976
Short-term loans payable to subsidiaries and affiliates	28,866	-
Current portion of long-term debt	7,000	8,552
Income tax payable and others	418	3,779
Accrued bonuses	1,243	3,611
Advance receipts	2,079	71,844
Other current liabilities	14,276	68,235
Total current liabilities	83,935	297,718
Noncurrent liabilities:		
Long-term debt, excluding current portion	20,985	19,667
Retirement benefit obligations	9,211	22,568
Other liabilities	4,384	56,934
Total noncurrent liabilities	34,581	99,170
Total liabilities	118,516	396,889
<u>Net Assets</u>		
Shareholders' equity		
Capital stock	35,274	35,274
Capital surplus	62,258	195,433
Retained earnings	(104,990)	48,703
Treasury stock	-	(411)
Total shareholders' equity	(7,457)	279,000
Accumulated other comprehensive income		
Foreign currency translation adjustment	3,862	13,080
Total accumulated other comprehensive income	3,862	13,080
Noncontrolling interest	113	475
Total net assets	(3,481)	292,556
Total liabilities and net assets	115,034	689,445

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Statements of Income
For the Nine Months Ended December 31, 2013

	Millions of Yen
	2013
Sales, net	482,742
Cost of sales	427,117
Gross profit	55,625
Selling, general and administrative expenses	33,502
Operating income	22,122
Other income	
Interest income	78
Foreign exchange gain, net	600
Rental fee	552
Other income	1,200
Total other income	2,431
Other expenses	
Interest expense	2,028
Depreciation expense for idle assets	1,428
Other expenses	2,459
Total other expenses	5,917
Ordinary income	18,636
Extraordinary expenses	
Loss on inventory write down	2,330
Total extraordinary expenses	2,330
Income before income taxes	16,306
Income tax expense (benefit)	(17,340)
Net income	33,647
Less: net income attributable to noncontrolling interest	(163)
Net income attributable to Japan Display Inc.	33,483

Statements of Comprehensive Income
For the Nine Months Ended December 31, 2013

	Millions of Yen
	2013
Net income	33,647
Other comprehensive income – foreign currency translation adjustments	6,491
Total comprehensive income	40,138
Comprehensive income attributable to noncontrolling interest	154
Comprehensive income attributable to Japan Display Inc.	39,983

(3) Going concern assumption

No relevant items.

(4) Stockholders' equity related information

Significant change in stockholders' equity

On April 1, 2013, Japan Display East Inc. merged with its former parent company, Japan Display Inc., its sister companies, Japan Display Central Inc. and Japan Display West Inc. and its wholly owned subsidiary, Japan Display East Products, Co., Ltd. As a result of this merger, its capital surplus and retained earnings increased by 133,160 million yen and 120,264 million yen, respectively, for the nine months ended December 31, 2013. As of December 31, 2013, the Company's capital surplus and retained earnings were 195,433 million yen and 48,703 million yen, respectively.

(5) Subsequent Events

On January 27, 2014, the shareholders of the Company and class A preferred shareholders approved to modify the agreement to change a conversion option period, in which the class A preferred shareholders are able to exercise its conversion option effective January 27, 2014 through March 31, 2034. The entire class A preferred shareholders exercised its option, and all of class A preferred shares were converted into common stock on January 27, 2014. The Company retired all of the class A preferred stock upon the acquisition. The Company's board of directors and shareholders of class A preferred stock also approved the Company to split its common stock under the Unit Share System. On January 28, 2014, the stock split has been performed based the ratio of 100 shares per one share based on the number of shares held by the shareholders who are registered in the shareholder register as of January 28, 2014. As a result, the number of the Company's outstanding common stock has increased by 456,774,021 shares. In accordance with the Unit Share System, each 100 shares of common stock constitute one unit of shares for the purpose of granting voting right and trading in the open market.