

Notice Concerning a Revised Financial Forecast and Non-Operating Expense (Foreign Exchange Loss)

TOKYO, Japan, August 5, 2016 – Japan Display Inc. ("JDI") today announced a revision to its FY 2016 first quarter (April 1, 2016 to June 30, 2016) net sales and operating income forecast, which was announced on May 12. Further, previously undisclosed estimates of other earnings numbers are shown below since calculations of those are now available.

Also, a non-operating expense (foreign exchange loss) will be recorded in the first quarter and is described below.

JDI plans to announce its first-quarter financial results and its forecast for the second quarter on August 9.

* * *

1. Revised financial forecast

(1) First quarter of FY 2016 (April 1, 2016 to June 30, 2016) consolidated financial forecast

(Million yen except for net loss per share)

	Net sales	Operating income (loss)	Ordinary income (loss)	Income (Loss) attributable to owners of the parent	Net loss per share (yen)
Previous forecast (A)	195,000	1,000	-	-	-
New revised forecast (B)	174,000	(3,500)	(14,300)	(11,800)	(19.62)
Difference (B-A)	(21,000)	(4,500)	-	-	-
Percentage difference (%)	-10.8%	-	-	-	-
Reference: Actual 1Q-FY2015 consolidated results	246,129	2,244	(110)	(461)	(0.77)

(2) Reason for revision

In the consolidated first quarter sales are now expected to finish about 10% lower than the previous forecast due partly because JDI's shipment volume was lower relative to its assumption in the previous forecast. A decline in the average selling price in the China market and changes in the mix of products sold in the US/Europe regions during the quarter also affected sales. Given less gross profit due to lower sales and the impact of yen appreciation, JDI has also revised down its operating income estimate relative to its previous forecast.

Also, previously undisclosed estimates of ordinary income (loss), income (loss) attributable to owners of the parent and net income (loss) per share are included in the above "Revised financial forecast" (table 1).

2. Recording of Non-Operating Expense (Foreign Exchange Loss)

(1) Foreign exchange loss summary

Due to fluctuations in the foreign exchange market a foreign exchange loss of 6,742 million yen will be recorded as a non-operating expense in the consolidated accounting of JDI's FY 2016 first quarter (April 1, 2016 to June 30, 2016).

The reason for this loss is that extreme volatility in the foreign exchange market during the first quarter resulted in the application of different foreign exchange rates at the time sales and purchase transactions were entered versus when these transactions were settled. In addition, foreign-exchange evaluations of JDI's foreign-denominated assets and liabilities made at the end of the first quarter and partial payments on long-term borrowings booked at a time of previous strong yen appreciation contributed to foreign exchange losses.

(2) Impact on financial results

The impact of this non-operating expense (foreign exchange loss) on JDI's financial results is indicated above under "Revised financial forecast" (Table 1).

###