

[English Translation]

December 21, 2016

Notice Concerning Basic Agreement Regarding Acquisition of Shares (Subsidiarization) of JOLED Inc.

Japan Display Inc. (“JDI”) hereby announces (i) that it has resolved, at its meeting of the board of directors as of December 21, 2016, to execute a basic agreement (the “Basic Agreement”) among Innovation Network Corporation of Japan (“INCJ”) and JOLED Inc. (“JOLED”) regarding the acquisition of a part of the issued shares of JOLED from INCJ to increase JDI’s voting rights holding ratio in JOLED to 51% and make JOLED become JDI’s consolidated subsidiary (the “Subsidiarization”), and (ii) that JDI has executed the Basic Agreement among both parties as of today. The Basic Agreement is an agreement on basic matters regarding the Subsidiarization by JDI; acquisition of the shares of JOLED and terms thereof will be determined upon the outcome of future discussions. Note that Mr. Koichiro Taniyama, Outside Director of JDI, is concurrently holding the position of executive managing director of INCJ and director of JOLED, and since there was or might have been a conflict of interest regarding the Subsidiarization, he neither participated in JDI’s deliberations regarding the Subsidiarization, nor participated, on behalf of JDI, in the discussions and negotiations regarding the Subsidiarization.

Detailed information regarding the background and purpose of the Subsidiarization may be found at “Offering of 1st Series Unsecured Subordinated Convertible Bonds with Stock Acquisition Rights to be Issued through Third-Party Allotment and Fund Raising through Subordinated Loan” published as of today.

1. Outline of JOLED

(1) Company Name	JOLED Inc.
(2) Location	3-23, Kandanishiki-cho, Chiyoda-ku, Tokyo
(3) Name and Title of Representative	Nobuhiro Higashiiriki, President and Representative Director
(4) Business Activities	Research, development, production and sale of organic electroluminescent display panels and parts, materials and production equipment and related products thereof
(5) Stated Capital	18,850 million yen
(6) Date of Establishment	January 5, 2015
(7) Fiscal Year End	March 31
(8) Number of Employees	Approximately 260 employees
(9) Shareholders and Voting Rights Holding Ratios	INCJ: 75.0%, JDI: 15.0% Sony Corporation: 5.0%, Panasonic Corporation: 5.0%

2. Schedule of Subsidiarization

(1) Execution of a basic agreement regarding the acquisition of shares of JOLED (Subsidiarization)	December 21, 2016
(2) Execution of a definitive agreement regarding the acquisition of shares of JOLED (Subsidiarization) (scheduled)	By March 31, 2017
(3) Completion of the acquisition of shares of JOLED (Subsidiarization) (scheduled)	First half of Fiscal 2017

* The acquisition price and other terms of the acquisition of the shares of JOLED are not determined at this moment, and will be agreed upon and set forth in the definitive agreement. As soon as the details are determined, we will announce them.

3. Outlook

The Subsidiarization will not have any impact on the earnings of JDI for the fiscal year ending March 2017. The impact on the earnings of JDI for subsequent fiscal years is under review. Once we discover the extent of the impact, we will promptly disclose it.

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About JDI

Japan Display Inc. (JDI) is the leading global manufacturer of advanced small- and medium-sized LTPS LCDs. JDI leverages advanced technologies and the world's largest LTPS LCD production capacity to provide high resolution, low power consumption and ultrathin displays for smartphones, tablets, automotive electronics, digital cameras, medical equipment and other electronic devices. JDI was established in April 2012 following consolidation of the display panel businesses of Sony, Hitachi and Toshiba. The company listed on the First Section of the Tokyo Stock Exchange in March 2014 (securities code: 6740). For more information about JDI please visit: <http://www.j-display.com/english/>.