

November 8, 2017

Notice Concerning Business Structure Improvement Expenses and Share of Loss of Entities Accounted for Using the Equity Method

Japan Display, Inc. today announced that it recorded business structure improvement expenses (extraordinary loss) and share of loss of entities accounted for using the equity method (non-operating expense) in the second quarter of FY 2017 (July 1, 2017 to September 30, 2017).

1. Recording of business structure improvement expenses (extraordinary loss)

In line with the *Notice Concerning Structural Reforms, Extraordinary Losses (Business Structure Improvement Expenses) and Reversal of Deferred Tax* released on August 9, 2017 JDI is streamlining its management based on implementation of a program of fundamental restructuring for the purpose of improving company earnings. A portion of the expenses of these structural reforms (business structure improvement expenses) has been booked as an extraordinary loss of 13,827 million yen in the accounting of financial results for the second quarter of FY 2017. Details appear below.

Details of the FY 2017 Second-Quarter Business Structure Improvement Expenses

Contents	Amount (million yen)
(1) Inventory valuation loss	11,628
(2) Equipment removal costs	785
(3) Loss on sales of fixed assets	621
(4) Other	791
Total	13,827

Also, in the first quarter of FY 2017 (April 1, 2017 to June 30, 2017) an impairment loss on idle assets in the amount of 2,652 million yen was recorded as a business structure improvement expense.

2. Recording of share of loss of entities accounted for using the equity method (non-operating expense)

JOLED Inc. is an equity-method affiliate of JDI. Based on information in JOLED's financial statements, JDI recorded an investment loss of 3,644 million yen (share of loss of entities accounted for using the equity method) in the second quarter as a non-operating expense.

3. Outlook

The impact of the above-described extraordinary loss and non-operating expense on JDI's financial results is indicated in *Consolidated Financial Results for the Six Months of Fiscal Year 2017 (Japanese GAAP)*, which was also released today.

Furthermore, the expenses related to the structural reforms (business structure improvement expenses) now being implemented will amount to approximately 170 billion yen and are expected to be recorded within fiscal year 2017.

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