

**Japan Display Inc. Comments on the Status of Its Business
and Media Coverage on Friday**

TOKYO, Japan, December 14, 2018 — Since mid-November of this year, there have been news reports of large reductions in production volumes of our customer's new smartphone model. This news has apparently caused the share prices of smartphone component suppliers to this customer, including Japan Display Inc. ("JDI"), to decline.

At JDI, we revised down our financial forecast on November 12, to indicate that our annual sales and operating income will decline relative to our initial forecast. In regard to demand, we have previously indicated that we will carefully monitor demand trends and respond to any swing in demand in the mobile category.

We take pride in enjoying an excellent reputation among our smartphone panel customers for our cutting-edge narrow bezel technology etc. in LCDs and our development skills in a broad range of future technology/product areas. At this time, we are leveraging our reputation, as we are once again approaching each of our customers to negotiate order volumes, and have already seen encouraging results. Moreover, some customers have already announced strengthened promotion plans for the Christmas season, which is expected to bring higher demand. We will continue such sales efforts, together with streamlining our productivity, and seek higher profitability.

Also, we are not at all considering the possibility of selling a part of our business, as today's *Nikkei Shimbun* newspaper mentioned in an article regarding JDI's partnerships with other companies.

In addition, while there have been media reports on Japan Investment Corporation ("JIC"), the parent of INCJ Ltd., which is JDI's largest shareholder, about resignations of board of director members and budgetary matters, these reports do not affect INCJ's support for JDI. INCJ has indicated that it will continue to work closely with JDI to help us to achieve business growth and greater corporate value.

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