

May 30, 2019

[English Translation]

**(Delayed) (Update and Progress of a Disclosure Matter)
Concerning the Disclosure as of April 12 and 18, 2019**

Regarding the announcement made on April 12, 2019, titled "Notice Concerning Conclusion of the Capital and Business Alliance Agreement, the Business Alliance Basic Agreement, and the Business Alliance MOU, Issuance of New Shares and Bonds with Stock Acquisition Rights through Third-party Allotment, a Change in the Parent Company and the Largest Major Shareholder and Amendment of the Articles of Incorporation" (the "Disclosure as of April 12, 2019") and the announcements made on April 26, 2019 and May 13, 2019, titled "(Update and Progress of a Disclosure Matter) Concerning the Disclosure as of April 12, 2019" (such announcements made on April 26, 2019, the "Disclosure as of April 26, 2019", and made on May 13, 2019, the "Disclosure as of May 13, 2019"), Japan Display Inc. ("JDI") announces that it has been informed by each of the expected investors of Suwa Investment Holdings, LLC (the "Expected Allottee") of the specific schedules concerning the internal procedures required to be implemented for their investments.

Also, regarding the Disclosure as of April 12, 2019, JDI announces that changes have been made to the refinancing plan provided in the Memorandum of Understanding (the "MOU") dated April 12, 2019, which was executed between JDI, INCJ Ltd. ("INCJ") and the Expected Allottee.

In addition, regarding the announcement made on April 18, 2019, titled "Notice Concerning the Borrowing of Funds" (the "Disclosure as of April 18, 2019"), JDI announces that it has agreed with INCJ to postpone the repayment due date of the borrowing made under the bridge loan agreement.

1. Planned internal resolutions by the expected investors of the Expected Allottee

As announced in the Disclosure as of April 12, 2019, in the mobile device area, which is the main business of JDI and trades displays for smartphones and tablets, due to the intensified price competition caused by rapid technological catch-up and expansion of production capacity by Chinese competitive display manufacturers, the business environment surrounding JDI has grown increasingly severe. As a result of these factors, JDI's cash flow and profitability have deteriorated sharply. In light of this situation, JDI has determined to promptly and radically address its financial and business issues with various means of assistance, including the refinance from INCJ (which is the largest major shareholder and largest creditor of JDI), as well as with a large-scale injection of capital funds from the Expected Allottee (which was selected by JDI as its sponsor). However, as announced

in the Disclosure as of April 26, 2019 and the Disclosure as of May 13, 2019, JDI was informed by each of the expected investors that they will make the internal resolutions required to be implemented for their investments after re-examining the prospects for JDI's business performance.

Given this situation, JDI held discussions with the relevant parties in order for each of the expected investors of the Expected Allottee to make the above-mentioned internal resolutions as soon as possible. Consequently, JDI has agreed with JDI's customer (the "Customer") that they will defer 50% of the amount of their recoupment (JDI's accounts receivable to be offset by JDI's obligation to repay the prepayment made by the Customer to JDI), which is provided under the conventional terms and conditions, for a period of two years, in order to cooperate in JDI's financial reinforcement in the short term. In addition, JDI and the Customer have agreed that the Customer will work with JDI in good faith to increase the volume of purchase orders from the Customer. JDI believes that these agreements will not only reduce the burden on its operating capital for the time being, but also represent the Customer's intention to maintain a relationship with JDI as an important supplier of their displays.

Also, JDI has resolved at its board of directors meeting held on May 30, 2019 to enter into an agreement with INCJ regarding its support of JDI (the "Agreement"). Under the Agreement, JDI and INCJ have agreed to transfer all of the shares of JOLED Inc. held by JDI to INCJ, as substitute performance for JPY 44,695,040,000 in total, calculated by adding (a) JPY 24,695,040,000 (part of the subordinated loan, the total principal amount of which is JPY 30 billion) to (b) the total borrowings under the loan agreement for a bridge loan (the total principal amount of which is JPY 20 billion), both of which were announced in the Disclosure as of April 28, 2019, at the same time as the payment concerning the issuance of new shares and the 2nd series of bonds with stock acquisition rights to the Expected Allottee through third-party allotment (the "Third-party Allotment") which was announced in the Disclosure as of April 12, 2019. JDI and INCJ are currently discussing the final terms and conditions of such substitute performance, and will announce them and implement necessary procedures after they have been determined. For details of the above-mentioned substitute performance, please refer to "Notice Concerning Transfer of Shares of Equity Method Affiliate" disclosed by JDI today.

Further, the MOU which was announced in the Disclosure as of April 12, 2019 indicates that INCJ agrees to provide JDI a new loan (the "New Loan") and to subscribe for preferred shares (the "Preferred Shares"). However, as stated in "2. Agreement with INCJ regarding the refinance through the New Loan and subscription for the Preferred Shares" below, under the Agreement, JDI has agreed to (i) changes in the total amount of the New Loan and the subscription for the Preferred Shares, and (ii) partial changes in the terms and conditions of the Preferred Shares. Regarding these supports, JDI has determined to deliberate making its in-house mobile company its subsidiary, by the end of September 2019, through an incorporation-type company split or other means. The focus of this deliberation is (i) securing the stability of JDI's business base as it becomes a parent company by separating the mobile device business from the automotive and non-mobile businesses (the risk profile of the mobile device business is different from those of the automotive and non-mobile businesses), and (ii) to further clarify the execution authority and responsibility for the business performance of each business. Based on the above, JDI has been informed by each of the expected investors of the Expected Allottee that they

will each consult with the relevant internal body by June 14, 2019 in order to make the internal resolutions required to be implemented for their investments.

2. Agreement with INCJ regarding the refinance through the New Loan and subscription for the Preferred Shares

JDI announced in the Disclosure as of April 12, 2019 that JDI, INCJ and the Expected Allottee have entered into the MOU, which indicates that (i) INCJ will provide JDI with support in the total amount of JPY 152 billion, under the New Loan in the amount of JPY 77 billion and through the subscription of the Preferred Shares in the amount of JPY 75 billion, and (ii) the following right to request JDI to acquire the Preferred Shares in exchange for money will be attached to the Preferred Shares.

The right to request the Company to acquire the Preferred Shares in exchange for money	The shareholders holding the Preferred Shares (the "Preferred Shareholders" can request that the Company acquire the Preferred Shares in exchange for money in the same amount of the amount paid for the Preferred Shares after the third anniversary of the issuance of the Preferred Shares.
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As stated in "1. Planned internal resolutions by the expected investors of the Expected Allottee" above, JDI held discussions with the relevant parties in order for each of the expected investors of the Expected Allottee to make the above-mentioned internal resolutions as soon as possible. Consequently, in order to further reinforce JDI's financial base, JDI and INCJ have executed the Agreement, and agreed to (i) change the total amount of the New Loan from JPY 77 billion to JPY 50 billion, and the total amount of the Preferred Shares from JPY 75 billion to JPY 102 billion, and (ii) INCJ will not exercise the above right attached to the Preferred Shares to request JDI to acquire the Preferred Shares in exchange for money.

JDI and INCJ are currently discussing the final terms and conditions of the refinance, and they will be promptly announced once JDI and INCJ have reached a final agreement.

3. Bridge loan provided by INCJ

JDI announced in the Disclosure as of April 18, 2019 that JDI has executed a loan agreement for a bridge loan, the repayment due date of which is December 31, 2019. Under the Agreement, JDI and INCJ agreed that the repayment due date of the borrowing under such loan agreement will be December 31, 2020.

Despite the change of the repayment due date, as stated in "1. Planned internal resolutions by the expected investors of the Expected Allottee" above and "Notice Concerning Transfer of Shares of Equity Method Affiliate" disclosed by JDI today, JDI will repay the total amount of the borrowing under such loan agreement at the same time as the payment of the Third-party Allotment.

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The information contained in the press release is as of the date of the announcement and is subject to change without prior notice. Of the information contained in this press release, our forecasts, plans and other forward-looking statements are based on our analysis and judgments subject to the information available to us as of the date of announcement, and actual results may differ materially from those expressed or implied by such forward-looking statements.