

November 27, 2019

[English Translation]

Regarding a Notification Received from a Former JDI Employee

As announced in the disclosure made on November 21, 2019, Japan Display Inc. ("JDI") became aware last year that a former employee of JDI's administrative division (the "Former Employee") committed fraud, and it had already disciplined and dismissed the Former Employee and filed a criminal lawsuit. Yesterday, JDI received notification from the Former Employee stating that the Former Employee had conducted improper accounting of JDI's past financial results. Such notification has no relationship with our lawsuit that asserts that the Former Employee executed fraudulent remittances of money to companies that had no actual transactions with JDI and illegally acquired revenue stamps. The Former Employee claims in his notification that the reason for the improper accounting treatment was that the Former Employee was acting under the instruction from the senior management during his tenure at JDI.

JDI conducted a careful examination of its financial statements after the disciplinary dismissal of the Former Employee on December 28, 2018, and believes that we have appropriately performed accounting. However, in light of the current situation, we have decided to announce that we received the said notification. In consultation with JDI's auditing firm, JDI is now undertaking a thorough investigation of this matter and plans to use outside experts. The results of the investigation will be announced as soon as the investigation has been completed.

Also, JDI is currently in discussions with outside parties regarding the strengthening of its capital position. In regard to this, JDI has explained to INCJ, Ltd., the customer who has been expressing support for JDI, and financial investors who are in discussions with JDI about making an investment in JDI, that appropriate accounting is conducted currently at our company and that an investigation of the settlement of accounts for previous fiscal years will be undertaken. Based on such explanation, JDI has confirmed that these outside parties will continue discussions with us regarding providing their support and investment in JDI.

We sincerely apologize for this incident and any anxiety caused to our shareholders, business partners and other stakeholders. JDI is committed to reinforcing compliance while working hard to restore the confidence of all our stakeholders.

###