

April 28, 2020

[English Translation]

**Notice Regarding Postponement of the Announcement of Financial Results for FY 2019 and the 18th AGM, Change to the Record Date for the AGMs, and Impact of the Novel Coronavirus pandemic**

Japan Display Inc. (“JDI”) today announced that at a meeting of the board of directors held today it was decided to postpone announcement of its fiscal year 2019 (ended March 2020) consolidated financial results, originally scheduled for May 15, 2020. The board also decided to postpone the annual general meeting of shareholders, originally scheduled for June, and to establish a record date for the annual general meeting of shareholders following the postponement.

In addition, information is presented below concerning about the impact of the novel coronavirus pandemic on JDI’s business and financial conditions.

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**I. Reason for postponing financial results announcement**

Due to the effect of the lockdown caused by the novel coronavirus pandemic that has been implemented in the Philippines, closing accounting, audit and other procedures at JDI's back-end manufacturing subsidiary in the Philippines has been delayed. Furthermore, internal measures undertaken by JDI to prevent the spread of the novel coronavirus infection is slowing the closing of accounts, which is expected to delay the final settlement of annual accounts. As a result, the financial results announcement that had been planned for May 15, 2020 has been postponed until the end of June.

JDI will release a public notice regarding the fiscal year 2019 financial results announcement.

**II. Record date for the annual general meeting of shareholders**

Due to the delay in the above-mentioned accounting closing, the 18th annual general meeting of shareholders, which was scheduled to be held in June, has been postponed and will be held by the end of August 2020 and therefore the board of directors has resolved to set the record date for voting rights at the annual general meeting on June 30 (Tuesday). Shareholders listed in the shareholder registry as of June 30 will be eligible to exercise voting rights at the annual general meeting.

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| (1) Record date:             | June 30, 2020 (Tuesday)  |
| (2) Date of public notice:   | June 13, 2020 (Saturday)   |
| (3) Method of public notice: | Electronic, the relevant information will be posted on JDI's website<br>( <a href="https://www.j-display.com/">https://www.j-display.com/</a> ). |

JDI will promptly announce detailed information such as the specific time and place of, and proposals to be submitted at, the annual general meeting of shareholders, once it has been decided. JDI kindly asks all our shareholders and investors for their understanding.

### **III. Impact of the spread of the novel coronavirus**

JDI has been taking measures to prevent the spread of novel coronavirus infection in accordance with the guidance and policies of the country or local government where our business operations are located, and will continue to conduct business while giving the utmost consideration to the safety and health of employees and business partners.

At all of JDI operation sites, the company is attempting to minimize the risk of infection by checking body temperature, assuring the use of face masks and social distancing. As a general matter, JDI employees in Japan and overseas non-manufacturing departments are currently working from home (teleworking).

#### **(Impact on business)**

Except for the Hakusan Plant, which has been suspending operations since July 2019, the utilization rate at JDI's four domestic front-end manufacturing plants (Mobara Plant, Ishikawa Plant, Tottori Plant, Higashiura Plant) has been maintained at around 90% on average from the fourth quarter of fiscal year 2019 (ended March 2020) to the present, although the rate is slightly below production plan. On the other hand, at overseas back-end manufacturing locations\_\_in China and Taiwan, including manufacturing subsidiaries and electronic manufacturing service (EMS) firms, production stoppage measures that occurred during the Lunar New Year holidays and a decrease in the utilization rate due to the pandemic-related restrictions on the movement of people are being resolved. However, the shortage of some materials still limits the production of certain products. Also, at a JDI back-end manufacturing subsidiary located in the Philippines, a temporary production stoppage was made necessary by severe restrictions on the movement of people as part of a pandemic lockdown imposed since the middle of March, but production resumed at the end of March albeit at a low rate of utilization. While the manufacturing environment gradually returns to normal, the business environment is likely to worsen due to a decrease in future personal consumption and other difficulties. In order to minimize any negative effects, JDI will work to maximize demand through a flexible manufacturing response.

#### **(Impact on funding)**

As already announced, JDI has procured funding of 50.4 billion yen by issuing Japan Display class B preferred shares through third-party allotment to Ichigo Trust on March 26, 2020. In addition, it has completed refinancing with INCJ, Inc. However, as stated in the "Notice Concerning Conclusion of Basic Agreement Regarding

Additional Fund Procurement from Ichigo Trust” dated March 13, 2020, there is a possibility that additional working capital of approximately 5 billion yen will be required in the future due to the deterioration of the business environment as a result of the spread of the novel coronavirus infection. Therefore, discussions on additional financing will continue based on the additional funding basic agreement signed with Ichigo Trust on March 13. Once JDI concludes a final contract with Ichigo Trust, it plans to complete financing arrangements after receiving approval at the above-mentioned annual general meeting of shareholders.

The finalization of the contract with Ichigo Trust was originally scheduled for mid-May this year. However, due to the postponement of the general meeting of shareholders, JDI is now planning to delay the date for finalizing the contract and will promptly disclose any related matters that need to be disclosed.

#### **IV. Forecast of Consolidated Financial Results**

As stated in the “Consolidated Financial Results for the Nine Months of Fiscal Year 2019 (Japanese GAAP)” announced on April 13, 2020, JDI estimates net sales of approximately 500 billion yen for fiscal year 2019, around 20% lower on a year-on-year (YoY) basis. In the fourth-quarter, JDI expects sales to fall by about 25% from the previous quarter, due to seasonal factors, a reduced production volume resulting from the above-mentioned effects of the spread of the novel coronavirus and other factors.

In regard to profits, JDI’s aim was to put income into the black from the third quarter onward through not only reducing fixed costs under the structural reforms implemented in fiscal year 2019, but also through company-wide cost reduction measures that included the reduction of director remuneration and employee bonuses. However, despite achieving a profit in the third quarter, the effects of the spread of the novel coronavirus infection made it difficult to turn a profit in the fourth quarter.

JDI will focus on reviewing its supply chain and maintaining production systems to minimize the effects of the novel coronavirus on the production side. In addition to the transfer of equipment at the Hakusan Plant that was announced on March 31, 2020, JDI will consider further reductions in fixed costs through the transfer of land, buildings and other assets at the Hakusan Plant, make capital investments that target growth markets and continue to improve its product portfolio through commercialization of high value-added products using LTPS and Advanced-LTPS as a common technology base, as part of a continuing effort now extending into fiscal year 2020 to stabilize profitability.

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.