



[Provisional Translation Only]

This English translation of the original Japanese document is provided solely for information purposes.

Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.

January 12, 2022

Japan Display Inc. (Tokyo Stock Exchange First Section, 6740)

Representative: Scott Callon, Chairman & CEO

Inquiries: Akihito Okochi, CFO

Telephone: +81-3-6732-8100

www.j-display.com/english

Holding of Extraordinary Shareholders Meeting and Fixing of Record Date, Capital Reduction, and Surplus Appropriation

Japan Display Inc. (JDI) today decided to hold an extraordinary general meeting of shareholders (EGM) to reduce its capital and capital reserve (the "Capital Reduction") and make an appropriation of surplus capital (the "Surplus Appropriation"). JDI also set the EGM record date.

1. EGM Record Date

In order to determine the shareholders who can exercise voting rights at the EGM, JDI has set January 31, 2022 (Monday) as the record date. Shareholders of record on that date will be entitled to exercise voting rights at the EGM.

- | | |
|-----------------------------|---|
| (1) Record Date | Monday, January 31, 2022 |
| (2) Date of Public Notice | Thursday, January 13, 2022 |
| (3) Method of Public Notice | Electronic notice via JDI's website:
https://www.j-display.com |

2. Date, Place, and Matter to be Resolved at the EGM

- | | |
|---------------------------|---|
| (1) Date and Time | Saturday, March 26, 2022, 10:00 a.m. |
| (2) Place | Bellesalle Onarimon Tower 3rd Floor
1-1, Shibakoen 1-chome, Minato-ku, Tokyo |
| (3) Matter to Be Resolved | Capital Reduction and Surplus Appropriation |

3. Capital Reduction and Surplus Appropriation

(1) Purpose

Restore the financial soundness of JDI's balance sheet by eliminating accumulated losses and secure funds to invest for sustainable growth.

The Capital Reduction and Surplus Appropriation are just accounting transfers among sub-categories of JDI's Net Assets and thus will have no effect on JDI's total Net Assets. Because there is no change in total shares outstanding, the number of shares held by shareholders and net assets per share will also remain unchanged.

(2) Capital Reduction

Pursuant to Article 447 (1) of the Companies Act, JPY 215,122,903,850 of JPY 215,222,903,850 of capital as of January 12, 2022 will be reduced, and the entire amount of the reduction will be transferred to other capital surplus. The capital reduction is an accounting measure with no monetary component and the total number of outstanding shares will be unchanged.

(i) Decrease in capital	JPY 215,122,903,850
(ii) Increase in other capital surplus	JPY 215,122,903,850
(iii) Capital after decrease	JPY 100,000,000

(Note) If stock acquisition rights issued by JDI are exercised by March 31, 2022, the amount equal to the amount of capital to be increased by the new share issuance upon exercise of the stock acquisition rights will be reduced, and such reduced amount will be transferred to other capital surplus.

(3) Capital Reserve Reduction

Pursuant to Article 448 (1) of the Companies Act, the entire amount of JPY 24,660,000,000 of capital reserve as of January 12, 2022 will be reduced and transferred to other capital surplus.

(i) Decrease in capital reserve	JPY 24,660,000,000
(ii) Increase in other capital surplus	JPY 24,660,000,000
(iii) Capital reserve after decrease	JPY 0

(Note) If stock acquisition rights issued by JDI are exercised by March 31, 2022, the amount equal to the amount of capital reserve to be increased by the new share issuance upon exercise of the stock acquisition rights will be reduced, and such reduced amount will be transferred to other capital surplus.

(4) Surplus Appropriation

Pursuant to Article 452 of the Companies Act, other capital surplus of JPY 288,193,339,853 will be transferred to retained earnings carried forward to eliminate accumulated losses, subject to the reduction of the capital in (2) above and the reduction of the capital reserve in (3) above.

(i) Decrease in other capital surplus	JPY 288,193,339,853
(ii) Increase in retained earnings carried forward	JPY 288,193,339,853
(iii) Other capital surplus after decrease	JPY 24,899,921,708
(iv) Retained earnings carried forward after increase	JPY 0

(Note) If stock acquisition rights issued by JDI are exercised by March 31, 2022, the amount of other capital surplus after decrease will change in accordance with the decreases in capital in (2) above and capital reserve (3) above.

(5) Shareholders Equity Before and After the Capital Reduction and Surplus Appropriation

(Yen)

	Before	Increase	Decrease	After
Capital	215,222,903,850	-	215,122,903,850	100,000,000
Capital Reserve	24,660,000,000	-	24,660,000,000	0
Other Capital Surplus	73,310,357,711	239,782,903,850	288,193,339,853	24,899,921,708
Retained Earnings Carried Forward	-288,193,339,853	288,193,339,853	-	0

(Note) If stock acquisition rights issued by JDI are exercised by March 31, 2022, the amount of decrease in capital and capital reserve, increase in other capital surplus, and the balance of other capital surplus after increase/decrease will change in accordance with the decreases in capital in (2) above and capital reserve (3) above.

(6) Schedule

(i) Board of Directors Resolution	January 12, 2022	
(ii) Start of Creditor Objection Period	February 1, 2022	(expected)
(iii) End of Creditor Objection Period	March 1, 2022	(expected)
(iv) EGM	March 26, 2022	(expected)
(v) Effective Date	March 31, 2022	(expected)

(7) Outlook

The Capital Reduction and Surplus Appropriation are just accounting transfers among sub-categories of JDI's Net Assets and thus will have no effect on JDI's total Net Assets. JDI is reviewing their impact on its FY22/3 earnings forecast.

JDI believes that restoring the financial soundness of JDI's balance sheet by eliminating accumulated losses and securing funds to invest for sustainable growth will contribute to growing long-term value for JDI shareholders.

The Capital Reduction and Surplus Appropriation are subject to approval at the EGM.