



Japan
Display
Inc.
Group

Implementation Actions for the Medium-Term Business Plan

December 21, 2016

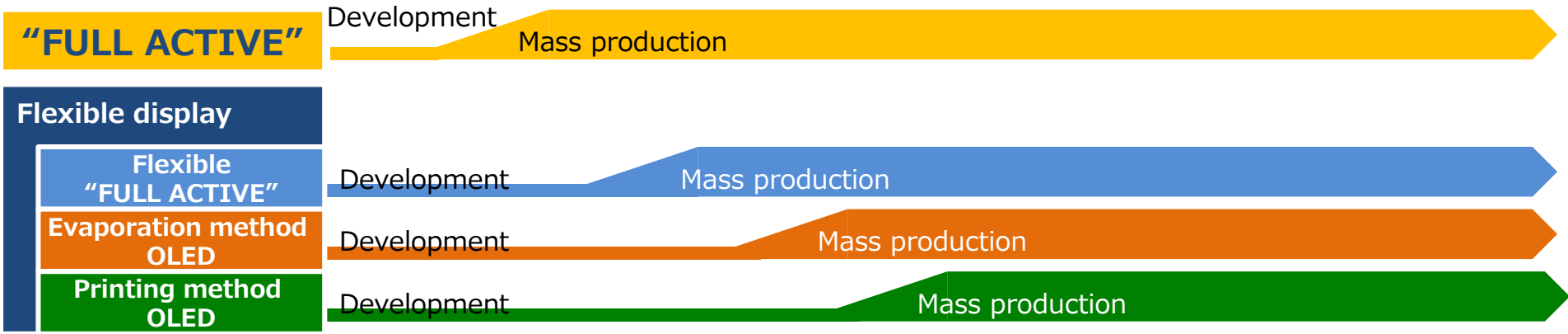
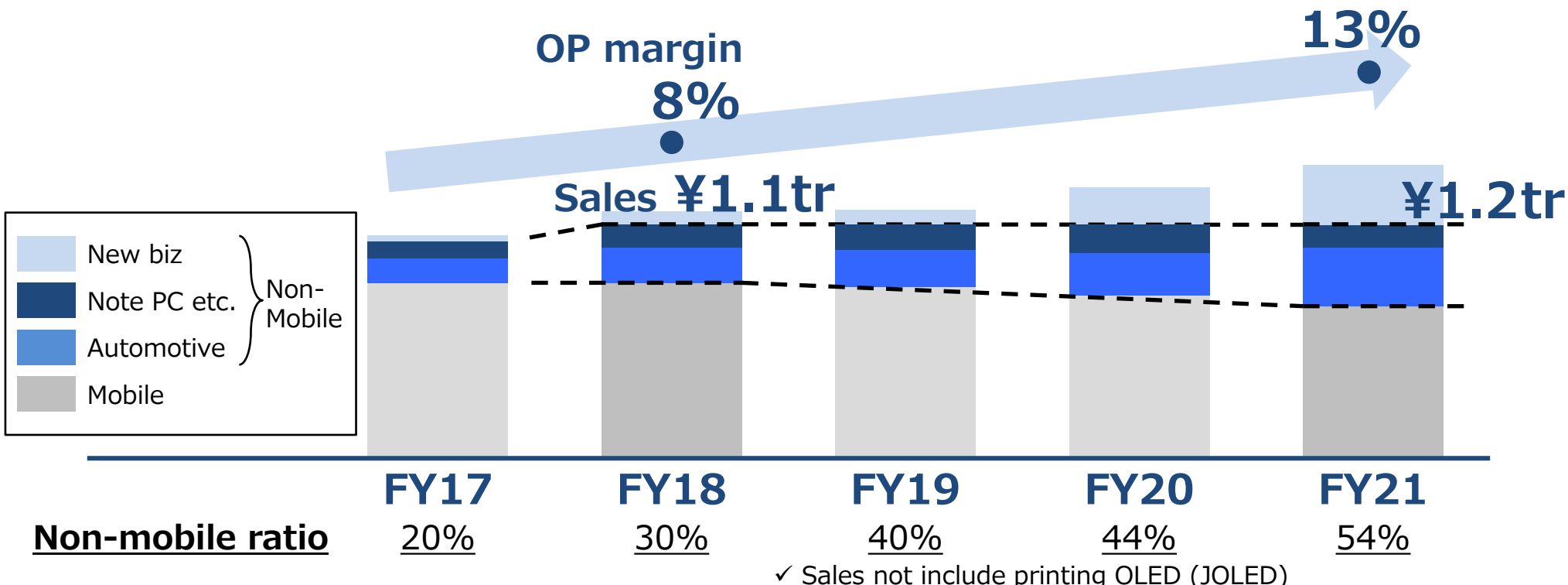
Japan Display, Inc.

Medium-Term Business Plan Framework

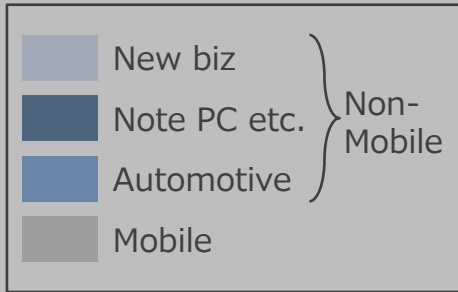
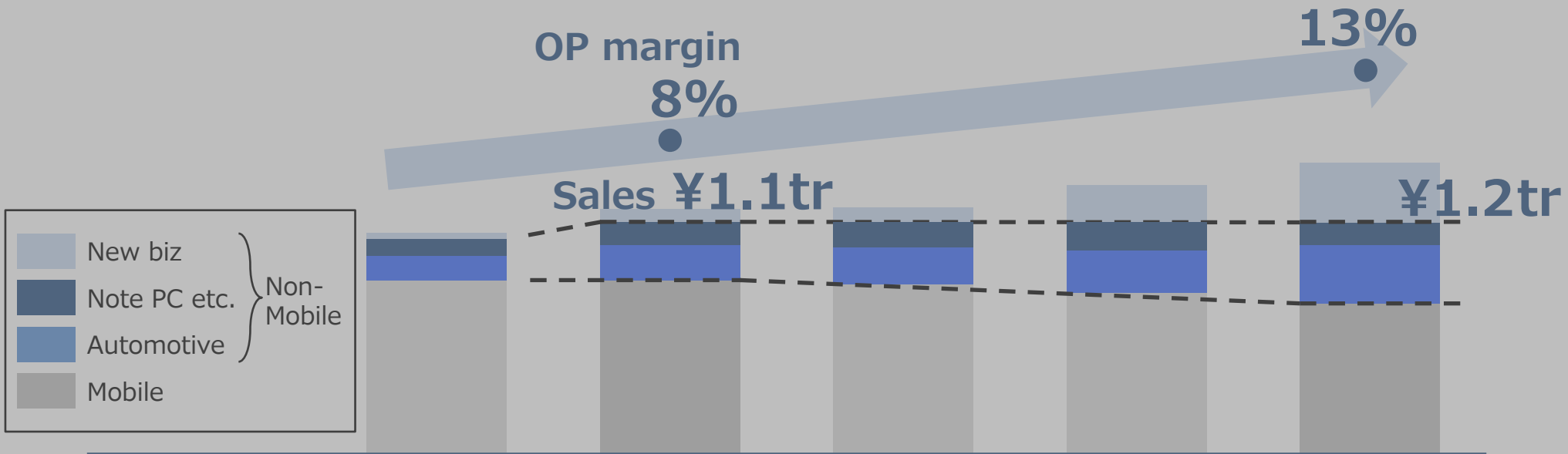
- **Build stable profit base = Structural reforms**
 1. Expand non-mobile biz ratio to 50%+ in FY21
 2. Thorough cash flow management
 3. New biz model that includes global strategic tie-ups

- **Maintain & enhance competitiveness = Accelerate technology innovation**
 1. Evolve next-gen flexible display technology
 2. Expand technology portfolio
(Evaporation and printing-method OLED technology development)

Medium-term Business Goal

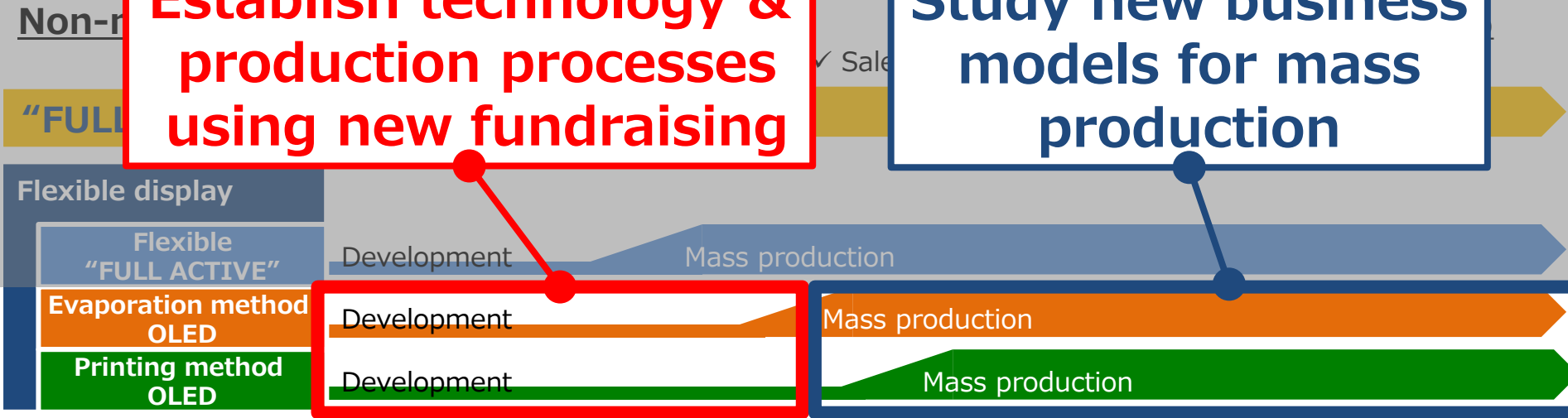


Medium-term Business Goal



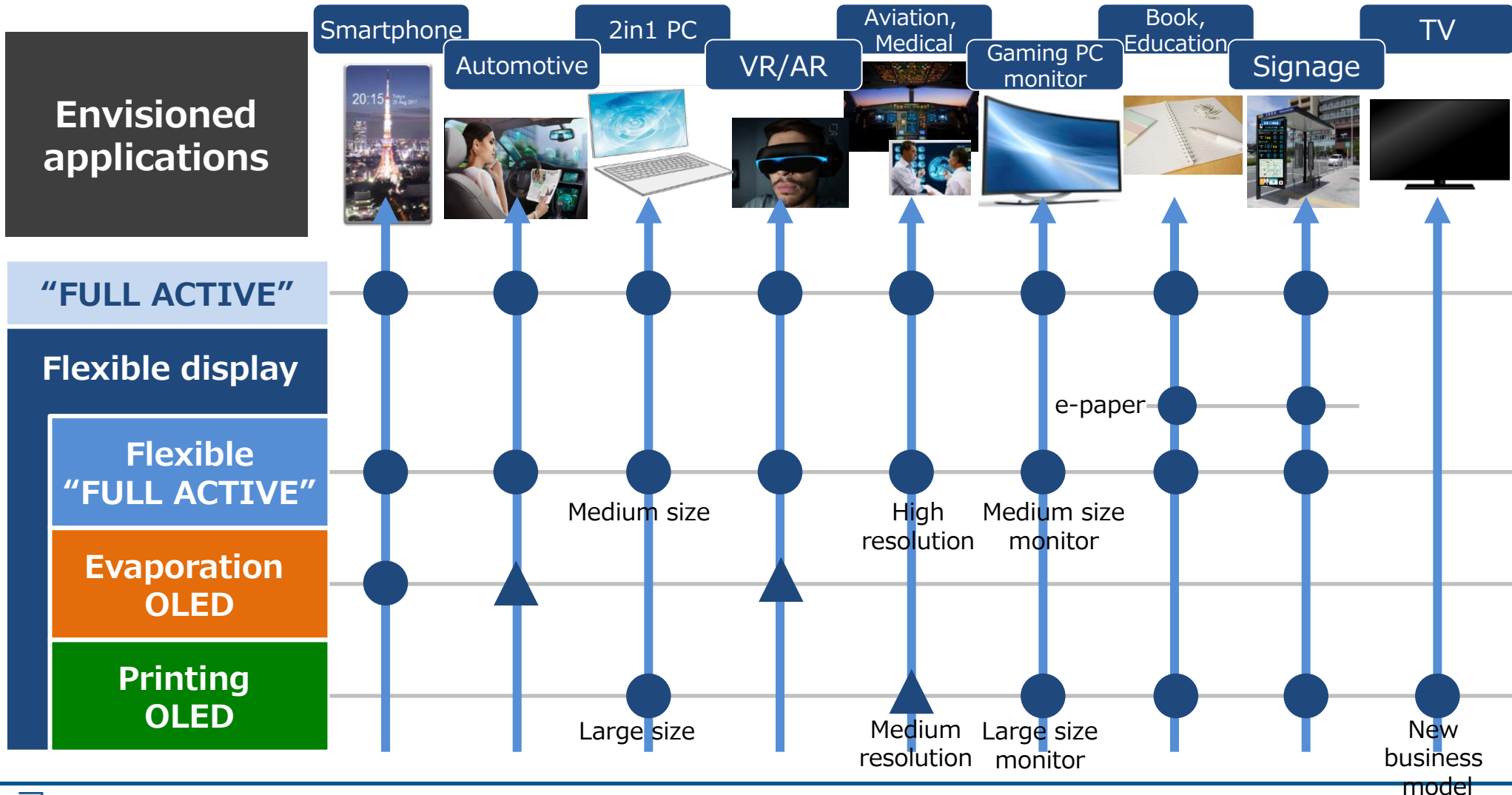
Establish technology & production processes using new fundraising

Study new business models for mass production



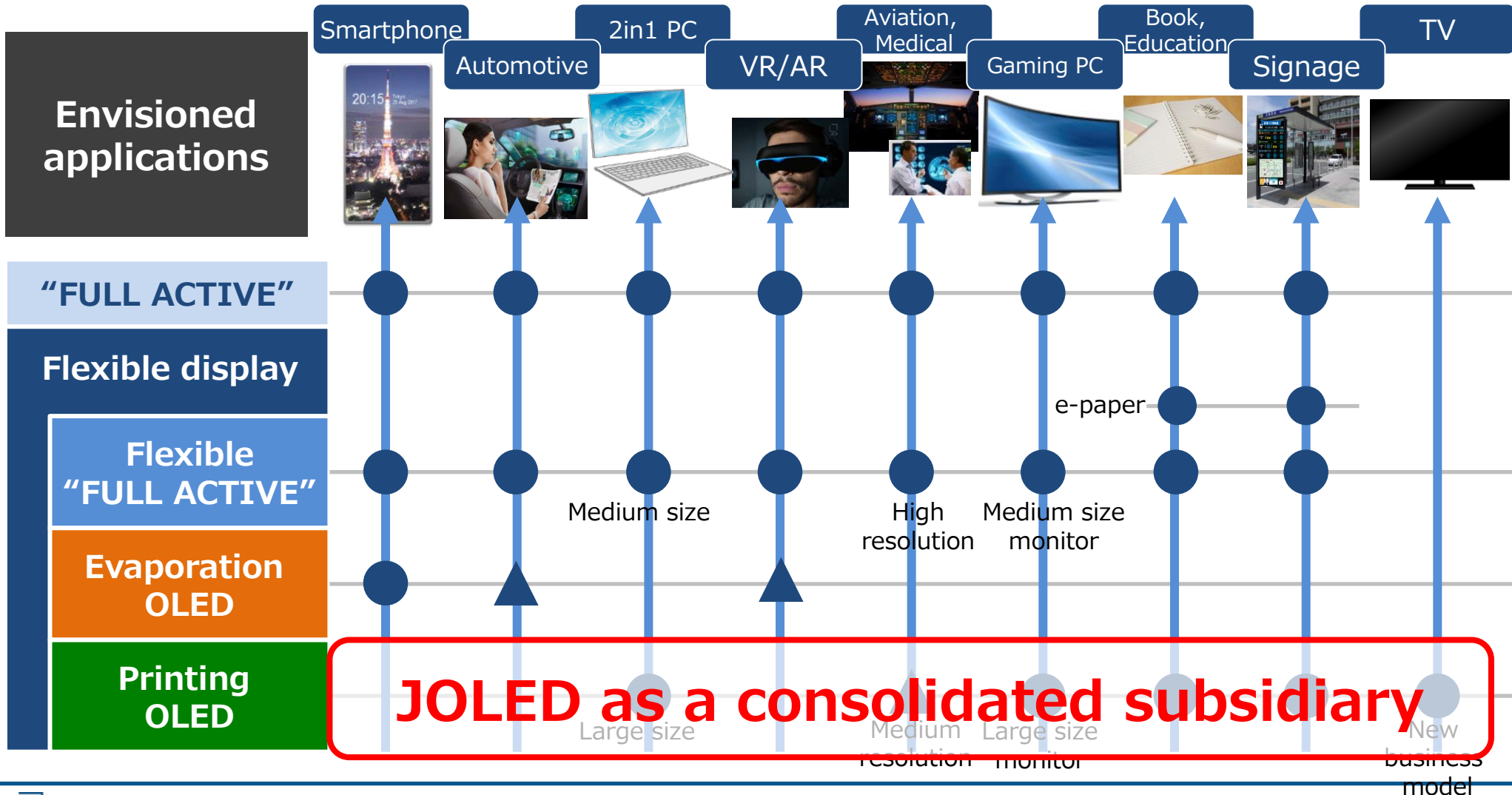
Expansion of Technology Portfolio

- Enhance display platform & accelerate biz field expansion



Expansion of technology portfolio


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Plans for Making JOLED a Subsidiary

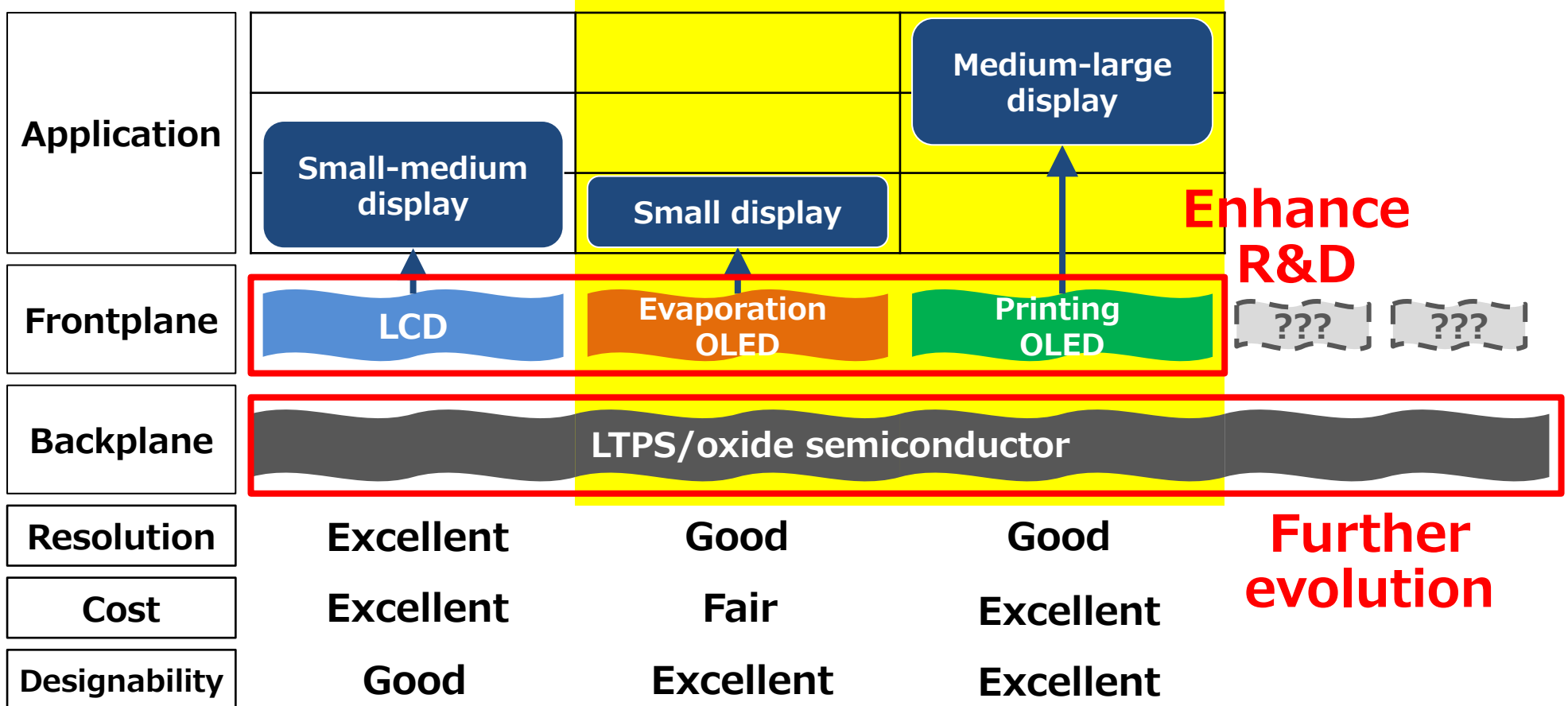
- **Acquire 51% of JOLED voting rights; basic agreement today on conversion to consolidated subsidiary**
- **Plan to reach final agreement by end-FY16 following due diligence**
- **Plan to begin JOLED operations as consolidated subsidiary in 1H-FY17**

JOLED Company Profile

Company Name	JOLED Inc.	
Commencement	January 5, 2015	
Representative	Nobuhiro Higashiiriki	
Business	Research, development, production and sale of organic electroluminescent display panels and parts, materials and production equipment and related products thereof	
Capital	18.85 billion yen (as of November 1, 2016)	
Employees	Approx. 260 (incl. 230 OLED engineers)	
JOLED's Target	Spark innovation in the medium-sized display market with printing OLED	
Development Center	Kyoto Technology Develop Ctr (at ex-Panasonic Develop Ctr) Atsugi Technology Develop Ctr (at ex-Sony Develop Ctr) Ishikawa Technology Develop Ctr & G4.5 pilot line (at JDI Ishikawa Plant)	
Milestone	Jan 2015: Established JOLED July 2016: Started pilot production on G4.5 pilot line Develop & validate mass mfg. technology by June 2017	

Synergy of JDI and JOLED Becoming One Group

- (1) Expand business field to include printing-OLED medium-large displays
- (2) Enhance frontplane technology portfolio & R&D
- (3) Combine R&D resources for common backplane technology (LTPS/oxide semi.)
- (4) Share procurement, sales, administration resources etc. for commercialization



RGB Printing OLED

Large size (TV)

2014



55" 4K
(85ppi)

Middle-size high-resolution printing

2016



19.3" 4K
(230ppi)

High-resolution printing

2015



12.2" FHD
(180ppi)

Flexible



12.2" FHD
(Flexible)



Pictures provided by JOLED

Summary of Funds and Use of Funds

	Summary of Funds	Use of Funds
<p align="center">Unsecured Subordinated Convertible Bonds with Stock Acquisition Rights (Third-Party Allotment)</p>	<ul style="list-style-type: none"> • Face value of bonds --- 45 billion yen • Allotted to ----- Innovation Network Corporation of Japan (“INCJ”) • Coupon ----- 0% • Issue date ----- January 11, 2017 • Maturity date ----- January 11, 2024 • Conversion price ----- 430 yen (Equivalent to 145% of market price at time of issuance resolution^(*)) • Exercise period ----- From January 11, 2019 to December 27, 2023 (Conversion not possible for 2 years after issuance) • INCJ’s % of voting rights after exercising stock acquisition rights 45.13% (at time of issuance resolution: 35.58%) <p>(*) Average of the Tokyo Stock Exchange closing price for 1 month (Nov. 21 - Dec. 20, 2016)</p>	<p>- R&D expenses on printing OLED</p>
<p align="center">Subordinated Loan</p>	<ul style="list-style-type: none"> • Aggregate loan amount ----- 30 billion yen • Loan lender ----- INCJ • Interest rate ----- 4.23% • Scheduled disbursement date ----- December 22, 2016 • Repayment date ----- December 22, 2023 	<p>- R&D expenses on evaporation OLED</p>



Forward Looking Statement:

Any information related to market trends or industries mentioned in this document is based on information available at present and JDI does not guarantee that this information is accurate or complete.

Any plan, estimation, calculation, quotation, evaluation, prediction, expectation or other forward-looking information in this document is based on the current assumptions and beliefs of JDI in light of the information currently available to it, and involves known and unknown risks, uncertainties, and other factors. Such risks, uncertainties and other factors may cause JDI's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include, without limitation: economic conditions and individual consumption trends in Japan and overseas, currency exchange rate movements, trends in the market for smartphones and other electronic equipment, the management policies of our major business partners and fluctuations in the price of raw materials.