Second Quarter of FY 2017

Consolidated Financial Results

Japan Display Inc.

November 8, 2017

2Q-FY17 Results & 2017 Guidance

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2Q-FY17 Topics

- Lower marginal profit YoY due to lower sales & higher fixed costs due to Hakusan fab operations resulted in ¥12.4bn operating loss.
- Started OLED pilot line at Mobara Plant.
- Started executing restructuring announced Aug 9. Booked a ¥13.8bn portion of biz restructuring costs.

(Billion Yen)

	Net sales	Operating income	Ordinary income	Net income	Dep. & Amort.	R&D expense	FX rate (¥/US$)
2Q-FY17	185.3	(12.4)	(19.6)	(36.6)	22.8	5.3	111.0
1Q-FY17	188.6	(14.4)	(20.6)	(31.5)	24.8	5.6	111.1
2Q-FY16	196.6	1.2	(6.3)	(4.9)	21.5	3.6	102.4

2Q-FY2017 Operating Results

(Billion yen)

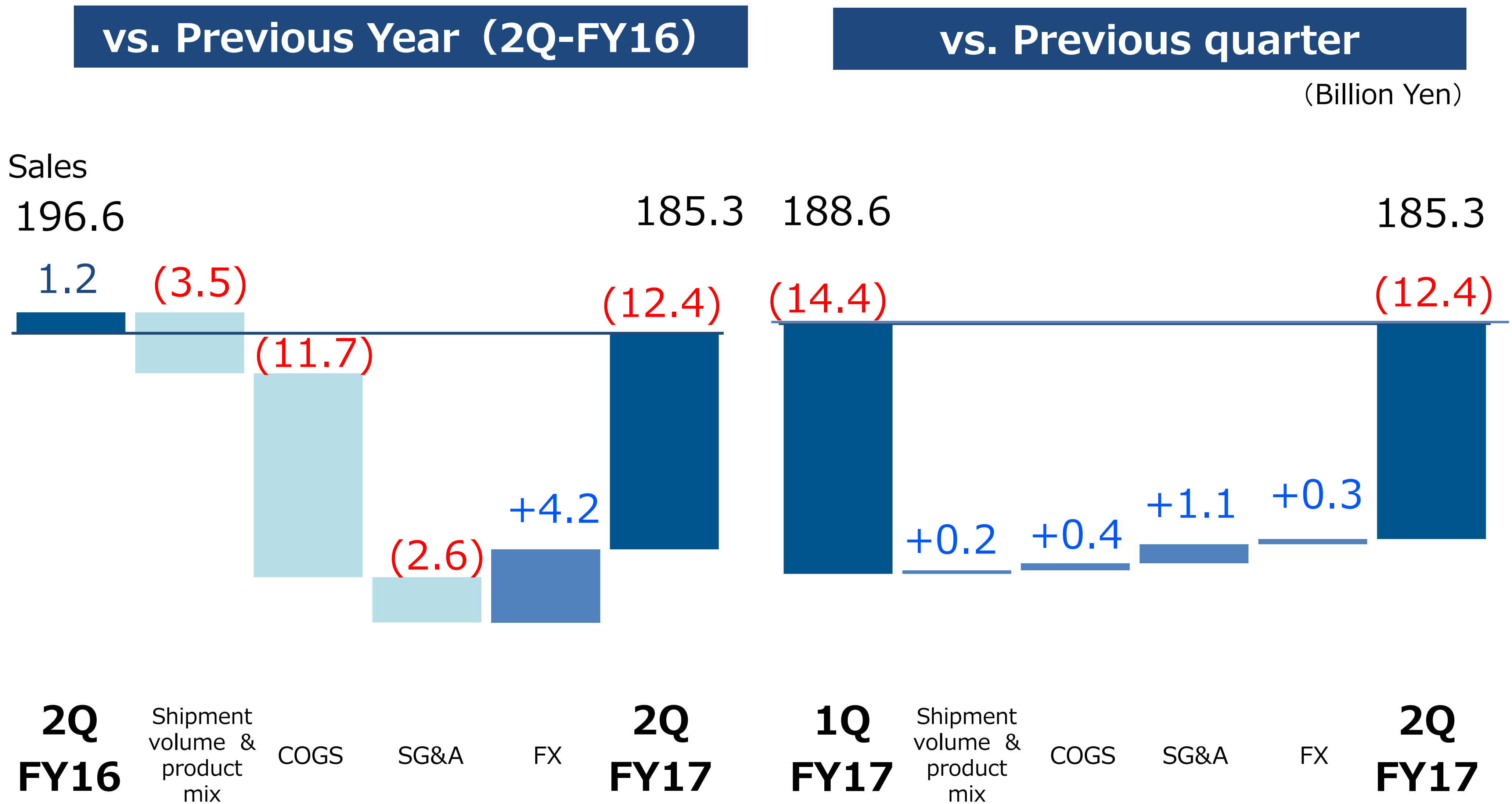
	Q2-FY17	Q2-FY16	YoY Chg.		Q1-FY17	QoQ Chg.	
Net sales	185.3	196.6	(11.3)	−5.8%	188.6	(3.3)	−1.8%
Cost of sales	183.2	183.5	(0.3)		187.5	(4.3)	
Gross profit	2.1	13.1	(11.0)	−84.3%	1.0	+1.1	+97.5%
	1.1%	6.7%			0.6%		
SG&A	14.4	11.9	+2.5	+21.6%	15.5	(1.1)	−6.9%
Operating income	(12.4)	1.2	(13.6)	-	(14.4)	+2.0	-
	-6.7%	0.6%			-7.7%		
Net non-operating loss	(7.2)	(7.6)	+0.4	-	(6.2)	(1.0)	-
Ordinary income (loss)	(19.6)	(6.3)	(13.3)	-	(20.6)	+1.0	-
	-10.6%	-3.2%			-10.9%		
Net extraordinary income (loss)	(15.3)	0.0	(15.3)	-	(2.7)	(12.6)	-
Income (loss) before tax	(34.9)	(6.3)	(28.6)	-	(23.3)	(11.6)	-
	-18.8%	-3.2%			-12.3%		
Income taxes	1.2	(1.8)	+3.0	-	7.9	(6.7)	−84.5%
Income (loss) attributable to owners of the parent	(36.6)	(4.9)	(31.7)	-	(31.5)	(5.1)	-
	-19.7%	-2.5%			-16.7%		
EBITDA	8.1	20.3	(12.2)	−60.1%	8.1	(0.0)	−0.2%
	4.4%	10.3%			4.3%		
Avg. FX rate (JPY/USD)	111.0	102.4			111.1		
Q-End FX rate (JPY/USD)	112.7	101.1			112.0		

1H-FY2017 Consolidated Operating Results

(Billion yen)

	1H-FY17	1H-FY16	YoY Chg.	
Net sales	373.9	371.0	+2.9	+0.8%
Cost of sales	370.8	349.5	+21.3	
Gross profit	3.1	21.5	(18.4)	−85.6%
	0.8%	5.8%		
SG&A	29.9	23.7	+6.2	
Operating income	(26.8)	(2.2)	(24.6)	-
	-7.2%	-0.6%		
Net non-operating loss	(13.4)	(18.4)	+5.0	
Ordinary income (loss)	(40.2)	(20.6)	(19.6)	-
	-10.7%	-5.5%		
Net extraordinary loss	(17.9)	(1.6)	(16.3)	
Income (loss) before tax	(58.1)	(22.2)	(35.9)	-
	-15.5%	-6.0%		
Income taxes	9.1	(6.0)	+15.1	-
Income (loss) attributable to owners of parent	(68.0)	(16.7)	(51.3)	-
	-18.2%	-4.5%		
EBITDA	16.2	35.3	(19.1)	−54.0%
	4.3%	9.5%		
Avg. FX rate (JPY/USD)	111.0	105.2		

Operating Profit Change Factors



Balance Sheet

(Billion yen)

	9/2017	3/2017	9/2016
Cash and deposits	66.8	82.2	72.7
Accounts receivable	99.8	128.6	81.3
Other receivables	84.6	92.0	103.0
Inventories	105.9	100.9	109.2
Others	6.2	14.4	26.6
Total current assets	363.4	418.2	392.9
Non-current assets	477.7	497.5	516.8
Total assets	841.1	915.6	909.7
Accounts payable	192.7	201.0	226.7
Interest-bearing debt	153.7	135.2	55.3
Advance receipts	143.8	179.4	190.9
Other liabilities	88.6	72.9	93.2
Total liabilities	578.8	588.5	566.1
Total net assets	262.2	327.1	343.6
Shareholders' equity ratio	30.8%	35.5%	37.5%
Net debt	86.8	53.0	(17.4)
Merchandise and finished goods	22	13	16
Work in process	23	21	27
Raw materials and supplies	7	7	11
Days in inventory*	52	41	54

*Days in inventory ＝ Inventory ／ Cost of goods sold × 90days

JDI Japan Display Inc. Group

Cash Flows

(billion yen)

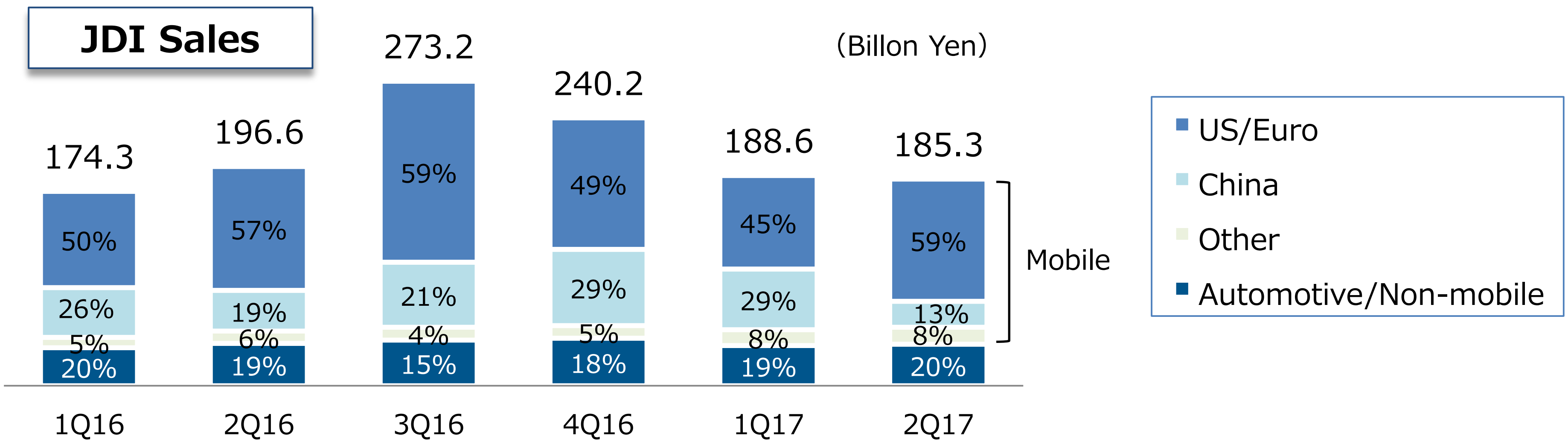
	Q1-FY17	Q2-FY17	1H-FY17
Income before income taxes	(23.3)	(34.9)	(58.1)
Depreciation and amortization	24.8	22.8	47.6
Working capital (1)	7.4	17.7	25.0
Other	5.1	11.2	16.3
Cash flow from operating activities	14.0	16.8	30.8
Acquisitions of property and equipment	(16.2)	(10.8)	(27.0)
Other	(1.5)	(1.6)	(3.0)
Cash flow from investing activities	(17.7)	(12.4)	(30.0)
Advance receipts	(17.9)	(17.7)	(35.6)
Other	0.0	18.4	18.5
Cash flow from financing activities	(17.8)	7	(17.1)
Ending balance, cash and equivalents	60.9	66.8	66.8
Free cash flow (2)	(3.7)	4.4	0.7

Note: Advance receipts are regarded as a long-term liability and are included in cash flow from financing activities.

(1) Working capital = Accounts receivable + Inventories + Accounts payable + Other receivables
(2) Free cash flow = Cash flow from operating activities + Cash flow from investing activities

Business Conditions

- Drop in sales to China smartphone makers due to reasons below; difficult 2H outlook
  - Wait for clear view of market's direction slowed high-end panel demand
  - Competitors waging price offensive
  - Major customers adopting OLED
- China smartphone makers launched models with FULL ACTIVE™; growing customer demand for FY18 models
- Started automotive LTPS LCD mass mfg/shipments; automotive seeing record YoY q'tly sales increases (2014 ～)
- Wearables (reflective LCD) are strong, DSC solid; started mass mfg/shipments for high-end notebook PCs



FY 2017 Guidance

- Full-term sales likely to fall 15-25% YoY
- Reduced capex by ¥5bn versus previous estimates by making more careful investment choices
- No change in expected ¥170bn extraordinary loss on restructuring (¥16.5bn in 1H)

(¥bn)	FY16 Actual	FY17 estimates (Aug 9 announcement)	FY17 estimates (current)
Sales	884.4	Down 15-25% YoY	Down 15-25% YoY
Dep & amort	90.2	89.0	89.0
R&D costs	14.7	25.0	25.0
Capex	133.4	70.0	65.0

Efforts to Achieve Medium-term Management Plan

- Completing restructuring
- Speeding up management reforms
  - ✓ Oct 1: Transition to in-house company system
  - ✓ CFTs (cross-functional teams) actively addressing management issues
- Further expansion of FULL ACTIVE™ sales
- Moving forward with marketing campaign to grow automotive / non-mobile business
- Accelerating establishment of OLED mass mfg technology
- Continuing to cooperate & explore regarding building partnerships with global firms

Restructuring Progress

Actions to complete restructuring progressing according to plan

Restructuring Action	Progress	Restructuring Costs
Partial shutdown of Japan front-end line	Dec. 17: Planned shutdown of Nomi Plant production; studying possible use of facilities & some mfg equip by JOLED	Estimated total restructuring costs: ¥170bn Already booked amounts: 1Q: ¥2.7bn 2Q: ¥13.8bn
Consolidation of overseas back-end subsidiaries	Holding constructive talks with relevant parties	
Write down of business & idle assets	Assessing impairment loss asset targets (1Q ¥2.7bn write-down of some idle assets)	
OLED pilot line consolidation	Completed consolidation of development resources at Mobara	
Inventory assets valuation	Recorded valuation losses of ¥11.6bn on retained inventory in 2Q	
Personnel reductions, remuneration/salary cuts	Nov: Start applications for early retirement Executive compensation & manager pay lowered until March 2018	

Forward Looking Statement:

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